



4FRONT VENTURES CORP.

Notice of Meeting and Management Information Circular

**in respect of the Annual and Special Meeting of
Shareholders**

to be held on December 21, 2020

November 19, 2020

4FRONT VENTURES CORP.
NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON DECEMBER 21, 2020

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of subordinate voting shares, subordinate proportionate voting shares and multiple voting shares (collectively, the “**Shares**”) of 4Front Ventures Corp. (the “**Company**”) will be held at the offices of the Company at 5060 N. 40th Street, Suite 120, Phoenix, Arizona 85018, on December 21, 2020 at 9:00 a.m. Pacific Time for the following purposes:

1. to receive the financial statements of the Company for the year ended December 31, 2019 together with the report of the Company’s auditor thereon;
2. to set the number of directors of the Company at seven (7);
3. to elect the directors of the Company for the ensuing year;
4. to appoint Davidson & Company LLP as Auditors of the Company for the ensuing year and to authorize the directors to fix their remuneration;
5. to consider, and if deemed appropriate, to approve, a resolution authorizing an amendment to the articles of the Company to permit the Company to convert at its option the subordinate proportionate voting shares (the “**Subordinate Proportionate Voting Shares**” or “**SPVS**”) of the Company to subordinate voting shares (the “**Subordinate Voting Shares**” or “**SVS**”) of the Company on the basis and on the terms and conditions set out in the proposed amendment, all as more particularly described in the accompanying management information circular dated November 19, 2020 (the “**Circular**”) (the “**SPVS Conversion Amendment**”);
6. to consider, and if deemed appropriate, to approve, a resolution authorizing an amendment to, and restatement of, the articles of the Company to eliminate the class of SPVS, subject to the SPVS Conversion Amendment being approved and subject to the Company exercising its option to convert the SPVS into SVS and there being no SPVS issued and outstanding, on the basis and on the terms and conditions set out in the proposed amendment and restatement, all as more particularly described in this Circular; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

If the SPVS Conversion Amendment is approved at the Meeting, the Company anticipates that the Subordinate Proportionate Voting Shares will convert into Subordinate Voting Shares on December 23, 2020.

The record date for the determination of Shareholders entitled to receive notice of and vote at the Meeting is October 23, 2020. Only Shareholders of record at the close of business on October 23, 2020 are entitled to notice of the Meeting and to vote thereat and at any adjournment or postponement thereof on in accordance with the voting rights set out in the Articles of the Company.

The Company has opted to use the notice-and-access rules developed by Canadian Securities Administrators to reduce the volume of paper in the materials distributed for the Meeting. Instead of receiving the Circular with the form of proxy or voting instruction form, Shareholders received a notice-and-access notification with instructions for accessing the remaining Meeting materials online. The Circular and other relevant materials are available via the internet at www.4frontventures.com, www.alliancetrust.ca/shareholders/ or on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com. Shareholders are encouraged to read the Circular and all other Meeting materials in their entirety.

If you are a non-registered shareholder of the Company, please complete and return the voting instruction form (or other accompanying form) in accordance with the instructions thereon for completion and deposit.

Shareholders should refer to the Circular available on SEDAR at www.sedar.com for more detailed information with respect to the matters to be considered at the Meeting.

Shareholders may vote by attending the Meeting in person, or they may appoint another person (who need not be a Shareholder) as their proxy to attend and vote in their place. **However, due to the ongoing concerns related to the spread of the Coronavirus (COVID-19) and in order to protect the health and safety of shareholders, employees, other stakeholders and the community, the Board of Directors and management of the Company request all shareholders**

vote by proxy and not attend the Meeting in person. The conference number is provided below and it enables shareholders to participate in a voice only conference call.

- Dial-in Toll free: (833) 900-1547
- Conference ID: 5565685

The Company reserves the right to take any additional precautionary measures it deems appropriate in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak. Changes to the Meeting date and/or means of holding the Meeting may be announced by way of press release. Shareholders are encouraged to monitor the Company's website at www.4frontventures.com or the Company's SEDAR profile at www.sedar.com, where copies of such press releases, if any, will be posted. The Company does not intend to prepare an amended Circular in the event of changes to the Meeting format.

All Shareholders are strongly encouraged to vote prior to the Meeting, as voting via the conference call number above will not be possible.

A Shareholder not attending the Meeting may be represented by proxy.

If you are a registered Shareholder, you are requested to either: (i) date and sign the form of proxy and return it to the Company's registrar and transfer agent, Alliance Trust Company, 1010, 407 – 2nd Street S.W., Calgary, Alberta, T2P 2Y3; or (ii) complete the form of proxy online at www.alliancetrust.ca/shareholders/, at any time prior to the close of business on the second last business day preceding the day of the Meeting. In order to be valid, proxies must be received by Alliance Trust Company not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment or postponement thereof.

If you are not a registered Shareholder and receive these materials through your broker or through another intermediary, please complete and return the form of proxy or voting instruction form in accordance with the instructions and within the timeframe provided to you by your broker or by the other intermediary.

Note that if you hold multiple classes of Shares, or hold some Shares as a registered Shareholder and others as a beneficial Shareholder, you will receive multiple mailing packages, each containing a form of proxy or voting instruction form, as applicable. You are requested to return or otherwise vote all forms of proxy and voting instruction forms received to ensure the votes attached to all of the Shares you hold are counted.

The persons named in the form of proxy you receive are directors and/or officers of the Company. Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to act for such Shareholder and on such Shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

BY ORDER OF THE BOARD OF DIRECTORS

"Joshua Rosen" (Signed)

Joshua Rosen
Chairman of the Board of Directors

November 19, 2020

INFORMATION CIRCULAR

FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON DECEMBER 21, 2020

PROXY SOLICITATION MATTERS

Purpose of Solicitation

This management information circular (this “**Circular**”) is furnished in connection with the solicitation of proxies by the management of 4Front Ventures Corp. (“**4Front**” or the “**Company**”) for use at the annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of subordinate voting shares (“**Subordinate Voting Shares**” or “**SVS**”), subordinate proportionate voting shares (“**Subordinate Proportionate Voting Shares**” or “**SPVS**”) and multiple voting shares (“**Multiple Voting Shares**” or “**MVS**” and collectively with SVS and SPVS, the “**Shares**”) of 4Front.

The Meeting will be held at 5060 N. 40th Street, Suite 120, Phoenix, Arizona 85018, on December 21, 2020 at 9:00 a.m. Pacific Time or any adjournment or postponement thereof for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”). Information contained herein is given as of November 12, 2020 unless otherwise specifically stated.

Solicitation of proxies will be primarily by mail but may also be by telephone, facsimile, other electronic means or in person by directors, officers and employees of the Company who will not be additionally compensated. Brokers, nominees or other persons holding Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such shares. The costs of soliciting proxies will be borne by 4Front.

Notice and Access

In accordance with the provisions of National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”), and using Notice-and-Access (as defined below), the Company will distribute or cause its agents to distribute copies of the Notice-and-Access Notice (as defined below), form of proxy/voting instruction form and certain other information to Beneficial Shareholders (as defined below). Registered Shareholders will receive copies of the Notice-and-Access Notice, form of proxy and certain other information.

The notice-and-access provisions under NI 51-102 and National Instrument 54-101- *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**Notice-and-Access**”) are a mechanism that allows reporting issuers other than investment funds to choose to deliver proxy-related materials to registered holders and beneficial owners of securities by posting such materials on a non-SEDAR website (usually the reporting issuer’s website and sometimes the transfer agent’s website) rather than delivering such materials by mail. Notice-and-Access can be used to deliver materials for both special and general meetings. Reporting issuers may still choose to continue to deliver such materials by mail, and security owners will be entitled to request delivery of a paper copy of the information circular at the reporting issuer’s expense.

The Company has elected to use Notice-and-Access to deliver the meeting materials for the Meeting to all Shareholders. In order for the Company to utilize Notice-and-Access to deliver proxy-related materials by posting the Circular (and, certain other meeting materials) electronically on a website that is not SEDAR, the Company must send a notice (“**Notice-and-Access Notice**”) to Shareholders, indicating that the Circular (and, certain other meeting materials) have been posted and explaining how a Shareholder can access them or obtain from the Company a paper copy of such meeting materials. The Notice-and-Access Notice has been delivered to Shareholders by the Company, along with, in the case of Beneficial Shareholders, a form of proxy or voting instruction form, and, in the case of registered Shareholders, a form of proxy.

In order to use Notice-and-Access, a reporting issuer must set the record date for notice of the meeting to be on a date that is at least 40 days prior to the meeting in order to ensure there is sufficient time for the materials to be posted on the applicable website and other materials to be delivered to securityholders. The Company will not rely upon the use of “stratification”. Stratification occurs when a reporting issuer using Notice-and-Access provides a paper copy of the management information circular with the Notice-and-Access Notice to any securityholders. No Shareholder will receive a paper copy of the Circular from the Company or any intermediary unless such shareholder specifically requests same.

The Circular has been posted in full under the Company’s SEDAR profile at www.sedar.com, on the Company’s website at www.4frontventures.com and at the following internet address: <http://alliancetrust.ca/shareholders/>.

Any Shareholder who wishes to receive a paper copy of the Circular must contact the Company’s registrar and transfer agent, Alliance Trust Company, at #1010, 407 – 2nd Street SW, Calgary, Alberta, T2P 2Y3 or by phone at (403) 237-6111 or by email by emailing inquiries@alliancetrust.ca. In order to ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Circular and return a form of proxy or voting instruction form prior to the proxy deadline, it is strongly suggested that a Shareholder ensure their request is received no later than ten (10) business days in advance of the return time set out in the voting instruction form and/or form of proxy, as applicable.

Appointment and Revocation of Proxies

If you are a reinterested Shareholder, you will receive a form of proxy for use at the Meeting. The persons named in the enclosed form of proxy are directors and/or officers of the Company. Each Shareholder has the right to appoint a person or company, other than the person or company designated in the form of proxy, who need not be a Shareholder, to represent the Shareholder at the Meeting, including to attend and to act for such Shareholder and on such Shareholder’s behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder’s appointee should be legibly printed in the blank space provided.

A form of proxy will not be valid for use at the Meeting or any adjournment or postponement thereof unless it is signed by the Shareholder or by the Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. In order to vote your proxy, you are requested to either: (i) date and sign the form of proxy and return it to the Company’s registrar and transfer agent, Alliance Trust Company, 1010, 407 – 2nd Street S.W., Calgary, Alberta, T2P 2Y3; or (ii) complete the form of proxy online at www.alliancetrust.ca/shareholders/. In order for the form of proxy to be acted upon, proxies must be received by Alliance Trust Company not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time set for the holding of the Meeting or any adjournment or postponement thereof.

A Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a corporation, executed by a duly authorized officer or attorney thereof, and deposited at the registered office of the Company at any time up to and including the last day (not including Saturdays, Sundays and statutory holidays observed in British Columbia) preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used or with the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Advice to Beneficial Holders of Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name. Shareholders who do not hold their Shares in their own name (referred to in this Circular as “**Beneficial Shareholders**”) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered Shareholders can be recognized and acted upon at the Meeting. If Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Shares will not be registered in the Shareholder’s name on the records of 4Front. Such Shares will more likely be registered under the names 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). Shares held by brokers or their agents or

nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker's clients. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person well in advance of the Meeting.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable voting instruction form in lieu of the form of proxy. The Beneficial Shareholder is requested to complete and return the voting instruction form to them by mail or facsimile. Alternatively, the Beneficial Shareholder can call a toll-free telephone number or visit www.proxyvote.com to vote the Shares held by the Beneficial Shareholder. Broadridge 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 receiving a voting instruction form cannot use that voting instruction form to vote Shares directly at the Meeting as the voting instruction form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Shares voted.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for a registered Shareholder and vote the Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Shares as proxyholder for a registered Shareholder 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 (or agent), well in advance of the Meeting.

The Company intends to send proxy related materials indirectly through intermediaries and brokers to non-objecting beneficial owners under National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer*. The Company will **not** pay for the costs of delivery of proxy related materials to objecting beneficial owners. The Company is using notice-and access procedures for distributing proxy related materials to Shareholders.

Voting of Proxies

All Shares represented by properly executed and deposited proxies will be voted or withheld from voting in accordance with the instructions contained therein. **If no choice is specified with respect to any matters referred to herein, the persons whose names appear on the printed form of proxy will vote in favour of the matters to be considered by Shareholders at the Meeting. The form of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.**

As of the date hereof, the management of the Company know of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

Record Date and Quorum

The board of directors of 4Front (the "**Board**") has fixed October 23, 2020 as the record date for the Meeting for Shareholders. Only Shareholders at the close of business on October 23, 2020 are entitled to receive notice of the Meeting and to vote thereat and at any adjournment or postponement thereof in accordance with the voting rights set out in the Articles of the Company.

Under the Articles of the Company, a quorum of Shareholders is present at a meeting of Shareholders if the holders of not less than 5% of the shares entitled to vote at the meeting are present in person or represented by proxy, and at least two persons entitled to vote at the meeting are present at the meeting.

Multiple Proxies and/or Voting Instruction Forms

Note that if you hold multiple classes of Shares, or hold some Shares as a registered Shareholder and others as a beneficial Shareholder, you will receive multiple mailing packages, each containing a form of proxy or voting instruction form, as applicable. You are requested to return or otherwise vote **all** forms of proxy and voting instruction forms received to ensure the votes attached to all of the Shares you hold are counted.

GENERAL

Forward Looking Information

The Company includes forward-looking information in this Circular within the meaning of applicable securities legislation including statements regarding potential changes to the articles of the Company and corporate governance matters. Various assumptions were used in drawing the conclusions contained in the forward-looking statements included in this Circular. Forward looking statements reflect management's current beliefs with respect to future events and are based on information currently available to management including based on reasonable assumptions, estimates, internal and external analysis and opinions of management considering its experience, perception of trends, current conditions and expected developments as well as other factors that management believes to be relevant as at the date such statements are made. Wherever possible, words such as "forecast", "future", "expect", "likely", "may", "will", "should", "would", "could", "expect", "intend", "anticipate", "potential", "proposed", "contemplate", "believe", "estimate", "plan", "project", and the negative of these terms or similar expressions have been used to identify the forward-looking information, which includes, without limitation: implementation of compensation policies and practices.

All forward-looking statements involve significant known and unknown risks and uncertainties. Many factors could cause actual results, performance or achievement to be materially different from any future forward-looking statements. Factors that may cause such differences include, but are not limited to the factors discussed under the heading "Risk Factors" in the Company's most recent Annual Information Form and under the heading "Risks and Uncertainties" in the Company's most recent management's discussion and analysis. Although the Company attempted to identify important factors that could cause actions, events or results to differ materially from those described in the forward-looking statements, there may be other factors that cause actions, events, or results to differ from those anticipated, estimated or intended.

These forward-looking statements are as at the date of this Circular and the Company and management assume no obligation to update or revise them to reflect new events or circumstances except as required by securities laws. The Company and management caution readers not to place undue reliance on any forward-looking statements, which speak only as of the date made. Although the Company believes that the expectations reflected in the forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct.

Currency

Dollar amounts in this Circular are denominated in United States dollars unless otherwise indicated. References to \$ are to the lawful currency of the United States and references to C\$ are to the lawful currency of Canada. Exchange rates between the United States dollar and the Canadian dollar were:

	2019
At December 31: \$1.00 =	C\$1.30
Average for the year ended December 31: \$1.00 =	C\$1.33

INFORMATION CONCERNING THE COMPANY

General

The Company is a reporting issuer in British Columbia, Alberta and Ontario and its SVS are listed for trading on the Canadian Securities Exchange (or "CSE") under the symbol "FFNT". The head office of the Company is located at 5060 North 40th Street, Suite 120 Phoenix, Arizona, USA 85018. The registered office of the Company is located at Suite 2900, 550 Burrard Street, Vancouver, British Columbia, V6C 0A3.

Voting Securities

The authorized capital of the Company consists of an unlimited number of subordinate voting shares (“**Subordinate Voting Shares**” or “**SVS**”), an unlimited number of subordinate proportionate voting shares (the “**Subordinate Proportionate Voting Shares**” or “**SPVS**”) and an unlimited number of multiple voting shares (the “**Multiple Voting Shares**” or “**MVS**” and collectively with the SVS and SPVS, the “**Shares**”). As of November 12, 2020, 361,125,783 SVS, 1,842,119 SPVS and 1,276,208 MVS are issued and outstanding. Unless otherwise required by the Articles of the Company, or applicable corporate law, shareholders are entitled to one vote per SVS, 80 votes per SPVS and 800 votes per MVS held at meetings of Shareholders, to receive dividends, if, as and when declared by the Board and to receive pro rata the remaining property and assets of the Company upon its dissolution or winding up.

Principal Holders of Voting Securities

As of the date hereof, to the knowledge of the directors and executive officers of 4Front, the only persons who beneficially own, or control or direct, directly or indirectly, Shares carrying 10% or more of the voting rights attached to all outstanding Shares of each class are set out below:

The percentage of Shares beneficially owned is computed on the basis of 359,717,867 SVS, 1,853,930 SPVS and 1,276,208 MVS outstanding as of October 23, 2020. The SPVS are convertible into SVS on the basis of 80 SVS for each SPVS and the MVS are convertible into SVS on the basis of 1 MVS for each SPVS.

Name	SVS	Percentage of SVS	SPVS	Percentage of SPVS	MVS	Percentage of MVS
Joshua Rosen	23,666,200	6.60%	0	0.00%	309,418	24.20%
Karl Chowscano	25,131,280	6.99%	0	0.00%	333,439	26.10%
Andrew Thut	384,000	0.10%	145,987	7.90%	154,956	12.10%
Trevor Pratte	239,000	0.10%	320,517	17.30%	340,207	26.70%
Kris Krane	0	0.00%	130,191	7.00%	138,188	10.80%
Camelback Ventures, LLC	0	0.00%	666,900	35.97%	0	0.00%

MATTERS TO BE CONSIDERED AT THE MEETING

I. Financial Statements

The Company’s financial statements for the financial year ended December 31, 2019 and the auditors’ report thereon will be placed before the Meeting. The financial statements have been approved by the directors and receipt at the Meeting of the Company’s financial statements and the auditors’ report for its most recently completed financial year will not constitute approval or disapproval of any matters referred to therein.

II. Setting the Number of Directors

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve a resolution setting the number of directors for the present time at seven (7). **It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR setting the number of directors to be elected at the Meeting at seven (7).**

III. Election of Directors

Each director elected will hold office until the close of business of the next annual meeting of Shareholders of the Company following his or her election unless his or her office is earlier vacated in accordance with the Company’s articles. Voting for the election of directors will be conducted on an individual, and not slate, basis.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the election of each of the nominees whose names are set forth below.

The following tables provide the names of the nominees, the offices and positions with the Company, each nominee's principal occupation, the period of time during which each has been a director, and the number of Shares beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at October 23, 2020, and the number of options to purchase Shares held by each as at October 23, 2020.

Name Province/State Country of Residence	Board/Committee Membership	Director Since	Principal Occupation, Business or Employment ⁽¹⁾	Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly ⁽²⁾	Options Beneficially Owned, or Controlled or Directed, Directly or Indirectly (underlying class of Shares)
David Daily Age: 40 Texas, USA	Independent Director ⁽³⁾ Audit Committee Compensation Committee	July 31, 2019	Gravitron, LLC Chief Executive Officer	22,000 SVS	7,500 (SPVS)
Leonid Gontmakher Age: 34 Puerto Rico, USA	Non- Independent Director ⁽³⁾	July 31, 2019	4Front Ventures Corp. Chief Executive Officer	30,313,057 SVS	31,250 (SPVS) 3,000,000 (SVS)
Chetan Gulati Age: 43 Florida, USA	Independent Director ⁽³⁾	N/A	Navy Capital Partner and Head of Research (March 2019 to Present) Smith Cove Capital Partner (2016 through March 2019)	217,764 SVS ⁽⁴⁾ 7,077,335 SVS ⁽⁵⁾	0
Kathi Lentzsch Age: 64 Washington, USA	Independent Director ⁽³⁾ Compensation Committee (Chair)	September 23, 2019	Bartell Drugs – Chief Executive Officer and President. (January 2018 to Present)	0	7,500 (SPVS)
Joshua N. Rosen Age: 47 Arizona, USA	Non- Independent Director ⁽³⁾	July 31, 2019	4Front Ventures Corp. – Executive Chairman	309,418 MVS 205,280 SVS	25,000 (SPVS) 4,095 ⁽⁴⁾ (SPVS)

				239,000 ⁽⁶⁾ SVS	
				23,221,920 ⁽⁷⁾ SVS	
Eric Rey Age: 64 California, USA	Lead Independent Director ⁽³⁾ Audit Committee (Chair) Compensation Committee	July 31, 2019	Independent Business Consultant Director of Micropep Technologies and Texas Crop Science LLC	20,000 SVS	7,500 (SPVS)
Roman Tkachenko Age: 37 Washington, USA	Independent Director ⁽³⁾	N/A	Direct Source Seafood, LLC Chief Executive Officer	14,191,130 SVS	8,750 (SPVS)

Notes:

- (1) The information as to principal occupation, business or employment and Shares beneficially owned, controlled or directed by a nominee is not within the knowledge of the management of the Company and has been furnished by the nominee.
- (2) Does not include Shares issuable upon the exercise of stock options.
- (3) **“Independent”** refers to the standards of independence established under Canadian Securities Administrators’ National Instrument 58-101 – *Disclosure of Corporate Governance Practices*. See the section entitled *“Corporate Governance”* for a description of the reasons why the Company considers this nominee to be independent or not independent.
- (4) Held indirectly via CGRS Investments, LLC’s investment in Navy Capital Green Co-Invest Fund, LLC
- (5) Held by Navy Capital Green Co-Invest Fund, LLC. Mr. Gulati may be considered to have control or direction over these shares held by Navy Capital Green Co-Invest Fund, LLC, as he is the head of research and a member of the investment committee at Navy Capital Green Fund, LP, which is manages the fund.
- (6) Held indirectly via The Rosen Family Living Trust
- (7) Held indirectly via KEA Capital LLC

Chetan Gulati. Mr. Gulati currently is currently a partner and head of research at Navy Capital, a New York-based asset manager focused on the rapidly growing global cannabis sector, Mr. Gulati begun his career practicing law at Wachtell, Lipton, Rosen and Katz where he focused on corporate restructurings and finance. He then joined Perry Capital in 2007, and was ultimately appointed to run Perry’s London operations from 2010-2016. Most recently, Mr. Gulati was a Partner at Smith Cove Capital. He holds a BA from the University of Rochester and a JD from Yale Law School.

Kathi Lentzsch. Ms. Lentzsch is the current CEO and president of Bartell Drugs, one of the oldest and largest independent pharmacy chains in the country. Ms. Lentzsch has more than three decades of experience in retail operations and management, including time in executive roles at Pottery Barn, Pier 1 Imports, and Cost Plus World Market, a subsidiary of Bed, Bath and Beyond. Kathi also previously served as CEO of Elephant Pharmacy, a new pharmacy concept that offered health-conscious consumers a health- and wellness-minded product selection, including a mix of allopathic, alternative and more holistic remedies. It was during her time at Elephant Pharmacy that Ms. Lentzsch became interested in medical cannabis.

Roman Tkachenko. Mr. Tkachenko is the CEO and co-founder of Direct Source Seafood LLC, importer/wholesalers of specialized frozen seafood products. Mr. Tkachenko has served as Chief Executive Officer of Direct Source Seafood for 10 years. Direct Source Seafood is the largest importer of king and snow crab from Russia, as well as one of the largest importers of Argentine wild caught shrimp. Direct Source Seafood, LLC has annual revenues of \$300 million. Mr. Tkachenko was served as the Chief Executive Officer of Marine Treasures International, a company specializing in international sourcing of frozen seafood from 2013 to 2017. Mr. Tkachenko holds a BS in Accounting from Central Washington University.

Corporate Cease Trade Orders or Bankruptcies

Except as disclosed below, to the knowledge of the Company, none of the proposed directors, or a Shareholder holding a sufficient number of securities to affect materially the control of the Company is, or within ten years before the date of this Circular, has been, a director, officer, insider or promoter of any other issuer that while that person was acting in that capacity:

- (a) was the subject of a cease trade or similar order, or an order that denied such issuer access to any statutory exemptions for a period of more than 30 consecutive days; or
- (b) 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.

On February 2, 2009, while Kathi Lentzsch was serving as a director and CEO of Elephant Pharmacy, LLC, the company filed for bankruptcy protection under Chapter 7 of the United States Bankruptcy Code in the U.S. Bankruptcy Court, Northern District of California, Oakland Division, Bankruptcy Petition No. 09-41204. The case was closed on November 14, 2014. Ms. Lentzsch had no personal involvement in the case.

Additionally, Ms. Lentzsch via her business consulting firm, In One Ear, LLC, held the position of Interim CEO of Gump's Holdings, LLC ("**Gump's**") from October 2016 through December, 2017. On August 3, 2018, following termination of the consulting agreement between In One Ear, LLC and Gump's, Gump's filed for bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code in the U.S. Bankruptcy Court, District of Nevada, case no. BK-S-18-14683-leb. On August 1, 2020, an adversary action was filed (Adversary Case No. 20-01085) against the managers, directors and officers of Gump's, including Ms. Lentzsch. On August 27, 2020, Ms. Lentzsch filed a motion to (a) stay the adversary proceeding pending arbitration or, alternatively (b) to compel a more definitive statement pursuant to federal rules of civil procedure Rule 12(e). As of the date hereof, Ms. Lentzsch's motion has not been heard by the court.

Penalties or Sanctions

To the knowledge of the Company, no proposed director, officer, promoter or control person of the Company has:

- (a) been the subject of any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body that would be likely to be considered important to a reasonable securityholder making a decision.

Personal Bankruptcies

To the knowledge of the Company, no proposed director, officer, promoter or control person of the Company has, within the past ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been 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 that individual.

Conflicts of Interest

Conflicts of interest may arise as a result of the directors and officers of the Company holding positions as director or officers of other companies. Some of the directors and officers have been and will continue to be engaged in the identification and evaluation of assets and businesses, with a view to potential acquisition of interests in businesses and companies on their own behalf and on behalf of other companies, and situations may arise where the directors and officers will be in direct competition with the Company. Conflicts, if any, will be subject to the procedures and remedies under the *Business Corporations Act* (British Columbia) (the “**Act**”).

IV. Appointment of Auditor

The Board recommends, on the advice of the Audit Committee, that Davidson & Company LLP be appointed as auditor of the Company, at a remuneration to be fixed by the Board. Davidson & Company LLP was appointed by the directors of the Company as auditor of the Company commencing July 31, 2019.

Management recommends that Davidson & Company LLP be appointed as auditor of the Company until the next annual general meeting of Shareholders.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the appointment of Davidson & Company LLP as auditor.

V. Amendment to Articles (Part 27 - Special Rights and Restrictions Attached to Proportionate Voting Shares)

General Description of the Share Capital of the Company as at the Date Hereof

As at the date hereof, the Company is authorized to issue an unlimited number of Subordinate Voting Shares, an unlimited number of Subordinate Proportionate Voting Shares and an unlimited number of Multiple Voting Shares.

As November 12, 2020, the Subordinate Voting Shares represent approximately 23.6% of the voting rights attached to the outstanding securities of the Company, the Subordinate Proportionate Voting Shares represent approximately 9.6% of the voting rights attached to the outstanding securities of the Company and the Multiple Voting Shares represent approximately 66.8% of the voting rights attached to the outstanding securities of the Company.

The Subordinate Voting Shares and Proportionate Voting Shares are each considered “restricted securities” (as such term is defined in National Instrument 51-102 - *Continuous Disclosure Obligations*) and “restricted shares” (as such term is defined in Ontario Securities Commission Rule 56-501 - *Restricted Shares*, as the Company’s Multiple Voting Shares carry a greater number of votes per security than either the SVS or the SPVS.

The Company, Alliance Trust Company (as trustee for the benefit of the holders of SVS and the holders of SPVS (the “**Holder**s”) and all of the holders of the MVS are party to a coattail agreement dated July 31, 2019 (the “Coattail Agreement”) in order to ensure that the Holders will not be deprived of any rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid for the MVS (as if such sale was a take-over bid for the purposes of the Securities Act (Ontario)) as if the MVS had been SVS or SPVS, as applicable.

See Schedule “A” for a summary of the rights, privileges, restrictions and conditions attached to the Subordinate Voting Shares, the Subordinate Proportionate Voting Shares and the Multiple Voting Shares, as well as a summary of the Coattail Agreement.

Proposed Amendment to Allow for Company Conversion of the SPVS

The Company is proposing to alter its existing articles to provide that the Company has a right to convert all, but not less than all, of the SPVS into SVS. As such, shareholders are being asked to pass a resolution to alter the existing articles by adopting the proposed amendment to Part 27 of the articles entitled “Special Rights and Restrictions Attached to Proportionate Voting Shares” to add Part 27.8 to the articles, entitled “PVS Conversion at the Option of the Company” (the “**Amended Articles - Part 27.8**”) substantially in the form attached as Schedule “B” to this Circular.

The following provides an overview of the material proposed alterations to the Company's existing articles as set forth in the Amended Articles - Part 27.8, which is qualified in its entirety by reference to the full text of the Amended Articles - Part 27.8, attached as Schedule "B" to this Circular.

Description of Amendment and Background

The Amended Articles - Part 27.8 provides that the Company shall have the right (the "**Company Share Conversion Right**") to require each holder of Subordinate Proportionate Voting Shares to convert (the "**SPVS Conversion**") all, and not less than all, the Subordinate Proportionate Voting Shares held by such holder into such number of Subordinate Voting Shares as is determined by multiplying the number of Subordinate Proportionate Voting Shares held by such holder by 80. Fractions of Subordinate Proportionate Voting Shares may be converted into such number of Subordinate Voting Shares as is determined by multiplying the fraction by 80, rounded down to the nearest whole share and no payment shall be made or consideration provided on account of any such rounding. The Company Share Conversion Right may be exercised by the Company if all the following conditions (i) are satisfied (and, for certainty, the following conditions continue to be satisfied at the Conversion Time (as defined below)); or (ii) otherwise waived by special resolution of the holders of Subordinate Proportionate Voting Shares:

- i. the Company is subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended; and
- ii. the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange (or any other stock exchange recognized as such by the British Columbia Securities Commission).

In connection with the exercise of the Company Share Conversion Right, the Company will issue or cause its transfer agent to issue to each holder of Subordinate Proportionate Voting Shares of record a notice (the "**SPVS Conversion Notice**") prior to the date of the SPVS Conversion (the "**SPVS Conversion Date**") notifying the holders of Subordinate Proportionate Voting Shares of the SPVS Conversion Date. The SPVS Conversion Notice may be sent by email or by another method of communication as permitted by the Articles and may be sent prior to the Amended Articles - Part 27.8 becoming effective.

Subject to the SPVS Conversion Amendment (as defined below) being passed at the Meeting, the Company anticipates that the SPVS Conversion Date will be December 23, 2020.

As soon as practicable on or after the SPVS Conversion Date, the Company will issue or send, or cause its transfer agent to issue or send, certificates or direct registration statement (at the sole discretion of the Company) to each former holder of Subordinate Proportionate Voting Shares representing the number of Subordinate Voting Shares into which the Subordinate Proportionate Voting Shares have been converted.

Other than as set out in the Amended Articles - Part 27.8, all other rights, restrictions and conditions attaching to the SPVS shall remain as they exist on the date hereof in the articles at Part 27.

By way of background, at the time of the Company's business combination transaction with Cannex Capital Holdings Inc., the SPVS were created to be held by residents of the United States such that the Company could maintain its status as a "foreign private issuer" (as determined pursuant to U.S. securities law). However, as of January 1, 2021, the Company will no longer be a foreign private issuer, and therefore there is no advantage to maintaining a distinction between SPVS and SVS.

The Company is proposing the SPVS Conversion as a housekeeping matter, and to facilitate the orderly conversion of SPVS into SVS for the benefit of the holders of SPVS, as there is no liquid market for the SPVS. The SVS, by contrast, trade on the Canadian Securities Exchange.

Resolution, Votes Required and Management Recommendation

At the Meeting, shareholders will be asked to consider, and if deemed appropriate, pass a resolution (the "**SPVS Conversion Amendment**") substantially in the form noted below, to alter the existing articles by adopting the Amended Articles - Part 27.8. Other than as disclosed herein, all other provisions of the current articles will not be

altered at the time of the SPVS Conversion Amendment, including, for certainty, any other provision of Part 27 of the articles. To be effective, the SPVS Conversion Amendment must be passed by:

- (a) at least half of the votes cast by all Shareholders, present in person or represented by proxy at the meeting (and for such vote, each SVS shall entitle the holder thereof to one vote, each SPVS shall entitle the holder thereof to 80 votes and each MVS shall entitle the holder thereof to 800 votes);
- (b) at least two-thirds of the votes cast by holders of SPVS, voting as a class, present in person or represented by proxy at the meeting (and for such vote, each SPVS shall entitle the holder thereof to 80 votes); and
- (c) at least two-thirds of the votes cast by holders of SPVS and holders of MVS, voting together, present in person or represented by proxy at the meeting (and for such vote, each SPVS shall entitle the holder thereof to one vote and each MVS shall entitle the holder thereof to one vote);

Shareholders are encouraged to carefully review the full text of the Amended Articles - Part 27.8 as set out at Schedule "B" to this Circular.

"RESOLVED THAT:

1. The alteration to the existing articles of the Company be and is hereby approved by adding to the existing "Part 27 - Special Rights and Restrictions Attached to Proportionate Voting Shares" of the articles Part 27.8 entitled "PVS Conversion at the Option of the Company" substantially in the form set forth in Schedule "A" to the information circular of the Company dated November 19, 2020;.
2. Pursuant to section 259(6) of the *Business Corporations Act* (British Columbia), the alteration of the articles of the Company referred to in paragraph 1 shall not take effect until a copy of this resolution is received for deposit at the Company's records office;
3. Any one director or officer of the Company is hereby authorized and directed to do all acts and things, to execute and deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such person determines to be necessary or desirable to give effect to the intent of these resolutions; and
4. The directors of the Company be and are authorized to revoke this special resolution before it is acted on and/or not proceed with the alteration of the articles without further approval of the shareholders of the Company or any group of them."

The Company's management and Board recommends that shareholders of the Company vote for the SPVS Conversion Amendment. The persons named by the Company in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the shares represented thereby FOR the SPVS Conversion Amendment.

VI. Amendment to Articles - Elimination of Class of SPVS

Proposed Amendment to Allow for Elimination of the Class of SPVS

If the SPVS Conversion Amendment is approved at the Meeting and the articles are thereafter amended as set out in Schedule "B" (Amended Articles - Part 27.8), the Company may, in accordance with the Amended Articles - Part 27.8, proceed with the conversion of all, but not less than all, of the SPVS into SVS, subject to the terms and conditions set out in the Amended Articles - Part 27.8. If and at such time as there are no longer any SPVS issued and outstanding, the Company may wish to further amend its then-current articles to eliminate the SPVS as a class, and make certain ancillary changes to the rights and restrictions attaching to the SVS and the MVS.

Subject to there being no further SPVS issued and outstanding, the Company is proposing to amend and restate its articles to eliminate the class of SPVS and make certain ancillary changes as referenced above. As such, shareholders are being asked to pass a resolution to amend and restate the existing articles, as amended by the Amended Articles - Part 27.8, by adopting the amended and restated articles (the "**Amended and Restated Articles**") substantially in the form attached as Schedule "C" to this Circular.

The following provides an overview of the material proposed alterations to the Company's articles, as amended by the Amended Articles - Part 27.8 contemplated by the Amended and Restated Articles, which is qualified in its entirety by reference to the full text of the Amended and Restated Articles, attached as Schedule "C" to this Circular.

Description of Amendment and Background

The Amended and Restated Articles reflect the elimination of the class of Subordinate Proportionate Voting Shares. Due to the fact that the terms of each of the Subordinate Voting Shares and the Multiple Voting Shares include reference to the Subordinate Proportionate Voting Shares, certain housekeeping changes will be made to the terms of the Subordinate Voting Shares and the terms of the Multiple Voting Shares to reflect that the Subordinate Proportionate Voting Shares no longer exist. Such housekeeping changes do not prejudice or interfere with any right or special right attached to either the Subordinate Voting Shares or the Multiple Voting Shares, nor do they affect the rights or special rights of holders of Subordinate Voting Shares or Multiple Voting Shares on a per share basis.

As discussed above, the Company is proposing this amendment in order to simplify its capital structure, as it will no longer be a "foreign private issuer" for the purposes of U.S. securities laws as of January 1, 2021.

Resolution, Votes Required and Management Recommendation

At the meeting, shareholders will be asked to consider, and if deemed appropriate, pass a resolution (the "**Amended and Restated Articles Resolution**") substantially in the form noted below to alter the articles, as amended by the Amended Articles - Part 27.8 by adopting the Amended and Restated Articles. To be effective, the Amended and Restated Articles Resolution must be passed by at least half of the votes cast by all Shareholders, present in person or represented by proxy at the meeting (and for such vote, each SVS shall entitle the holder thereof to one vote, each SPVS shall entitle the holder thereof to 80 votes and each MVS shall entitle the holder thereof to 800 votes).

If the Shareholders approve the Amended and Restated Articles Resolution, the decision as to whether to proceed to adopt the Amended and Restated Articles, and the timing of any such adoption, will be at the discretion of the Board.

Shareholders are encouraged to carefully review the full text of the Amended and Restated Articles as set out at Schedule "C" to this Circular.

"RESOLVED THAT:

1. The amendment and restatement of the articles of the Company (for certainty, which articles reflect an amendment to provide for conversion, at the option of the Company, of the SPVS, as disclosed in the management information circular of the Company dated November 19, 2020 (the "**Circular**")), be and is hereby approved, which amendment and restatement will proceed by deleting such articles in their entirety and adopting the Amended and Restated Articles as set forth in Schedule "C" to the Circular;
2. Pursuant to section 259(4) of the *Business Corporations Act* (British Columbia), the alteration of the articles of the Company referred to in paragraph 1 shall not take effect until the notice of articles is altered to reflect such alternation to the articles and a copy of this resolution is received for deposit at the Company's records office;
3. Any one director or officer of the Company is hereby authorized and directed to do all acts and things, to execute and deliver all agreements, documents and instruments, to give all notices and to deliver, file and distribute all documents and information which such person determines to be necessary or desirable to give effect to the intent of these resolutions, including, without limitation, to alter the Notice of Articles of the Company to reflect the alterations to the Company's authorized share structure and Articles authorized above by filing a Notice of Alteration in the form established by the BC Registrar of Companies with the BC Registrar of Companies; and
4. The directors of the Company be and are authorized to revoke this special resolution before it is acted on or not proceed with the alteration of the articles without further approval of the shareholders of the Company or any group of them."

The Company’s management and Board recommends that shareholders of the Company vote for the Amended and Restated Articles Resolution. The persons named by the Company in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the shares represented thereby FOR the Amended and Restated Articles Resolution.

STATEMENT OF EXECUTIVE COMPENSATION

In accordance with the requirements of applicable securities legislation in Canada, the following executive compensation disclosure is provided in respect of: (a) each person who served as the Company’s Chief Executive Officer (the “CEO”) during the 2019 fiscal year; (b) each person who served as the Company’s Chief Financial Officer (the “CFO”) during the 2019 fiscal year; (c) the most highly compensated executive officers of the Company (other than the CEO and CFO) and its subsidiaries whose annual aggregate compensation for the 2019 fiscal year exceeded C\$150,000; and (d) each individual who would be included under (c) above but for the fact such individual was not an executive officer of the company or its subsidiaries at the end of the financial year (each, a “NEO” and collectively, the “NEOs”). During the year ended December 31, 2019, the NEOs of the Company were:

- Joshua Rosen, *CEO & Director*;
- David Croom, CFO (Resigned September 3, 2019);
- Brad Kotanksy CFO (Appointed September 3, 2019); and
- Glenn Backus, President, Mission.

The following table sets forth the compensation to be paid or awarded to each NEO and director the Company for the period ended December 31, 2019.

Table of Compensation Excluding Compensation Securities							
Name & position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Joshua Rosen <i>CEO & Director</i>	2019	\$371,611	25% - 50% at board discretion	N/A	N/A	N/A	\$371,611
	2018	\$219,231 ⁽¹⁾	N/A	N/A	N/A	N/A	\$219,231
David Croom <i>CFO (Resigned September 3, 2019)</i>	2019	\$14,583	Future bonuses at board discretion	N/A	N/A	N/A	\$14,583
	2018	N/A	N/A	N/A	N/A	N/A	\$0
Brad Kotanksy <i>CFO (Appointed September 3, 2019 and resigned as of March 27, 2020)</i>	2019	\$115,385	Future bonuses at board discretion	N/A	N/A	N/A	\$115,385
	2018	N/A	N/A	N/A	N/A	N/A	\$0

Table of Compensation Excluding Compensation Securities							
Name & position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Glenn Backus, <i>President, Mission</i> <i>(Resigned as of April 3, 2020)</i>	2019	\$262,442	Future bonuses at board discretion	N/A	N/A	N/A	\$262,442
	2018	\$4,808	N/A	N/A	N/A	N/A	\$4,808
Leonid Gontmakher, <i>Director</i>	2019	\$166,667 ⁽²⁾	Future bonuses at board discretion	N/A	N/A	N/A	\$166,667
	2018	N/A	N/A	N/A	N/A	N/A	\$0
Betty Aldworth, <i>Director</i>	2019	\$6,000 ⁽³⁾	N/A	N/A	N/A	N/A	\$6,000
	2018	N/A	N/A	N/A	N/A	N/A	\$0
David Daily, <i>Director</i>	2019	\$10,000 ⁽³⁾	N/A	N/A	N/A	N/A	\$10,000
	2018	N/A	N/A	N/A	N/A	N/A	\$0
Kathi Lentzsch, <i>Director</i>	2019	\$6,000 ⁽³⁾	N/A	N/A	N/A	N/A	\$6,000
	2018	N/A	N/A	N/A	N/A	N/A	\$0
Eric Rey, <i>Director</i>	2019	\$10,000 ⁽³⁾	N/A	N/A	N/A	N/A	\$10,000
	2018	N/A	N/A	N/A	N/A	N/A	\$0

Notes

⁽¹⁾ Disclosure with respect to 2018 refers to salary, consulting fee, retainer or commission received at predecessor company.

⁽²⁾ Mr. Gontmakher's 2019 salary represents the non-annualized salary for the period of July 31, 2019 to December 31, 2019 as compensation for

his role as Chief Operating Officer of a subsidiary of the Company. Mr. Gontmakher's annualized salary for his role as Chief Operating Officer of a subsidiary of the Company for 2019 was \$400,000. All compensation paid to Mr. Gontmakher prior to July 31, 2019 was paid by a subsidiary of the predecessor company.

⁽³⁾ The cash retainer for each independent director is \$2,000 per month of service. David Daily and Eric Rey have been compensated for service commencing on July 31, 2019 and Betty Aldworth and Kathi Lentzsch have been compensated for service commencing on September 23, 2019.

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth information with respect to option-based awards made to NEOs and directors that were outstanding as at December 31, 2019.

Compensation Securities							
Name & position	Type of compensation security	Number of compensation securities, number and class of underlying securities ⁽¹⁾	Date of issue or grant ⁽²⁾	Issue, conversion or exercise price (C\$)	Closing price of security or underlying security on date of grant (C\$)	Closing price of security or underlying security at year end (C\$)	Expiry Date
Joshua Rosen <i>CEO & Director</i>	Share Purchase Options	4,095 SPVS	July 31, 2019	C\$80.00	C\$1.00 (SVS) ⁽⁴⁾	C\$0.59 (SVS)	September 16, 2024
	Share Purchase Options	25,000 SPVS	August 22, 2019	C\$80.00	C\$0.79 (SVS)		August 22, 2024
David Croom <i>CFO (resigned September 3, 2019)</i>	Share Purchase Options	7,500 SPVS	July 31, 2019	C\$80.00	C\$1.00 (SVS) ⁽⁵⁾	C\$0.59 (SVS)	October 5, 2023
	Share Purchase Options	5,625 SPVS	August 22, 2019	C\$80.00	C\$0.79 (SVS)		August 22, 2024
Brad Kotanksy, Chief Financial Officer <i>(Appointed September 3, 2019)</i>	Share Purchase Options	6,250 SPVS	August 22, 2019	C\$64.00	C\$0.79 (SVS)	C\$0.59 (SVS)	August 22, 2024
Leonid Gontmakher, Chief Operating Officer and Director	Share Purchase Options	22,500 SPVS	July 31, 2019	C\$80.00	C\$1.00 (SVS) ⁽⁴⁾	C\$0.59 (SVS)	December 11, 2022
	Share Purchase Options	8,750 SPVS	July 31, 2019	C\$80.00	C\$0.79 (SVS)		August 22, 2024
Glenn Backus, <i>President, Mission (Resigned as of April 3, 2020)</i>	Share Purchase Options	1,875 SPVS	August 22, 2019	C\$80.00	C\$0.79 (SVS)	C\$0.59 (SVS)	August 22, 2024 ⁽⁶⁾
Betty Aldworth, <i>Director</i>	Share Purchase Options	7,500 SPVS	November 1, 2019	C\$64.00	C\$0.52 (SVS)	C\$0.59 (SVS)	November 1, 2024

David Daily, <i>Director</i>	Share Purchase Options	7,500 SPVS	August 22, 2019	C\$64.00	C\$0.79 (SVS)	C\$0.59 (SVS)	August 22, 2024
Kathi Lentzsch, <i>Director</i>	Share Purchase Options	7,500 SPVS	November 1, 2019	C\$64.00	C\$0.52 (SVS)	C\$0.59 (SVS)	November 1, 2024
Eric Rey, <i>Director</i>	Share Purchase Options	7,500 SPVS	August 22, 2019	C\$64.00	C\$0.79 (SVS)	C\$0.59 (SVS)	August 22, 2024

Notes:

- (1) SPVS are convertible to SVS at a ratio of 80:1.
- (2) All Option Awards granted on July 31, 2019 were replacing options granted by predecessor entities.
- (3) The Option Awards granted on August 22, 2019 to Glenn Backus were cancelled 30 days following termination of employment with the Company.
- (4) The Closing Price indicated here is the closing price of the stock of Cannex Capital Holdings, Inc.

Incentive Plan Awards

The Company grants stock options under the Amended and Restated Stock Option Plan and the Amended and Restated Class B Proportionate Shares Option Plan.

Summary of the Company's Equity Incentive Plans

The Company has two incentive stock option plans (collectively, the “**Equity Incentive Plans**”): the Amended and Restated Stock Option Plan, which allows for the grant and exercise of options to purchase SVS, and the Amended and Restated Class B Proportionate Shares Option Plan, which allows for the grant and exercise of options to purchase SPVS.

The Company Equity Incentive Plans are designed to promote the long-term success of the Company by strengthening the ability of the Company to attract and retain highly competent employees and by promoting greater alignment of interests between executives and shareholders in the creation of long-term shareholder value.

The purpose of granting stock options is to assist the Company in compensating, attracting, retaining and motivating its executive officers and to closely align the personal interests of such persons to that of the shareholders. The following is a brief summary of the Company's Equity Incentive Plans:

- a) the maximum number of shares which will be available for purchase underlying options granted pursuant to the Company's Equity Incentive Plans will not exceed 10% of the SVS, taken together with the number of SVS issuable on conversion of the SPVS and the Multiple Voting Shares measured at the time of grant, less the number of Shares issuable upon exercise of outstanding options; if any option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated option shall again be available for the purposes of granting options pursuant to the incentive plans;
- b) with respect to “incentive stock options” within the meaning of Section 422(b) of the Internal Revenue Code, the maximum number of Subordinate Voting Shares that can be issued under the Company's Subordinate Voting Share Equity Incentive Plan is 50 million and the maximum number of Subordinate Proportionate Voting Shares that can be issued under the Company's Subordinate Proportionate Voting Share Equity Incentive Plan is 625,000;
- c) the exercise price of any new grants of options to purchase SVS shall be no less than the closing trading price of the SVS on the day immediately preceding the grant date of such option, and the exercise price of any new grants of options to purchase SPVS shall be no less than the closing trading price of the SVS Shares on the day immediately preceding the grant date of such option multiplied by 80; and
- d) upon death or disability of an option holder, options will expire one year following death or termination of service as a result of disability, upon termination of service other than for cause, options generally expire 30 days following such termination of service.

The Board has the authority either to grant options or has the authority to delegate to any board committee (the “Committee”) appointed for the purpose of compensating the Company’s directors, officers, employees and consultants the ability to grant the options to the Company’s directors, management, employees and consultants. The options can be granted, from time to time at the sole discretion of the Company Board or the Committee, to persons eligible to receive the options under the Equity Incentive Plans. Exercise prices are set in accordance with CSE policies.

In determining the number of the options to be granted to the executive officers, the Company Board considers a number of factors including the amount and term of options previously granted, base salary and annual performance incentives awarded to the executives and commensurate with those offered by other companies in the Company’s industry; and the exercise price of any outstanding options to ensure that such grants are in accordance with CSE policies. The options vest on terms established by the Company Board at the time of grant.

Employment, Consulting, and Management Agreements

On November 12, 2020, the Company and its subsidiary, Ag-Grow Imports, LLC (“**Ag-Grow**”), entered into an amended and restated consulting agreement with Maha Consulting LLC (“**MC**”), a company controlled by the Company’s current Chief Executive Officer, Leonid Gontmakher, pursuant to which MC agreed to provide management and operational consulting services to the Company and Ag-Grow for a base fee of US\$33,333.33 per month (the “**Gontmakher Consulting Agreement**”). MC may also be paid a discretionary cash and/or equity incentive performance bonus by the Company and/or Ag-Grow from time to time for services rendered. Such services include, but are not limited to, MC providing Ag-Grow with management and operation support in connection with its recreational cannabis growing operations and assisting the Company with completing its key infrastructure projects, as well as, collaborating with the Company’s leadership team to drive and sustain profitability.

The Gontmakher Consulting Agreement is effective as of November 12, 2020 and will continue in full force and effect for a period of 12 months, automatically renewing for an additional 12-month period upon the expiration of such initial term, unless the parties agree otherwise or either party provides the other with a 30 days prior written notice of non-renewal.

The Company or Ag-Grow may terminate the Gontmakher Consulting Agreement for Cause (as such term is defined in the Gontmakher Consulting Agreement) upon providing MC written notice of the reason. There are no termination or change of control payments payable to MC upon the termination of the Gontmakher Consulting Agreement for Cause, or otherwise, or a change of control of the Company. The Gontmakher Consulting Agreement also includes, among other things, provisions regarding confidentiality, non-competition and non-solicitation.

Compensation Discussion and Analysis

The objectives of the Company’s compensation policies and procedures are to align the interest of the Company’s NEO’s with the interests of the shareholders of the Company. The primary goal of the Company’s executive compensation package is to attract and retain key executives necessary for the Company’s long-term success and encourage NEO’s to further the development of the Company and its operations.

The Compensation Committee of the Company periodically reviews the compensation of its executives and makes changes as appropriate. Compensation is not tied to performance criteria or goals such as milestones, agreements, or transactions. The Company does not use a “peer group” to determine compensation. All tasks related to developing and monitoring the Company’s approach with respect to compensation of NEO’s of the Company are performed by the Compensation Committee.

Elements of Executive Compensation

The Company’s executive compensation program currently consists of the following elements: (i) base salary or consulting fees; (ii) bonus payments, and (iii) long-term incentives in the form of participation in the stock option plan. The Compensation Committee reviews the compensation of NEO’s and will make adjustments, as necessary, to ensure the compensation of NEO’s is commensurate with the services they provide.

Base Salary or Consulting Fees

The Compensation Committee considers the following factors when determining an NEO’s base salary or consulting fees:

- a) Responsibilities related to the position;
- b) The experience level of the NEO;
- c) The amount of time and commitment the NEO devotes to the Company; and
- d) The NEO’s overall performance and performance in relation to the achievement of the Company’s objectives.

Bonus Payments

The Compensation Committee exercises discretion as to whether and when a bonus payment to a NEO is made. The amount paid is based on the Compensation Committee’s assessment of the Company’s performance and meeting of corporate objectives. Factors considered in determining bonus amounts include individual performance, financial and operational criteria. The Company did not award any bonuses to a NEO in the most recent financial year ended December 31, 2019.

Long-Term Incentives

The Company currently offers equity participation in the Company through its stock option plan. See “Summary of the Company’s Equity Incentive Plans”.

Recent Significant Changes to the Company’s Compensation Policies

There have been no significant changes to the Company’s compensation policies after the financial year ended December 31, 2019 that could or will have an effect on NEO compensation.

Pension Plan Benefits, Defined Contribution Plans and Deferred Compensation Plans

The Company does not have any defined benefit, defined contribution, or deferred compensation plans.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information as at December 31, 2019 with respect to SVS or SPVS that may be issued under the Equity Incentive Plans.

Plan Category	Number of and class of Shares to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)(\$)	Number and class of Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders ⁽¹⁾	38,827,385 ⁽²⁾	C\$0.85	14,324,896
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	38,827,385	C\$0.85	14,324,896

Notes:

- (1) The Equity Incentive Plans provides for the grant of stock options for the purchase of up to 10% of the issued and outstanding SVS, SPVS and MVS on an as converted basis.
- (2) This number represents the total number of Shares to be issued upon exercise of outstanding options on an as converted basis.

CORPORATE GOVERNANCE

The following provides information with respect to the Company’s compliance with the corporate governance requirements of the Canadian Securities Administrators set forth in National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and Form 58-101F2 – *Corporate Governance Disclosure*.

Board of Directors

The Company's Board is composed of six (6) directors. At the Meeting the Company proposes to elect seven (7) directors to the Board.

Independence

The Board considers a director to be independent if he or she meets the definition of independence set forth in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”) and if he or she has no direct or indirect material relationship with the Company which, in the view of the Board, could reasonably be perceived to materially interfere with the exercise of the director's independent judgment.

The independent status of each individual director is reviewed annually by the Board. The Company has a Board that is comprised of a majority of independent directors. Four (4) of the Board's six (6) directors are deemed to be independent, and two (2) are deemed to not be independent, as follows:

Director	Independence status	Basis for determination regarding independence
Betty Aldworth	Independent	Within the meaning of NI 52-110
David Daily	Independent	Within the meaning of NI 52-110
Leonid Gontmakher	Not independent	Mr. Gontmakher is a senior officer of the Company
Kathi Lentzsch	Independent	Within the meaning of NI 52-110
Joshua N. Rosen	Not independent	Mr. Rosen is a senior officer of the Company
Eric Rey	Independent	Within the meaning of NI 52-110

Role of the Chair and Lead Independent Director

The Chair of the Board, Joshua N. Rosen, is not an independent director. The Chair presides at all meetings of the Board and is responsible for the operation and functioning of the Board and for ensuring the Board's effectiveness by encouraging full participation, thorough discussions and by facilitating consensus.

The Company's Board Mandate provides that if the Chair of the Board is not an independent director, that the Board will also appoint a lead director, who must be independent. Eric Rey serves as Lead Independent Director.

Board and Committee Meetings

The fact that the majority of Board members are independent facilitates the Board's exercise of independent supervision over management. The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, individual committees may meet without management as appropriate and the Board may, in certain circumstances, meet separately from non-independent directors and the independent directors may have open and candid discussions among themselves.

The Audit Committee members, all independent directors, routinely meet with representatives of the Company's auditors. The Audit Committee may have in attendance at such meetings members of management and such other persons, including the internal and external auditors, as it considers necessary.

Other Directorships

None of the Company's directors currently are also directors of other reporting issuers (or equivalent) or publicly traded entities.

Director Orientation and Continuing Education

While the Company does not have formal director orientation program, the Company and its Board considers that orienting and educating new directors is an important element of ensuring responsible governance. New directors are to be provided with the Company's continuous disclosure documents, copies of the charters of each of the Committees, and are invited to attend orientation sessions in the form of informal meetings with members of the Board and senior management, complemented by presentations on the main areas of the Company's business to improve their understanding of the Company's business.

Ethical Business Conduct

The Board has adopted the Code of Business Conduct and Ethics which applies to directors, officers, employees, consultants and contractors of the Company and its subsidiaries. The text of the Code of Conduct is available at www.sedar.com and www.4frontventures.com.

The Board is apprised of the activities of the Company and ensure that the Company conducts its business in an ethical manner. The directors encourage and promote an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to consultants, officers and directors to help them recognize and deal with ethical issues; promoting a culture of open communication, honesty and accountability; and ensuring awareness of disciplinary actions for violations of ethical business conduct.

Nomination of Directors

When the Board determines that new candidates for board nomination are advisable, it approves an outline of the skills and background which are desired in a new candidate, aiming for the appropriate mix of expertise, diversity, experience and succession. Board members and management have an opportunity to suggest candidates for consideration. Prospective candidates are interviewed by the Chairman and Lead Independent Director and other Board members on an ad hoc basis. An invitation to join the Board is then extended only after the Board had reached a consensus on the appropriateness of the candidates.

Director Compensation

The Compensation Committee has set the compensation for the independent directors at \$2,000 per month. Directors who are officers, employees, or consultants of the Company receive no compensation. The Compensation Committee will review the compensation paid to the Company's directors annually to ensure that the Company's approach to Board compensation is competitive and reflects best practices taking into account current governance trends.

Board Assessments

Based upon the Company's size, and the number of individuals on the Board, the Board considers a formal process for accessing the effectiveness and contribution of the Board as a whole, its committees or individual directors to be unnecessary at this time. Given that the Board and its committees meet on several occasions each year, each director has regular opportunity to assess the Board as a whole, its committees and other directors in relation to the Board and such director's assessment of the competencies and skills that the Board and its committees should possess. The Board plans to continue to self-evaluate its own effectiveness and the effectiveness of its committees and individual directors in such manner.

Board Mandate and Committees

The Board has a written mandate that governs the Board (the "Board Charter"). Additionally, the Board is empowered by governing corporate law, the Company's Articles and its corporate governance policies to manage or supervise the management of the affairs and business of the Company. The Board carries out its responsibilities directly and through two Board committees, the Audit Committee and the Compensation Committee, each of which operate under a written committee charters approved by the Board. The Board meets regularly on a quarterly basis and holds additional meetings as required to deal with the Company's business.

The Company has two Board Committees: the Audit Committee and the Compensation Committee.

Audit Committee

The following provides information with respect to the Company's compliance with the audit committee requirements of the Canadian Securities Administrators set forth in National Instrument 52-110 – *Disclosure of Audit Committees* (“NI 52-110”) and Form 52-110F2 – *Disclosure by Venture Issuers*. The Company is relying upon the exemption in section 6.1 of NI 52-110.

The Audit Committee has oversight in two areas, financial reporting and audit function and coverage. The Audit Committee has a published charter, attached hereto as Schedule “D”.

The current members of the Audit Committee are: Eric Rey, David Daly and Betty Aldworth. All are independent directors and are financially literate.

Betty Aldworth Ms. Aldworth is a public relations, management, and strategy consultant. From 2014 through 2020, Ms. Aldworth served as Executive Director of Students for Sensible Drug Policy supporting tens of thousands of students and young people united to build a more sensible future through drug policies rooted in safety, justice, and education. Ms. Aldworth left the organization in its most stable and sustainable position in its 22-year history. From 2009 until 2014, she specialized in community outreach, public relations, and government relations as a consultant to or staffer for cannabis-related businesses and non-profit organizations. She served as spokesperson and advocacy director for Colorado's successful 2012 Campaign to Regulate Marijuana Like Alcohol, the collaborative committee responsible for legalizing, taxing and regulating marijuana for adults in Colorado and was the Deputy Director of the National Cannabis Industry Association in 2013, the organization's fastest year of growth. Prior to her work in marijuana policy and medical cannabis, she was a volunteer leadership professional with some of Denver's most well-respected non-profit organizations, ultimately leading a team of 4,000 volunteers who contributed over 40,000 hours of service annually.

David Daily Mr. Daily is the CEO of Gravitron, LLC which he founded in 2004. Commonly known as Grav.com or Grav, its original invention was the first all-glass gravity bong, the Gravitron, which was an instant success and has become a cult classic. Since the Gravitron, Mr. Daily has designed or led the Grav design team to bring over 500 unique top-line products to the cannabis market. Mr. Daily is an investor, board member, mentor, and advisor to over a dozen start-up stage brands in cannabis and consumer packaged goods. He holds a B.A. in Economics from The University of Texas at Austin.

Eric Rey Mr. Rey has managed agricultural research, product development and commercial programs for more than 35 years. Now an independent consultant, Eric co-founded Arcadia Biosciences in 2002 and served as the CEO through the company's IPO in 2015. He retired from Arcadia in 2016. Prior to Arcadia, Eric was a founder and partner of Rockridge Group, a biotechnology consulting firm. Before founding Rockridge, he held various management roles during his 16 years at Calgene, Inc., and was the Vice President of Operations during and following Calgene's acquisition by the Monsanto Company. Mr. Rey is a director of Micropep Technologies and Texas Crop Science LLC. He holds a B.S. degree in Plant Science from the University of California, Davis.

Audit Fees

In the following table, “audit fees” are fees billed by our external auditor for services provided in auditing the Company's annual financial statements. “Non-audit fees” are fees not included in audit fees but are billed by the Company's auditor for assurance and related services that are reasonably related to the performance of the audit or review of our financial statements. In fiscal 2019 and 2018, these fees included costs associated with auditor involvement with our listing statement. “Tax fees” are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. “All other fees” are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by our external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees	Audit-Related Fees	Tax Fees	All Other Fees
December 31, 2019 ⁽¹⁾	\$529,964	\$nil	\$112,420	nil
December 31, 2018 ⁽¹⁾	\$260,539	\$nil	\$30,000	nil

Notes:

⁽¹⁾ Audit fees paid prior to July 31, 2019 were paid by Cannex Capital Holdings, Inc.

Compensation Committee

The Compensation Committee assists the Board in ensuring that (i) the Company has a sound remuneration policy framework designed to make sure that management is fairly and equitably remunerated; (ii) senior employees are appropriately rewarded for excellent achievement and performance; and (iii) the Company is able to attract and retain high performing people whose skills and attributed are we matched to the Company's requirements. The Compensation Committee is also responsible for ensuring that management talent is assessed and developed to ensure robust succession.

The Compensation Committee of the Board reviews the composition of the Board and makes recommendations to the Board to ensure an appropriate mix of skills and experience.

The current members of the Compensation Committee are Kathi Lentzsch (Chair), Betty Aldworth, David Daily and Eric Rey, all of whom are independent directors.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

Other than as set forth in this Circular, no person who has been a director or senior officer of the Company at any time since the beginning of the last financial year, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed director, executive officer, nor any of their respective associates or affiliates, is or has been indebted to the Company or its subsidiaries since the beginning of the Company's most recently completed financial year.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set out below, or otherwise disclose in this Circular, no informed person, no director of the Company and no associate or affiliate of any informed person or director has any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.

MP Illinois

The Company maintains a contractual relationship with entities that are wholly owned by MP Illinois, a single-member LLC owned by Mr. Rosen, the Chairman and a current director of the Company. The Company holds a nominee agreement whereby the Company receives a 100% beneficial (but not legal) interest in each of Harborside Illinois Grown Medicine, Inc., the holder of a dispensary license in Illinois, and IL Grown Medicine, LLC, the holder of a cultivation license in Illinois.

LI Lending LLC

Linchpin Investors LLC (“**Linchpin**”), a subsidiary of the Company, and LI Lending LLC (“**LI Lending**”) entered into a Construction Loan Agreement dated May 10, 2019, as amended, whereby Linchpin received an up-to \$45 million loan from LI Lending. Mr. Gontmakher, the CEO of the Company, and Roman Tkachenko, a proposed director of the Company, each hold a 14.28% ownership interest in LI Lending. Additionally, Mr. Tkachenko is a managing member of LI Lending.

LI Lending has advanced \$45 million to the Company under the Construction Loan Agreement to be used for the acquisition and development of real estate to be used for cannabis operations. The loan matures in May 2024 and bears interest at 10.25%, payable monthly in cash. Upon maturity, an exit fee of \$9 million is payable, for a total payable at maturity of \$54 million.

OTHER BUSINESS

As of the date hereof, management of the Company is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Shares represented thereby in accordance with their judgment pursuant to the discretionary authority conferred by the proxy with respect to such matters.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com and is contained in the AIF for the year ended December 31, 2019. Financial information is contained in the Company’s consolidated financial statements and management’s discussion and analysis for the year ended December 31, 2019. In addition, a Shareholder may obtain copies of the Company’s consolidated financial statements and management’s discussion and analysis by contacting the Company at 602-633-3067.

APPROVAL

The content and delivery of this Circular have been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS

Joshua Rosen

Joshua Rosen

Chairman of the Board

SCHEDULE "A"**SUMMARY OF THE RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHED TO THE SUBORDINATE VOTING SHARES, THE SUBORDINATE PROPORTIONATE VOTING SHARES AND THE MULTIPLE VOTING SHARES & COATTAIL AGREEMENT***Subordinate Voting Shares*

Holders of Subordinate Voting Shares are entitled to notice of and to attend and vote at any meeting of the shareholders of the Company, except a meeting of which only holders of another class or series of shares of the Company will have the right to vote. At each such meeting, holders of Subordinate Voting Shares are entitled to one vote in respect of each Subordinate Voting Share held.

As long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Voting Shares by separate special resolution, alter or amend the articles of the Company if the result of such alteration or amendment would (i) prejudice or interfere with any right or special right attached to the Subordinate Voting Shares or (ii) affect the rights or special rights of the holders of Subordinate Voting Shares, Subordinate Proportionate Voting Shares or Multiple Voting Shares on a per share basis.

Holders of Subordinate Voting Shares are entitled to receive as and when declared by the directors of the Company, dividends in cash or property of the Company. No dividend will be declared on the Subordinate Voting Shares unless the Company simultaneously declares equivalent dividends on (i) the Subordinate Proportionate Voting Shares in an amount per Subordinate Proportionate Voting Share equal to the amount of the dividend declared per Subordinate Voting Share, multiplied by 80, and (ii) the Multiple Voting Shares in an amount per Multiple Voting Shares equal to the amount of the dividend declared per Subordinate Voting Share.

The Board may declare a stock dividend payable in Subordinate Voting Shares on the Subordinate Voting Shares, but only if the Board simultaneously declares a stock dividend payable in: (a) (i) Subordinate Proportionate Voting Shares on the Subordinate Proportionate Voting Shares, in a number of shares per Subordinate Proportionate Voting Share equal to the amount of the dividend declared per Subordinate Voting Share; or (ii) Subordinate Voting Shares on the Subordinate Proportionate Voting Shares, in a number of shares per Subordinate Proportionate Voting Share equal to the amount of the dividend declared per Subordinate Voting Share, multiplied by 80; and (b) (i) Multiple Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Voting Share, or (ii) Subordinate Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Voting Share.

Holders of fractional Subordinate Voting Shares are entitled to receive any dividend declared on the Subordinate Voting Shares in an amount equal to the dividend per Subordinate Voting Share multiplied by the fraction thereof held by such holder.

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Voting Shares will, subject to the prior rights of the holders of any shares of the Company ranking in priority to the Subordinate Voting Shares, be entitled to participate rateably along with all the holders of Subordinate Proportionate Voting Shares and Multiple Voting Shares, with the amount of such distribution per Subordinate Voting Share equal to each of: (i) the amount of such distribution per Subordinate Proportionate Voting Share divided by 80; and (ii) the amount of such distribution per Multiple Voting Share. Each fraction of a Subordinate Voting Share is entitled to the amount calculated by multiplying the fraction by the amount payable per whole Subordinate Voting Share.

No subdivision or consolidation of the Subordinate Voting Shares will occur unless, simultaneously, the Subordinate Proportionate Voting Shares and the Multiple Voting Shares are subdivided or consolidated using the same divisor or multiplier.

If an offer is made to purchase Subordinate Proportionate Voting Shares, and such offer is required pursuant to applicable securities legislation or the rules of any stock exchange on which the Subordinate Proportionate Voting Shares or the Subordinate Voting Shares which may be obtained upon conversion of the Subordinate Proportionate Voting Shares may then be listed, to be made to all or substantially all of the holders of Subordinate Proportionate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase, an “**Offer**”) and not made to the holders of Subordinate Voting Shares for consideration per Subordinate Voting Share equal to 0.0125 of the consideration offered per Subordinate Proportionate Voting Share, then each Subordinate Voting Share will become convertible at the option of the holder into Subordinate Proportionate Voting Shares on the basis of 80 Subordinate Voting Shares for one Subordinate Proportionate Voting Share, at any time while the Offer is in effect until one day after the time prescribed by applicable securities legislation or stock exchange rules for the offeror to take up and pay for such shares as are to be acquired pursuant to the Offer (the “**Subordinate Voting Share Conversion Right**”).

The Subordinate Voting Share Conversion Right may only be exercised for the purpose of depositing the Subordinate Proportionate Voting Shares acquired upon conversion under such Offer, and for no other reason. If the Subordinate Voting Share Conversion Right is exercised, the Company will procure that the transfer agent for the Subordinate Voting Shares will deposit under such Offer the Subordinate Proportionate Voting Shares acquired upon conversion, on behalf of the holder.

If Subordinate Proportionate Voting Shares issued upon such conversion and deposited under such Offer are withdrawn by such holder, or such Offer is abandoned, withdrawn or terminated by the offeror, or such Offer expires without the offeror taking up and paying for such Subordinate Proportionate Voting Shares, such Subordinate Proportionate Voting Shares and any fractions thereof issued will automatically, without further action on the part of the holder thereof, be reconverted into Subordinate Voting Shares on the basis of one Subordinate Proportionate Voting Share for 80 Subordinate Voting Shares, and the Company will procure that the transfer agent for the Subordinate Voting Shares will send to such holder a direct registration statement, certificate or certificates representing the Subordinate Voting Shares acquired upon such reconversion. If the offeror under such Offer takes up and pays for the Subordinate Proportionate Voting Shares acquired upon exercise of the Subordinate Voting Share Conversion Right, the Company will procure that the transfer agent for the Subordinate Voting Shares will deliver to the holders of such Subordinate Proportionate Voting Shares the consideration paid for such Subordinate Proportionate Voting Shares by such Offeror.

Subordinate Proportionate Voting Shares

Holders of Subordinate Proportionate Voting Shares are entitled to notice of and to attend and vote at any meeting of the shareholders of the Company, except a meeting of which only holders of another class or series of shares of the Company will have the right to vote. Subject to the terms set out in the articles of the Company, at each such meeting, holders of Subordinate Proportionate Voting Shares are entitled to 80 votes in respect of each Subordinate Proportionate Voting Share, and each fraction of a Subordinate Proportionate Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by 80 and rounding the product down to the nearest whole number, at each such meeting.

As long as any Subordinate Proportionate Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Subordinate Proportionate Voting Shares and Multiple Voting Shares, voting together, by separate special resolution, alter or amend the articles of the Company if the result of such alteration or amendment would (i) prejudice or interfere with any right or special right attached to the Subordinate Proportionate Voting Shares or (ii) affect the rights or special rights of the holders of Subordinate Voting Shares, Subordinate Proportionate Voting Shares or Multiple Voting Shares on a per share basis. Consent of the holders of a majority of the outstanding Subordinate Proportionate Voting Shares and Multiple Voting Shares, voting together, is required for any action that authorizes or creates shares of any class or series having preferences superior to or on a parity with the Subordinate Proportionate Voting Shares. In connection with the exercise of

the voting rights in respect of any such approvals, each holder of Subordinate Proportionate Voting Shares will have one vote in respect of each Subordinate Proportionate Voting Share held. At any meeting of holders of Subordinate Proportionate Voting Shares and Multiple Voting Shares called to consider such a separate special resolution, each Subordinate Proportionate Voting Share and Multiple Voting Share will entitle the holder to one vote and each fraction of a Subordinate Proportionate Voting Share or Multiple Voting Share will entitle the holder to the corresponding fraction of one vote.

Holders of Subordinate Proportionate Voting Shares are entitled to receive, as and when declared by the directors of the Company, dividends in cash or property of the Company. No dividends may be declared on the Subordinate Proportionate Voting Shares unless the Company simultaneously declares equivalent dividends on (i) the Subordinate Voting Shares, in an amount equal to the amount of the dividend declared per Subordinate Proportionate Voting Share divided by 80, and (ii) the Multiple Voting Shares, in an amount equal to the dividend declared per Subordinate Proportionate Voting Share divided by 80.

The Company Board may declare a stock dividend payable in Subordinate Proportionate Voting Shares on the Subordinate Proportionate Voting Shares, but only if the directors simultaneously declare a stock dividend payable in: (i) Subordinate Proportionate Voting Shares on the Subordinate Voting Shares, in a number of shares per Subordinate Voting Share equal to the amount of the dividend declared per Subordinate Proportionate Voting Share divided by 80; and (ii) Subordinate Proportionate Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Proportionate Voting Share divided by 80. The directors of the Company may declare a stock dividend payable in Subordinate Voting Shares on the Subordinate Proportionate Voting Shares, but only if the directors simultaneously declare a stock dividend payable in: (i) Subordinate Voting Shares on the Subordinate Voting Shares, in a number of shares per Subordinate Voting Share equal to the amount of the dividend declared per Subordinate Proportionate Voting Share divided by 80; and (ii) Subordinate Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Shares equal to the amount of the dividend declared per Subordinate Proportionate Voting Share divided by 80.

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Subordinate Proportionate Voting Shares are entitled to participate rateably along with the holders of Subordinate Voting Shares and Multiple Voting Shares, with the amount of such distribution per Subordinate Proportionate Voting Share equal to each of: (i) the amount of such distribution per Subordinate Voting Share multiplied by 80; and (ii) the amount of such distribution per Multiple Voting Share multiplied by 80; and each fraction of a Subordinate Proportionate Voting Share are entitled to the amount calculated by multiplying the fraction by the amount payable per whole Subordinate Proportionate Voting Share.

No subdivision or consolidation of the Subordinate Proportionate Voting Shares may occur unless, simultaneously, the Subordinate Voting Shares and the Multiple Voting Shares are subdivided or consolidated using the same divisor or multiplier.

Each Subordinate Proportionate Voting Share are convertible, at the option of the holder thereof, at the head office of the Company or any transfer agent for such shares, into such number of fully paid and non-assessable Subordinate Voting Shares as is determined by multiplying the number of Subordinate Proportionate Voting Shares in respect of which the share conversion right is exercised by 80.

The Company's articles also provide that the ability to convert the Subordinate Proportionate Voting Shares into Subordinate Voting Shares was restricted during a "Restricted Conversion Period" during which the Company sought to maintain its status as a "foreign private issuer" (as determined pursuant to U.S. securities law). During the Restricted Conversion Period, a restriction existed that, unless the Board determined otherwise, the aggregate number of Subordinate Voting Shares, Subordinate Proportionate Voting Shares and Multiple Voting Shares held of record, directly or indirectly, by residents of the United States, could not exceed 40% of the aggregate number of Subordinate Voting Shares, Subordinate Proportionate Voting Shares and Multiple Voting Shares issued and outstanding after giving effect to such conversions. The Restricted Conversion Period has elapsed and, therefore, holders of Subordinate Proportionate Voting Shares may elect to convert such shares

into Subordinate Voting Shares by providing notice to the Company pursuant to the procedures specified in the articles.

Multiple Voting Shares

Holders of Multiple Voting Shares are entitled to notice of and to attend and vote at any meeting of the shareholders of the Company, except a meeting of which only holders of another class or series of shares of the Company will have the right to vote. At each such meeting, holders of Multiple Voting Shares are entitled to 800 votes in respect of each Multiple Voting Share held. Each fraction of a Multiple Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by 800 and rounding the product down to the nearest whole number, at each such meeting.

Multiple Voting Shares will not be convertible until the Initial Conversation Date (as defined below). Each Multiple Voting Share will automatically convert, without any action on the part of the holder thereof, into Subordinate Voting Shares on the basis of one Subordinate Voting Share for one Multiple Voting Share upon: (i) the death or disability of an Initial Holder (as defined below) with respect to all Multiple Voting Shares held by an Initial Holder, (ii) an Involuntary Transfer Event (as defined below) with respect to the Multiple Voting Shares being transferred pursuant to the Involuntary Transfer Event, or (iii) any other transfer of Multiple Voting Shares to anyone other than another Initial Holder with respect to such Multiple Voting Shares being transferred.

An “Involuntary Transfer Event” is an event that occurs if an Initial Holder (a) files a voluntary petition under any bankruptcy or insolvency law or a petition for the appointment of a receiver or makes an assignment for the benefit of creditors, (b) is subjected involuntarily to such a petition or assignment or to an attachment or other legal or equitable interest with respect to such holder’s Multiple Voting Shares or Subordinate Proportionate Voting Shares and such involuntary petition, assignment or attachment is not discharged within 30 days after its effective date, or (c) is subjected to any other possible involuntary transfer of such Initial Holder’s Multiple Voting Shares or Subordinate Proportionate Voting Shares by legal process including, without limitation, an assignment or transfer pursuant to a marital dissolution or divorce decree.

As long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of the Multiple Voting Shares by separate special resolution, alter or amend the articles of the Company if the result of such alteration or amendment would (i) prejudice or interfere with any right or special right attached to the Multiple Voting Shares or (ii) affect the rights or special rights of the holders of Subordinate Voting Shares, Subordinate Proportionate Voting Shares or Multiple Voting Shares on a per share basis. Additionally, consent of the holders of a majority of the outstanding Multiple Voting Shares are required for any action that authorizes or creates shares of any class or series having preferences superior to or on a parity with the Multiple Voting Shares. In connection with the exercise of the voting rights in respect of any such approvals, each holder of Multiple Voting Shares will have one vote in respect of each Multiple Voting Share held. At any meeting of holders of Multiple Voting Shares called to consider such a separate ordinary resolution, each Multiple Voting Share will entitle the holder to one vote and each fraction of a Multiple Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by 800 and rounding the product down to the nearest whole number, at each such meeting.

Holders of Multiple Voting Shares are entitled to receive, as and when declared by the directors of the Company, dividends in cash or property of the Company. No dividend are declared on the Multiple Voting Shares unless the Company simultaneously declares equivalent dividends on (i) the Subordinate Voting Shares, in an amount equal to the amount of the dividend declared per Multiple Voting Share, and (ii) the Subordinate Proportionate Voting Shares, in an amount equal to the dividend declared per Multiple Voting Share multiplied by 80. The Board may declare a stock dividend payable in Subordinate Proportionate Voting Shares on the Multiple Voting Shares, but only if the directors simultaneously declare a stock dividend payable in: (i) Subordinate Proportionate Voting Shares on the Subordinate Voting Shares, in a number of shares per Subordinate Voting Share equal to the amount of the dividend declared per Multiple Voting Share; and (ii) Subordinate Proportionate Voting Shares on the Subordinate Proportionate Voting Shares, in a number of shares per Subordinate Proportionate Voting Share equal to the amount of the dividend declared per Multiple Voting Share

multiplied by 80. The directors of the Company may declare a stock dividend payable in Subordinate Voting Shares on the Multiple Voting Shares, but only if the directors simultaneously declare a stock dividend payable in: (i) Subordinate Voting Shares on the Subordinate Voting Shares, in a number of shares per Subordinate Voting Share equal to the amount of the dividend declared per Multiple Voting Share; and (ii) Subordinate Voting Shares on the Subordinate Proportionate Voting Shares, in a number of shares per Subordinate Proportionate Voting Shares equal to the amount of the dividend declared per Multiple Voting Share multiplied by 80.

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs, the holders of Multiple Voting Shares are entitled to participate rateably along with the holders of Subordinate Proportionate Voting Shares and Subordinate Voting Shares, with the amount of such distribution per Multiple Voting Share equal to each of: (i) the amount of such distribution per Subordinate Voting Share; and (ii) the amount of such distribution per Subordinate Proportionate Voting Share divided by 80. Each fraction of a Multiple Voting Share are entitled to the amount calculated by multiplying the fraction by the amount payable per whole Multiple Voting Share.

No Multiple Voting Share may be transferred by the holder thereof without the prior written consent of the Board, except a holder of Multiple Voting Shares as of the date of initial issuance of Multiple Voting Shares (the “**Initial Holder**”) is permitted to transfer Multiple Voting Shares prior to the later of the date (i) the aggregate number of Subordinate Proportionate Voting Shares and Multiple Voting Shares held by the Initial Holders are reduced to a number which is less than 50% of the aggregate number of Subordinate Proportionate Voting Shares and Multiple Voting Shares held by the Initial Holders on the date of completion of the business combination between the Company and Cannex, and (ii) is three years following the date of completion of such business combination (the “**Initial Conversion Date**”).

Prior to the Initial Conversion Date, upon: (i) the death or disability of an Initial Holder, the other Initial Holders will have the obligation to purchase all of such Initial Holder’s Multiple Voting Shares; and (ii) an Involuntary Transfer Event, the other Initial Holders will have the obligation to purchase all of such Initial Holder’s Multiple Voting Shares which would otherwise be transferred pursuant to the Involuntary Transfer Event (each a “**Purchase Obligation**”). Promptly following an event triggering a Purchase Obligation, the Transferring Initial Holder will send a written notice to the company and other Initial Holders setting forth the event triggering the Purchase Obligation (the “**Purchase Obligation Notice**”) as well as the number of Multiple Voting Shares subject to the Purchase Obligation (“**Subject Multiple Voting Shares**”). If the purchase price of any Subject Multiple Voting Shares are purchased by a promissory note (the “**Note**”) the following terms will apply:

- Principal and interest are paid in no more than 12 equal quarterly installments (the first installment of which are due 120 days after the Purchase Obligation Notice;
- Interest on the principal amount are at the minimum rate established pursuant to IRS Code Sections 483 and 1274 and a five percent late penalty will apply to any payment not paid within five days of its due date;
- Right at any time to prepay without penalty all or any part of the balance due on the Note with interest to the date of prepayment;
- Secured by a pledge of such number of the purchasing Initial Holder’s Subordinate Proportionate Voting Shares or Subordinate Voting Shares or such other assets (excluding the Multiple Voting Shares being acquired) such that the pledged value equals the principal amount of the Note;
- Purchasing Initial Holder are entitled to receive all dividends on such Multiple Voting Shares and to exercise all voting rights with respect to such Multiple Voting Shares, except if the note is in default; and
- Failure to make any payment required by a Note within 10 days after its due date will constitute a default and will cause the remaining unpaid balance to become immediately due and payable, at the

holder's option, and the Transferring Initial Holder, after delivering notice of default to the purchasing Initial Holder, will have all the rights and remedies to enforce payment of the unpaid balance authorized by law; provided, the payment in default is not paid in full within 10 days after the date the default notice is delivered.

No subdivision or consolidation of the Multiple Voting Shares will occur unless, simultaneously, the Subordinate Voting Shares and the Subordinate Proportionate Voting Shares are subdivided or consolidated using the same divisor or multiplier.

If an offer is made to purchase Subordinate Voting Shares or Subordinate Proportionate Voting Shares, and such offer is required pursuant to applicable securities legislation or the rules of any stock exchange on which the Subordinate Proportionate Voting Shares or Subordinate Voting Shares may then be listed, to be made to all or substantially all of the holders of Subordinate Proportionate Voting Shares or Subordinate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase, a "**MVS Offer**"), then such MVS Offer are extended by the offeror to the holders of Multiple Voting Shares (which will not be required to convert in order to participate in the MVS Offer) for consideration per Multiple Voting Share equal to 0.0125 of the consideration offered per Subordinate Proportionate Voting Share or (ii) the consideration offered per Subordinate Voting Share, as applicable.

Coattail Agreement

On July 31, 2019, in connection with the closing of the business combination between the Company and Cannex, the Company, Alliance Trust Company (as trustee for the benefit of the holders of SVS and the holders of SPVS (the "**Holders**")) and all of the holders of the MVS entered into a coattail agreement (the "**Coattail Agreement**") in order to ensure that the Holders will not be deprived of any rights under applicable take-over bid legislation to which they would have been entitled in the event of a take-over bid for the MVS (as if such sale was a take-over bid for the purposes of the *Securities Act* (Ontario)) as if the MVS had been SVS or SPVS, as applicable.

Pursuant to the Coattail Agreement, subject to certain exceptions for permitted sales, and subject to the articles of the Company, the MVS holders cannot sell, directly or indirectly, any MVS pursuant to a take-over bid (as defined in applicable Canadian securities laws) under circumstances in which such securities laws would have required the same offer to be made to all or substantially all of the SVS Holders or the SPVS Holders, as applicable, if the sale by the MVS Holders had been a sale of the SVS or SPVS, as applicable, rather than such MVS, but otherwise on the same terms. In respect of the exceptions referenced above, the foregoing restriction will not apply to (i) a sale by any MVS Holder of the MVS if a concurrent offer is made to purchase SVS and SPVS that offers the same or better economics, take-up rules and conditions (and is otherwise identical); and (ii) a transfer of MVS that triggers a Purchase Obligations (as described above, see "-- *Multiple Voting Shares*"). The Coattail Agreement is available under the Company's SEDAR profile at www.sedar.com.

SCHEDULE "B"

AMENDED ARTICLES - PART 27.8

27.8 - PVS Conversion at the Option of the Company

The Company shall have the following rights in respect of conversion of the Proportionate Voting Shares:

- (a) **Right to Convert Proportionate Voting Shares.** Notwithstanding anything contained herein to the contrary, the Company shall have the right (the "**Company Share Conversion Right**") to require each holder of Proportionate Voting Shares to convert (the "**PVS Conversion**") all, and not less than all, the Proportionate Voting Shares held by such holder into such number of Subordinate Voting Shares as is determined by multiplying the number of Proportionate Voting Shares held by such holder by 80. Fractions of Proportionate Voting Shares may be converted into such number of Subordinate Voting Shares as is determined by multiplying the fraction by 80, rounded down to the nearest whole share and no payment shall be made or consideration provided on account of any such rounding. The Company Share Conversion Right may be exercised by the Company if all the following conditions (i) are satisfied (and, for certainty, the following conditions continue to be satisfied at the Conversion Time (as defined below)); or (ii) otherwise waived by special resolution of the holders of Proportionate Voting Shares:
 - (i) the Company is subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended; and
 - (ii) the Subordinate Voting Shares are listed or quoted (and are not suspended from trading) on a recognized North American stock exchange or by way of reverse takeover transaction on the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or Aequitas NEO Exchange (or any other stock exchange recognized as such by the British Columbia Securities Commission).
- (b) **Mechanics of Conversion.**
 - (i) In order to exercise the Company Share Conversion Right, the Company will issue or cause its transfer agent to issue to each holder of Proportionate Voting Shares of record a notice (the "**PVS Conversion Notice**") prior to the date of the PVS Conversion (the "**PVS Conversion Date**") which shall specify therein the PVS Conversion Date.
 - (A) The PVS Conversion Notice may be sent (i) notwithstanding paragraph 23.1, by electronic communication to an address provided by the intended recipient to the Company or otherwise obtained by the Company for any purpose; or (ii) by any other method of giving notice set out in paragraph 23.1.
 - (B) The PVS Conversion Notice may be sent prior to this paragraph 27.8 becoming effective.
 - (ii) At the time of conversion (the "**Conversion Time**") on the PVS Conversion Date, each certificate or direct registration statement representing Proportionate Voting Shares shall be null and void and the former holders of Proportionate Voting Shares shall be reflected on the register maintained for the Subordinate Voting Shares as holders of Subordinate Voting Shares and shall be treated for all purposes as the record holder or holders of the number of Subordinate Voting Shares to which each former holder or holders of Proportionate Voting Shares is entitled pursuant to paragraph 27.8(a); and
 - (iii) As soon as practicable on or after the PVS Conversion Date, and in any event within ten (10) days of the PVS Conversion Date, the Company will issue or send, or cause

its transfer agent to issue or send certificates or direct registration statement (at the sole discretion of the Company) to each former holder of Proportionate Voting Shares representing the number of Subordinate Voting Shares into which the Proportionate Voting Shares have been converted.

- (c) **Effect of Conversion.** All Proportionate Voting Shares which shall have been converted pursuant to the PVS Conversion shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive Subordinate Voting Shares in exchange therefor in accordance with this Section 27.8.

SCHEDULE “C”

Incorporation Number BC1218230

Translation of Name (if any)

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

AMENDED AND RESTATED ARTICLES

OF

4FRONT VENTURES CORP.

**Fasken Martineau DuMoulin LLP
Barristers & Solicitors
Canada**

PROVINCE OF BRITISH COLUMBIA

BUSINESS CORPORATIONS ACT

AMENDED AND RESTATED ARTICLES

OF

4FRONT VENTURES CORP.

(the “Company”)

Incorporation Number BC1218230

Translation of Name (if any)

**PART 1
INTERPRETATION**

1.1 Definitions

Without limiting Article 1.2, in these Articles, unless the context requires otherwise:

“**Articles**” means these amended and restated articles of the Company;

“**adjourned meeting**” means the meeting to which a meeting is adjourned under Articles 11.8 or 11.12;

“**board**”, “**board of directors**” and “**directors**” mean the directors or sole director of the Company for the time being and include a committee or other delegate, direct or indirect, of the directors or director;

“**Business Corporations Act**” means the *Business Corporations Act*, S.B.C. 2002, c.57 as amended, restated or replaced from time to time, and includes its regulations;

“**Interpretation Act**” means the *Interpretation Act*, R.S.B.C. 1996, c. 238;

“**legal personal representative**” means the personal or other legal representative of the shareholder; and

“**seal**” means the seal of the Company, if any.

1.2 Business Corporations Act Definitions Apply

The definitions in the *Business Corporations Act* apply to these articles.

1.3 Interpretation Act Applies

The *Interpretation Act* applies to the interpretation of these articles as if these articles were an enactment.

1.4 Conflict in Definitions

If there is a conflict between a definition in the *Business Corporations Act* and a definition or rule in the *Interpretation Act* relating to a term used in these articles, the definition in the *Business Corporations Act* will prevail in relation to the use of the term in these articles.

1.5 Conflict Between Articles and Legislation

If there is a conflict between these articles and the *Business Corporations Act*, the *Business Corporations Act* will prevail.

PART 2
SHARES AND SHARE CERTIFICATES

2.1 Authorized Share Structure

The authorized share structure of the Company consists of shares of the class or classes and series, if any, described in the Notice of Articles of the Company.

2.2 Form of Share Certificate

Each share certificate issued by the Company must comply with, and be signed as required by, the *Business Corporations Act*.

2.3 Right to Share Certificate or Acknowledgement

Each shareholder is entitled, without charge, to:

- (a) one certificate representing the share or shares of each class or series of shares registered in the shareholder's name; or
- (b) a non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate,

provided that in respect of a share held jointly by several persons, the Company is not bound to issue more than one share certificate or acknowledgment and delivery of a share certificate or acknowledgment for a share to one of several joint shareholders or to one of the shareholder's duly authorized agents will be sufficient delivery to all. The Company may refuse to register more than three persons as joint holders of a share.

2.4 Sending of Share Certificate

Any share certificate or non-transferable written acknowledgment of the shareholder's right to obtain such a share certificate to which a shareholder is entitled may be sent to the shareholder by mail at the shareholder's registered address, and neither the Company nor any agent is liable for any loss to the shareholder because the share certificate or acknowledgment sent is lost in the mail or stolen.

2.5 Replacement of Worn Out or Defaced Certificate

If the board of directors, or any officer or agent designated by the directors, is satisfied that a share certificate is worn out or defaced, they must, on production to them of the certificate and on such other terms, if any, as they think fit:

- (a) order the certificate to be cancelled; and
- (b) issue a replacement share certificate.

2.6 Replacement of Lost, Stolen or Destroyed Certificate

If a share certificate is lost, stolen or destroyed, a replacement share certificate must be issued to the person entitled to that certificate if the board of directors, or any officer or agent designated by the directors, receives:

- (a) proof satisfactory to them that the certificate is lost, stolen or destroyed; and
- (b) any indemnity the board of directors, or any officer or agent designated by the directors, considers adequate.

2.7 Splitting Share Certificates

If a shareholder surrenders a share certificate to the Company with a written request that the Company issue in the shareholder's name two or more certificates, each representing a specified number of shares and in the aggregate representing the same number of shares as the certificate so surrendered, the Company must cancel the

surrendered certificate and issue replacement share certificates in accordance with that request. The Company may refuse to issue a certificate with respect to a fraction of a share.

2.8 Certificate Fee

There must be paid to the Company, in relation to the issue of any share certificate under Articles 2.5, 2.6 or 2.7, the amount, if any and which must not exceed the amount prescribed under the *Business Corporations Act*, determined by the directors.

2.9 Recognition of Trusts

Except as required by law or statute or these Articles, no person will be recognized by the Company as holding any share upon any trust, and the Company is not bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or fraction of a share or (except as by law or statute or these Articles provided or as ordered by a court of competent jurisdiction) any other rights in respect of any share except an absolute right to the entirety thereof in the shareholder.

PART 3 ISSUE OF SHARES

3.1 Directors Authorized to Issue Shares

Subject to the *Business Corporations Act* and the rights of the holders of issued shares of the Company, the directors may issue, allot, sell or otherwise dispose of the unissued shares, and previously issued shares that are subject to reissuance or held by the Company, whether with par value or without par value, at the times, to the persons, including directors, in the manner, on the terms and conditions and for the issue prices (including any premium at which shares may be issued) that the directors, in their absolute discretion, may determine. The issue price for a share with par value must be equal to or greater than the par value of the share.

3.2 Commissions and Discounts

The directors may, at any time, authorize the Company to pay a reasonable commission or allow a reasonable discount to any person in consideration of that person purchasing or agreeing to purchase shares of the Company from the Company or any other person or procuring or agreeing to procure purchasers for shares of the Company.

3.3 Brokerage

The directors may authorize the Company to pay such brokerage fee or other consideration as may be lawful for or in connection with the sale or placement of its securities.

3.4 Conditions of Issue

Except as provided for by the *Business Corporations Act*, no share may be issued until it is fully paid. A share is fully paid when:

- (a) consideration is provided to the Company for the issue of the share by one or more of the following:
 - (i) past services performed for the Company;
 - (ii) property; or
 - (iii) money; and
- (b) the value of the consideration received by the Company equals or exceeds the issue price set for the share under Articles 3.1.

3.5 Warrants, Options and Rights

Subject to the *Business Corporations Act*, the Company may issue warrants, options and rights upon such terms and conditions as the directors determine, which warrants, options and rights may be issued alone or in

conjunction with debentures, debenture stock, bonds, shares or any other securities issued or created by the Company from time to time.

3.6 Fractional Shares

A person holding a fractional share does not have, in relation to the fractional share, the rights of a shareholder in proportion to the fraction of the share held.

PART 4 SHARE REGISTERS

4.1 Central Securities Register

As required by and subject to the *Business Corporations Act*, the Company must maintain in British Columbia a central securities register.

4.2 Branch Registers

In addition to the central securities register, the Company may maintain branch securities registers.

4.3 Appointment of Agents

The directors may, subject to the *Business Corporations Act*, appoint an agent to maintain the central securities register and any branch securities registers. The directors may also appoint one or more agents, including the agent which keeps the central securities register, as transfer agent for its shares or any class or series of its shares, as the case may be, and the same or another agent as registrar for its shares or such class or series of its shares, as the case may be. The directors may terminate such appointment of any agent at any time and may appoint another agent in its place.

4.4 Closing Register

The Company must not at any time close its central securities register.

PART 5 SHARE TRANSFERS

5.1 Recording or Registering Transfer

Except to the extent that the *Business Corporations Act* otherwise provides, a transfer of a share of the Company must not be recorded or registered unless:

- (a) a duly signed instrument of transfer in respect of the share has been received by the Company;
- (b) if a share certificate has been issued by the Company in respect of the share to be transferred, that share certificate has been surrendered to the Company; and
- (c) if a non-transferable written acknowledgment of the shareholder's right to obtain a share certificate has been issued by the Company in respect of the share to be transferred, that acknowledgment has been surrendered to the Company.

5.2 Form of Instrument of Transfer

The instrument of transfer in respect of any share of the Company must be either in the form, if any, on the back of the Company's share certificates or in any other form that may be approved by the directors from time to time.

5.3 Transferor Remains Shareholder

Except to the extent that the *Business Corporations Act* otherwise provides, the transferor of shares is deemed to remain the holder of the shares until the name of the transferee is entered in a securities register of the Company in respect of the transfer.

5.4 Signing of Instrument of Transfer

If a shareholder, or his or her duly authorized attorney, signs an instrument of transfer in respect of shares registered in the name of the shareholder, the signed instrument of transfer constitutes a complete and sufficient authority to the Company and its directors, officers and agents to register the number of shares specified in the instrument of transfer, or, if no number is specified, all the shares represented by share certificates deposited with the instrument of transfer:

- (a) in the name of the person named as transferee in that instrument of transfer; or
- (b) if no person is named as transferee in that instrument of transfer, in the name of the person on whose behalf the share certificate is deposited for the purpose of having the transfer registered.

5.5 Enquiry as to Title Not Required

Neither the Company nor any director, officer or agent of the Company is bound to inquire into the title of the person named in the instrument of transfer as transferee or, if no person is named as transferee in the instrument of transfer, of the person on whose behalf the instrument is deposited for the purpose of having the transfer registered or is liable for any claim related to registering the transfer by the shareholder or by any intermediate owner or holder of the shares, of any interest in the shares, of any share certificate representing such shares or of any written acknowledgment of a right to obtain a share certificate for such shares.

5.6 Transfer Fee

There must be paid to the Company, in relation to the registration of any transfer, the amount determined by the directors.

PART 6 TRANSMISSION OF SHARES

6.1 Legal Personal Representative Recognized on Death

In the case of the death of a shareholder, the legal personal representative, or if the shareholder was a joint holder, the surviving joint holder, will be the only person recognized by the Company as having any title to the shareholder's interest in the shares. Before recognizing a person as a legal personal representative, the directors may require proof of appointment by a court of competent jurisdiction, a grant of letters probate, letters of administration or such other evidence or documents as the directors consider appropriate.

6.2 Rights of Legal Personal Representative

The legal personal representative has the same rights, privileges and obligations that attach to the shares held by the shareholder, including the right to transfer the shares in accordance with these Articles, provided the documents required by the *Business Corporations Act* and the directors have been deposited with the Company.

PART 7 PURCHASE OF SHARES

7.1 Company Authorized to Purchase Shares

Subject to the special rights and restrictions attached to any class or series of shares and the *Business Corporations Act*, the Company may, if authorized by the directors, purchase or otherwise acquire any of its shares at the price and on the terms specified in such resolution.

7.2 Purchase When Insolvent

The Company must not make a payment or provide any other consideration to purchase or otherwise acquire any of its shares if there are reasonable grounds for believing that:

- (a) the Company is insolvent; or

- (b) making the payment or providing the consideration would render the Company insolvent.

7.3 Sale and Voting of Purchased Shares

If the Company retains a share redeemed, purchased or otherwise acquired by it, the Company may sell, gift or otherwise dispose of the share, but, while such share is held by the Company, it:

- (a) is not entitled to vote the share at a meeting of its shareholders;
- (b) must not pay a dividend in respect of the share; and
- (c) must not make any other distribution in respect of the share.

PART 8 BORROWING POWERS

8.1 Powers of Directors

The Company, if authorized by the directors, may from time to time:

- (a) borrow money in the manner and amount, on the security, from the sources and on the terms and conditions that the directors consider appropriate;
- (b) issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Company or any other person;
- (c) guarantee the repayment of money by any other person or the performance of any obligation of any other person; and
- (d) mortgage or charge, whether by way of specific or floating charge, or give other security on the whole or any part of the present and future undertaking of the Company.

8.2 Terms of Debt Instruments

Any bonds, debentures or other debt obligations of the Company may be issued at a discount, premium or otherwise, and with any special privileges on the redemption, surrender, drawing, allotment of or conversion into or exchange for shares or other securities, attending and voting at general meetings of the Company, appointment of directors or otherwise, and may by their terms be assignable free from any equities between the Company and the person to whom they were issued or any subsequent holder, all as the directors may determine.

8.3 Delegation by Directors

For greater certainty, the powers of the directors under this Part 8 may be exercised by a committee or other delegate, direct or indirect, of the board authorized to exercise such powers.

PART 9 ALTERATIONS

9.1 Alteration of Authorized Share Structure

Subject to Article 9.2 and the *Business Corporations Act*, the Company may by directors' resolution:

- (a) create one or more classes or series of shares or, if none of the shares of a class or series of shares is allotted or issued, eliminate that class or series of shares;
- (b) increase, reduce or eliminate the maximum number of shares that the Company is authorized to issue out of any class or series of shares or establish a maximum number of shares that the Company is authorized to issue out of any class or series of shares for which no maximum is established;

- (c) subdivide or consolidate all or any of its unissued, or fully paid issued, shares;
- (d) if the Company is authorized to issue shares of a class of shares with par value:
 - (i) decrease the par value of those shares; or
 - (ii) if none of the shares of that class of shares is allotted or issued, increase the par value of those shares;
- (e) change all or any of its unissued, or fully paid issued, shares with par value into shares without par value or any of its unissued shares without par value into shares with par value;
- (f) alter the identifying name of any of its shares; or
- (g) otherwise alter its shares or authorized share structure when required or permitted to do so by the *Business Corporations Act*.

9.2 Special Rights and Restrictions

Subject to the *Business Corporations Act*, the Company may by ordinary resolution:

- (a) create special rights or restrictions for, and attach those special rights or restrictions to, the shares of any class or series of shares, whether or not any or all of those shares have been issued; or
- (b) vary or delete any special rights or restrictions attached to the shares of any class or series of shares, whether or not any or all of those shares have been issued.

9.3 Company Alterations

- (a) If the *Business Corporations Act* does not specify the type of resolution and these Articles do not specify a type of resolution, the Company may by resolution of the directors authorize any act of the Company, including without limitation, an alteration of these Articles or its Notice of Articles.
- (b) If the *Business Corporations Act* requires a shareholders' resolution but it does not specify the type of shareholders' resolution and these Articles do not specify a type of shareholders' resolution, the Company may by ordinary resolution authorize any act of the Company.

PART 10 MEETINGS OF SHAREHOLDERS

10.1 Annual General Meetings

Unless an annual general meeting is deferred or waived in accordance with the *Business Corporations Act*, the Company must hold an annual general meeting, for the first time, not more than 18 months after the date on which it was recognized, and after its first annual reference date, at least once in each calendar year and not more than 15 months after the annual reference date for the preceding calendar year at such date, time and location as may be determined by the directors.

10.2 Resolution Instead of Annual General Meeting

If all of the shareholders who are entitled to vote at an annual general meeting consent by a unanimous resolution under the *Business Corporations Act* to all of the business that is required to be transacted at that annual general meeting, the annual general meeting is deemed to have been held on the date of the unanimous resolution. The shareholders must, in any unanimous resolution passed under this Article 10.2, select as the Company's annual reference date a date that would be appropriate for the holding of the applicable annual general meeting.

10.3 Calling of Shareholder Meetings

The directors may, whenever they think fit, call a meeting of shareholders.

10.4 Location of Shareholder Meetings

The directors may, by directors' resolution, approve a location outside of British Columbia for the holding of a meeting of shareholders.

10.5 Notice for Meetings of Shareholders

The Company must send notice of the date, time and location of any meeting of shareholders, in the manner provided in these Articles, or in such other manner, if any, as may be prescribed by ordinary resolution (whether previous notice of the resolution has been given or not), to each shareholder entitled to attend the meeting, to each director and to the auditor of the Company, unless these Articles otherwise provide, at least the following number of days before the meeting:

- (a) if and for so long as the Company is a public company, 21 days; and
- (b) otherwise, 10 days.

10.6 Record Date for Notice

The directors may set a date as the record date for the purpose of determining shareholders entitled to notice of any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. The record date must not precede the date on which the meeting is held by fewer than:

- (a) if and for so long as the Company is a public company, 21 days; and
- (b) otherwise, 10 days.

If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.7 Record Date for Voting

The directors may set a date as the record date for the purpose of determining shareholders entitled to vote at any meeting of shareholders. The record date must not precede the date on which the meeting is to be held by more than two months or, in the case of a general meeting requisitioned by shareholders under the *Business Corporations Act*, by more than four months. If no record date is set, the record date is 5 p.m. on the day immediately preceding the first date on which the notice is sent or, if no notice is sent, the beginning of the meeting.

10.8 Failure to Give Notice and Waiver of Notice

The accidental omission to send notice of any meeting to, or the non-receipt of any notice by, any of the persons entitled to receive notice does not invalidate any proceedings at that meeting. Any person entitled to receive notice of a meeting of shareholders may, in writing or otherwise, waive or reduce the period of notice of such meeting.

10.9 Notice of Special Business at Meetings of Shareholders

If a meeting of shareholders is to consider special business within the meaning of Article 11.1, the notice of meeting must:

- (a) state the general nature of the special business; and
- (b) if the special business includes considering, approving, ratifying, adopting or authorizing any document or the signing of or giving of effect to any document, have attached to it a copy of the document or state that a copy of the document will be available for inspection by the shareholders:
 - (i) at the Company's records office, or at such other reasonably accessible location in British Columbia as is specified in the notice; and

- (ii) during statutory business hours on any one or more specified days before the day set for the holding of the meeting.

PART 11 PROCEEDINGS AT MEETINGS OF SHAREHOLDERS

11.1 Special Business

At a meeting of shareholders, the following business is special business:

- (a) at a meeting of shareholders that is not an annual general meeting, all business is special business except business relating to the conduct of or voting at the meeting;
- (b) at an annual general meeting, all business is special business except for the following:
 - (i) business relating to the conduct of, or voting at, the meeting;
 - (ii) consideration of any financial statements of the Company presented to the meeting;
 - (iii) consideration of any reports of the directors or auditor;
 - (iv) the setting or changing of the number of directors;
 - (v) the election or appointment of directors;
 - (vi) the appointment of an auditor;
 - (vii) business arising out of a report of the directors not requiring the passing of a special resolution or an exceptional resolution; and
 - (viii) any other business which, under these Articles or the *Business Corporations Act*, may be transacted at a meeting of shareholders without prior notice of the business being given to the shareholders.

11.2 Special Majority

The majority of votes required for the Company to pass a special resolution at a meeting of shareholders is two-thirds of the votes cast on the resolution.

11.3 Quorum

Subject to the special rights and restrictions attached to the shares of any class or series of shares, the quorum for the transaction of business at a meeting of shareholders is two persons who are, or who represent by proxy, shareholders who, in the aggregate, hold at least 5% of the issued shares entitled to be voted at the meeting.

11.4 One Shareholder May Constitute Quorum

If there is only one shareholder entitled to vote at a meeting of shareholders:

- (a) the quorum is one person who is, or who represents by proxy, that shareholder; and
- (b) that shareholder, present in person or by proxy, may constitute the meeting.

11.5 Meetings by Telephone or Other Communications Medium

A shareholder or proxy holder who is entitled to participate in, including vote at, a meeting of shareholders may participate in person or by telephone or other communications medium if all shareholders and proxy holders participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A shareholder who participates in a meeting in a manner contemplated by this

Article 11.5 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner. Nothing in this Article 11.5 obligates the Company to take any action or provide any facility to permit or facilitate the use of any communications medium at a meeting of shareholders.

11.6 Other Persons May Attend

The directors, the president (if any), the secretary (if any), the assistant secretary (if any), any lawyer for the Company, the auditor of the Company and any other persons invited by the directors are entitled to attend any meeting of shareholders, but if any of those persons does attend a meeting of shareholders, that person is not to be counted in the quorum, and is not entitled to vote at the meeting, unless that person is a shareholder or proxy holder entitled to vote at the meeting.

11.7 Requirement of Quorum

No business, other than the election of a chair of the meeting and the adjournment of the meeting, may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting.

11.8 Lack of Quorum

If, within one-half hour from the time set for the holding of a meeting of shareholders, a quorum is not present:

- (a) in the case of a general meeting convened by requisition of shareholders, the meeting is dissolved; and
- (b) in the case of any other meeting of shareholders, the meeting stands adjourned to the same day in the next week at the same time and place, or at such other date, time or location as the chair specifies on the adjournment.

11.9 Lack of Quorum at Succeeding Meeting

If, at the meeting to which the first meeting referred to in Article 11.8(b) was adjourned, a quorum is not present within one-half hour from the time set for the holding of the meeting the person or persons present and being, or representing by proxy, one or more shareholders entitled to attend and vote at the meeting constitute a quorum.

11.10 Chair

The following individual is entitled to preside as chair at a meeting of shareholders:

- (a) the chair of the board, if any; and
- (b) if the chair of the board is absent or unwilling to act as chair of the meeting, the president, if any.

11.11 Selection of Alternate Chair

If, at any meeting of shareholders, there is no chair of the board or president present within 15 minutes after the time set for holding the meeting, or if the chair of the board and the president are unwilling to act as chair of the meeting, or if the chair of the board and the president have advised the secretary, if any, or any director present at the meeting, that they will not be present at the meeting, the directors present must choose one of their number to be chair of the meeting or if all of the directors present decline to take the chair or fail to so choose or if no director is present, the shareholders entitled to vote at the meeting who are present in person or by proxy may choose any person present at the meeting to chair the meeting.

11.12 Adjournments

The chair of a meeting of shareholders may, and if so directed by the meeting must, adjourn the meeting from time to time and from place to place, but no business may be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

11.13 Notice of Adjourned Meeting

It is not necessary to give any notice of an adjourned meeting or of the business to be transacted at an adjourned meeting of shareholders except that, when a meeting is adjourned for 30 days or more, notice of the adjourned meeting must be given as in the case of the original meeting.

11.14 Decisions by Show of Hands or Poll

Subject to the *Business Corporations Act*, every motion put to a vote at a meeting of shareholders will be decided on a show of hands unless a poll, before or on the declaration of the result of the vote by show of hands, is directed by the chair or demanded by at least one shareholder entitled to vote who is present in person or by proxy.

11.15 Declaration of Result

The chair of a meeting of shareholders must declare to the meeting the decision on every question in accordance with the result of the show of hands or the poll, as the case may be, and that decision must be entered in the minutes of the meeting. A declaration of the chair that a resolution is carried by the necessary majority or is defeated is, unless a poll is directed by the chair or demanded under Article 11.14, conclusive evidence without proof of the number or proportion of the votes recorded in favour of or against the resolution.

11.16 Motion Need Not Be Seconded

No motion proposed at a meeting of shareholders need be seconded unless the chair of the meeting rules otherwise, and the chair of any meeting of shareholders is entitled to propose or second a motion.

11.17 Casting Vote

In case of an equality of votes, the chair of a meeting of shareholders does not, either on a show of hands or on a poll, have a second or casting vote in addition to the vote or votes to which the chair may be entitled as a shareholder.

11.18 Manner of Taking a Poll

Subject to Article 11.19, if a poll is duly demanded at a meeting of shareholders:

- (a) the poll must be taken:
 - (i) at the meeting, or within seven days after the date of the meeting, as the chair of the meeting directs; and
 - (ii) in the manner, at the time and at the place that the chair of the meeting directs;
- (b) the result of the poll is deemed to be a resolution of and passed at the meeting at which the poll is demanded; and
- (c) the demand for the poll may be withdrawn by the person who demanded it.

11.19 Demand for a Poll on Adjournment

A poll demanded at a meeting of shareholders on a question of adjournment must be taken immediately at the meeting.

11.20 Chair Must Resolve Dispute

In the case of any dispute as to the admission or rejection of a vote given on a poll, the chair of the meeting must determine the dispute, and his or her determination made in good faith is final and conclusive.

11.21 Casting of Votes

On a poll, a shareholder entitled to more than one vote need not cast all the votes in the same way.

11.22 Demand for Poll

No poll may be demanded in respect of the vote by which a chair of a meeting of shareholders is elected.

11.23 Demand for a Poll Not to Prevent Continuation of Meeting

The demand for a poll at a meeting of shareholders does not, unless the chair of the meeting so rules, prevent the continuation of a meeting for the transaction of any business other than the question on which a poll has been demanded.

11.24 Retention of Ballots and Proxies

The Company must, for at least three months after a meeting of shareholders, keep each ballot cast on a poll and each proxy voted at the meeting, and, during that period, make them available for inspection during statutory business hours by any shareholder or proxy holder entitled to vote at the meeting. At the end of such three month period, the Company may destroy such ballots and proxies.

**PART 12
VOTES OF SHAREHOLDERS**

12.1 Number of Votes by Shareholder or by Shares

Subject to any special rights or restrictions attached to any shares and to the restrictions imposed on joint registered holders of shares under Article 12.3:

- (a) on a vote by show of hands, every person present who is a shareholder or proxy holder and entitled to vote at the meeting has one vote, and
- (b) on a poll, every shareholder entitled to vote at the meeting has one vote in respect of each share held by that shareholder and may exercise that vote either in person or by proxy.

12.2 Votes of Persons in Representative Capacity

A person who is not a shareholder may vote at a meeting of shareholders, whether on a show of hands or on a poll, and may appoint a proxy holder to act at the meeting, if, before doing so, the person satisfies the chair of the meeting, or the directors, that the person is the legal personal representative or a trustee in bankruptcy for a shareholder who is entitled to vote at the meeting.

12.3 Votes by Joint Shareholders

If there are joint shareholders registered in respect of any share:

- (a) any one of the joint shareholders may vote at any meeting, either personally or by proxy, in respect of the share as if that joint shareholder were solely entitled to it; or
- (b) if more than one of the joint shareholders is present at any meeting, personally or by proxy, and more than one of them votes in respect of that share, then only the vote of the joint shareholder present whose name stands first on the central securities register in respect of the share will be counted.

12.4 Legal Personal Representatives as Joint Shareholders

Two or more legal personal representatives of a shareholder in whose sole name any share is registered are, for the purposes of Article 12.3, deemed to be joint shareholders.

12.5 Representative of a Corporate Shareholder

If a corporation that is not a subsidiary of the Company is a shareholder, that corporation may appoint a person to act as its representative at any meeting of shareholders of the Company, and:

- (a) for that purpose, the instrument appointing a representative must:

- (i) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice for the receipt of proxies or, if no number is specified, two days before the day set for the holding of the meeting; or
 - (ii) be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting; and
- (b) if a representative is appointed under this Article 12.5:
- (i) the representative is entitled to exercise in respect of and at that meeting the same rights on behalf of the corporation that the representative represents as that corporation could exercise if it were a shareholder who is an individual, including, without limitation, the right to appoint a proxy holder; and
 - (ii) the representative, if present at the meeting, is to be counted for the purpose of forming a quorum and is deemed to be a shareholder present in person at the meeting.

Evidence of the appointment of any such representative may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.6 Proxy Provisions Do Not Apply to All Companies

If and for so long as the Company is a public company, Articles 12.7 to 12.15 apply to the Company only insofar as they are not inconsistent with any securities legislation of any province or territory of Canada applicable to the Company.

12.7 Appointment of Proxy Holder

Every shareholder of the Company, including a corporation that is a shareholder but not a subsidiary of the Company, entitled to vote at a meeting of shareholders of the Company may, by proxy, appoint one or more (but not more than five) proxy holders to attend and act at the meeting in the manner, to the extent and with the powers conferred by the proxy.

12.8 Alternate Proxy Holders

A shareholder may appoint one or more alternate proxy holders to act in the place of an absent proxy holder.

12.9 When Proxy Holder Need Not Be Shareholder

A person must not be appointed as a proxy holder unless the person is a shareholder, although a person who is not a shareholder may be appointed as a proxy holder if:

- (a) the person appointing the proxy holder is a corporation or a representative of a corporation appointed under Article 12.5;
- (b) the Company has at the time of the meeting for which the proxy holder is to be appointed only one shareholder entitled to vote at the meeting;
- (c) the shareholders present in person or by proxy at and entitled to vote at the meeting for which the proxy holder is to be appointed, by a resolution on which the proxy holder is not entitled to vote but in respect of which the proxy holder is to be counted in the quorum, permit the proxy holder to attend and vote at the meeting; or
- (d) the Company is a public company.

12.10 Deposit of Proxy

A proxy for a meeting of shareholders must:

- (a) be received at the registered office of the Company or at any other place specified, in the notice calling the meeting, for the receipt of proxies, at least the number of business days specified in the notice, or if no number of days is specified, two business days before the day set for the holding of the meeting; or
- (b) unless the notice provides otherwise, be provided, at the meeting, to the chair of the meeting or to a person designated by the chair of the meeting.

A proxy may be sent to the Company by written instrument, fax or any other method of transmitting legibly recorded messages.

12.11 Validity of Proxy Vote

A vote given in accordance with the terms of a proxy is valid notwithstanding the death or incapacity of the shareholder giving the proxy and despite the revocation of the proxy or the revocation of the authority under which the proxy is given, unless notice in writing of that death, incapacity or revocation is received:

- (a) at the registered office of the Company, at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) by the chair of the meeting, before the vote is taken.

12.12 Form of Proxy

A proxy, whether for a specified meeting or otherwise, must be either in the following form or in any other form approved by the directors or the chair of the meeting:

[Name of Company]

(the “**Company**”)

The undersigned, being a shareholder of the Company, hereby appoints [name] or, failing that person, [name], as proxy holder for the undersigned to attend, act and vote for and on behalf of the undersigned at the meeting of shareholders to be held on [month, day, year] and at any adjournment of that meeting.

Number of shares in respect of which this proxy is given (if no number is specified, then this proxy is given in respect of all shares registered in the name of the shareholder): _____

Signed this ____ day of _____, _____.

Signature of shareholder

Name of shareholder—printed

12.13 Revocation of Proxy

Subject to Article 12.14, every proxy may be revoked by an instrument in writing that is:

- (a) received at the registered office of the Company at any time up to and including the last business day before the day set for the holding of the meeting at which the proxy is to be used; or
- (b) provided, at the meeting, to the chair of the meeting.

12.14 Revocation of Proxy Must Be Signed

An instrument referred to in Article 12.13 must be signed as follows:

- (a) if the shareholder for whom the proxy holder is appointed is an individual, the instrument must be signed by the shareholder or his or her legal personal representative or trustee in bankruptcy; or
- (b) if the shareholder for whom the proxy holder is appointed is a corporation, the instrument must be signed by the corporation or by a representative appointed for the corporation under Article 12.5.

12.15 Production of Evidence of Authority to Vote

The chair of any meeting of shareholders may, but need not, inquire into the authority of any person to vote at the meeting and may, but need not, demand from that person production of evidence as to the existence of the authority to vote.

PART 13 DIRECTORS

13.1 Number of Directors

The number of directors, excluding additional directors appointed under Article 14.8, is set at:

- (a) if the Company is a public company, the greater of three and the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4;
- (b) if the Company is not a public company, the most recently set of:
 - (i) the number of directors set by ordinary resolution (whether or not previous notice of the resolution was given); and
 - (ii) the number of directors set under Article 14.4.

13.2 Change in Number of Directors

If the number of directors is set under Articles 13.1(a)(i) or 13.1(b)(i):

- (a) the shareholders may elect or appoint the directors needed to fill any vacancies in the board of directors up to that number;
- (b) if the shareholders do not elect or appoint the directors needed to fill any vacancies in the board of directors up to that number contemporaneously with the setting of that number, then the directors may appoint, or the shareholders may elect or appoint, directors to fill those vacancies.

13.3 Directors' Acts Valid Despite Vacancy

An act or proceeding of the directors is not invalid merely because fewer than the number of directors set or otherwise required under these Articles is in office.

13.4 Qualifications of Directors

A director is not required to hold a share in the capital of the Company as qualification for his or her office but must be qualified as required by the *Business Corporations Act* to become, act or continue to act as a director.

13.5 Remuneration of Directors

The directors are entitled to the remuneration for acting as directors, if any, as the directors may from time to time determine. If the directors so decide, the remuneration of the directors, if any, will be determined by the shareholders. That remuneration may be in addition to any salary or other remuneration paid to any officer or employee of the Company as such, who is also a director.

13.6 Reimbursement of Expenses of Directors

The Company must reimburse each director for the reasonable expenses that he or she may incur in his or her capacity as director in and about the business of the Company.

13.7 Special Remuneration for Directors

If any director performs any professional or other services for the Company that in the opinion of the directors are outside the ordinary duties of a director, or if any director is otherwise specially occupied in or about the Company's business, he or she may be paid remuneration fixed by the directors, or, at the option of that director, fixed by ordinary resolution, and such remuneration may be either in addition to, or in substitution for, any other remuneration that he or she may be entitled to receive.

13.8 Gratuity, Pension or Allowance on Retirement of Director

Unless otherwise determined by ordinary resolution, the directors may authorize the Company to pay a gratuity or pension or allowance on retirement to any director who has held any salaried office or place of profit with the Company or to his or her spouse or dependants and may make contributions to any fund and pay premiums for the purchase or provision of any such gratuity, pension or allowance.

**PART 14
ELECTION AND REMOVAL OF DIRECTORS**

14.1 Election at Annual General Meeting

At every annual general meeting and in every unanimous resolution contemplated by Article 10.2:

- (a) the shareholders entitled to vote at the annual general meeting for the election of directors must elect, or in the unanimous resolution appoint, a board of directors consisting of the number of directors for the time being set under these Articles; and
- (b) all the directors cease to hold office immediately before the election or appointment of directors under paragraph (a), but are eligible for re-election or re-appointment.

14.2 Consent to be a Director

No election, appointment or designation of an individual as a director is valid unless:

- (a) that individual consents to be a director in the manner provided for in the *Business Corporations Act*; or
- (b) that individual is elected or appointed at a meeting at which the individual is present and the individual does not refuse, at the meeting, to be a director.

14.3 Failure to Elect or Appoint Directors.

If:

- (a) the Company fails to hold an annual general meeting, and all the shareholders who are entitled to vote at an annual general meeting fail to pass the unanimous resolution contemplated by Article 10.2, on or before the date by which the annual general meeting is required to be held under the *Business Corporations Act*; or
- (b) the shareholders fail, at the annual general meeting or in the unanimous resolution contemplated by Article 10.2, to elect or appoint any directors;

then each director then in office continues to hold office until the earlier of:

- (c) the date on which his or her successor is elected or appointed; and

- (d) the date on which he or she otherwise ceases to hold office under the *Business Corporations Act* or these Articles.

14.4 Places of Retiring Directors Not Filled

If, at any meeting of shareholders at which there should be an election of directors, the places of any of the retiring directors are not filled by that election, those retiring directors who are not re-elected and who are asked by the newly elected directors to continue in office will, if willing to do so, continue in office to complete the number of directors for the time being set pursuant to these Articles until further new directors are elected at a meeting of shareholders convened for that purpose. If any such election or continuance of directors does not result in the election or continuance of the number of directors for the time being set pursuant to these Articles, the number of directors of the Company is deemed to be set at the number of directors actually elected or continued in office.

14.5 Directors May Fill Casual Vacancies

Any casual vacancy occurring in the board of directors may be filled by the directors.

14.6 Remaining Directors Power to Act

The directors may act notwithstanding any vacancy in the board of directors, but if the Company has fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the directors may only act for the purpose of appointing directors up to that number or of summoning a meeting of shareholders for the purpose of filling any vacancies on the board of directors or, subject to the *Business Corporations Act*, for any other purpose.

14.7 Shareholders May Fill Vacancies

If the Company has no directors or fewer directors in office than the number set pursuant to these Articles as the quorum of directors, the shareholders may elect or appoint directors to fill any vacancies on the board of directors.

14.8 Additional Directors

Notwithstanding Articles 13.1 and 13.2, between annual general meetings or unanimous resolutions contemplated by Article 10.2, the directors may appoint one or more additional directors, but the number of additional directors appointed under this Article 14.8 must not at any time exceed:

- (a) one-third of the number of first directors, if, at the time of the appointments, one or more of the first directors have not yet completed their first term of office; or
- (b) in any other case, one-third of the number of the current directors who were elected or appointed as directors other than under this Article 14.8.

Any director so appointed ceases to hold office immediately before the next election or appointment of directors under Article 14.1(a), but is eligible for re-election or re-appointment.

14.9 Ceasing to be a Director

A director ceases to be a director when:

- (a) the term of office of the director expires;
- (b) the director dies;
- (c) the director resigns as a director by notice in writing provided to the Company or a lawyer for the Company; or
- (d) the director is removed from office pursuant to Articles 14.10 or 14.11.

14.10 Removal of Director by Shareholders

The Company may remove any director before the expiration of his or her term of office by special resolution. In that event, the shareholders may elect, or appoint by ordinary resolution, a director to fill the resulting vacancy. If the shareholders do not elect or appoint a director to fill the resulting vacancy contemporaneously with the removal, then the directors may appoint or the shareholders may elect, or appoint by ordinary resolution, a director to fill that vacancy.

14.11 Removal of Director by Directors

The directors may remove any director before the expiration of his or her term of office if the director is convicted of an indictable offence, or if the director ceases to be qualified to act as a director of a company and does not promptly resign, and the directors may appoint a director to fill the resulting vacancy.

**PART 15
POWERS AND DUTIES OF DIRECTORS**

15.1 Powers of Management

The directors must, subject to the *Business Corporations Act* and these Articles, manage or supervise the management of the business and affairs of the Company and have the authority to exercise all such powers of the Company as are not, by the *Business Corporations Act* or by these Articles, required to be exercised by the shareholders of the Company.

15.2 Appointment of Attorney of Company

The directors exclusively may from time to time, by power of attorney or other instrument, under seal if so required by law, appoint any person to be the attorney of the Company for such purposes, and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the directors under these Articles and excepting the power to fill vacancies in the board of directors, to remove a director, to change the membership of, or fill vacancies in, any committee of the directors, to appoint or remove officers appointed by the directors and to declare dividends) and for such period, and with such remuneration and subject to such conditions as the directors may think fit. Any such power of attorney may contain such provisions for the protection or convenience of persons dealing with such attorney as the directors think fit. Any such attorney may be authorized by the directors to sub-delegate all or any of the powers, authorities and discretions for the time being vested in him or her.

**PART 16
DISCLOSURE OF INTEREST OF DIRECTORS**

16.1 Obligation to Account for Profits

A director or senior officer who holds a disclosable interest (as that term is used in the *Business Corporations Act*) in a contract or transaction into which the Company has entered or proposes to enter is liable to account to the Company for any profit that accrues to the director or senior officer under or as a result of the contract or transaction only if and to the extent provided in the *Business Corporations Act*.

16.2 Restrictions on Voting by Reason of Interest

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter is not entitled to vote on any directors' resolution to approve that contract or transaction, unless all the directors have a disclosable interest in that contract or transaction, in which case any or all of those directors may vote on such resolution.

16.3 Interested Director Counted in Quorum

A director who holds a disclosable interest in a contract or transaction into which the Company has entered or proposes to enter and who is present at the meeting of directors at which the contract or transaction is considered for approval may be counted in the quorum at the meeting whether or not the director votes on any or all of the resolutions considered at the meeting.

16.4 Disclosure of Conflict of Interest or Property

A director or senior officer who holds any office or possesses any property, right or interest that could result, directly or indirectly, in the creation of a duty or interest that materially conflicts with that individual's duty or interest as a director or senior officer, must disclose the nature and extent of the conflict as required by the *Business Corporations Act*.

16.5 Director Holding Other Office in the Company

A director may hold any office or place of profit with the Company, other than the office of auditor of the Company, in addition to his or her office of director for the period and on the terms (as to remuneration or otherwise) that the directors may determine.

16.6 No Disqualification

No director or intended director is disqualified by his or her office from contracting with the Company either with regard to the holding of any office or place of profit the director holds with the Company or as vendor, purchaser or otherwise, and no contract or transaction entered into by or on behalf of the Company in which a director is in any way interested is liable to be voided for that reason.

16.7 Professional Services by Director or Officer

Subject to the *Business Corporations Act*, a director or officer, or any person in which a director or officer has an interest, may act in a professional capacity for the Company, except as auditor of the Company, and the director or officer or such person is entitled to remuneration for professional services as if that director or officer were not a director or officer.

16.8 Director or Officer in Other Corporations

A director or officer may be or become a director, officer or employee of, or otherwise interested in, any person in which the Company may be interested as a shareholder or otherwise, and, subject to the *Business Corporations Act*, the director or officer is not accountable to the Company for any remuneration or other benefits received by him or her as director, officer or employee of, or from his or her interest in, such other person.

**PART 17
PROCEEDINGS OF DIRECTORS**

17.1 Meetings of Directors

The directors may meet together for the conduct of business, adjourn and otherwise regulate their meetings as they think fit, and meetings of the board held at regular intervals may be held at the place, at the time and on the notice, if any, that the board may by resolution from time to time determine.

17.2 Voting at Meetings

Questions arising at any meeting of directors are to be decided by a majority of votes and, in the case of an equality of votes, the chair of the meeting does not have a second or casting vote.

17.3 Chair of Meetings

Meetings of directors are to be chaired by:

- (a) the chair of the board, if any;
- (b) in the absence of the chair of the board, the president, if any, if the president is a director; or
- (c) any other director chosen by the directors if:
 - (i) neither the chair of the board nor the president, if a director, is present at the meeting within 15 minutes after the time set for holding the meeting;

- (ii) neither the chair of the board nor the president, if a director, is willing to chair the meeting; or
- (iii) the chair of the board and the president, if a director, have advised the secretary, if any, or any other director, that they will not be present at the meeting.

17.4 Meetings by Telephone or Other Communications Medium

A director may participate in a meeting of the directors or of any committee of the directors in person or by telephone or other communications medium if all directors participating in the meeting, whether in person or by telephone or other communications medium, are able to communicate with each other. A director who participates in a meeting in a manner contemplated by this Article 17.4 is deemed for all purposes of the *Business Corporations Act* and these Articles to be present at the meeting and to have agreed to participate in that manner.

17.5 Calling of Meetings

A director may, and the secretary or an assistant secretary, if any, on the request of a director must, call a meeting of the directors at any time.

17.6 Notice of Meetings

Other than for meetings held at regular intervals as determined by the directors pursuant to Article 17.1, reasonable notice of each meeting of the directors, specifying the place, day and time of that meeting must be given to each of the directors by any method set out in Article 23.1 or orally or by telephone.

17.7 When Notice Not Required

It is not necessary to give notice of a meeting of the directors to a director if:

- (a) the meeting is to be held immediately following a meeting of shareholders at which that director was elected or appointed or is the meeting of the directors at which that director is appointed; or
- (b) the director has waived notice of the meeting.

17.8 Meeting Valid Despite Failure to Give Notice

The accidental omission to give notice of any meeting of directors to any director, or the non-receipt of any notice by any director, does not invalidate any proceedings at that meeting.

17.9 Waiver of Notice of Meetings

Any director may file with the Company a document signed by the director waiving notice of any past, present or future meeting of the directors and may at any time withdraw that waiver with respect to meetings of the directors held after that withdrawal. After sending a waiver with respect to all future meetings of the directors, and until that waiver is withdrawn, no notice of any meeting of the directors need be given to that director and all meetings of the directors so held are deemed not to be improperly called or constituted by reason of notice not having been given to such director.

17.10 Quorum

The quorum necessary for the transaction of the business of the directors may be set by the directors and, if not so set, is deemed to be set at a majority of the directors or, if the number of directors is set at one, is deemed to be set at one director, and that director may constitute a meeting.

17.11 Validity of Acts Where Appointment Defective

Subject to the *Business Corporations Act*, an act of a director or officer is not invalid merely because of an irregularity in the election or appointment or a defect in the qualification of that director or officer.

17.12 Consent Resolutions in Writing

A resolution of the directors or of any committee of the directors consented to in writing by all of the directors entitled to vote on it, whether by signed document, fax, email or any other method of transmitting legibly recorded messages, is as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors duly called and held. Such resolution may be in two or more counterparts which together are deemed to constitute one resolution in writing. A resolution passed in that manner is effective on the date stated in the resolution or, if no date is stated in the resolution, on the latest date stated on any counterpart. A resolution of the directors or of any committee of the directors passed in accordance with this Article 17.12 is deemed to be a proceeding at a meeting of directors or of the committee of the directors and to be as valid and effective as if it had been passed at a meeting of the directors or of the committee of the directors that satisfies all the requirements of the *Business Corporations Act* and all the requirements of these Articles relating to meetings of the directors or of a committee of the directors.

**PART 18
EXECUTIVE AND OTHER COMMITTEES**

18.1 Appointment and Powers of Executive Committee

The directors may, by resolution, appoint an executive committee consisting of the director or directors that they consider appropriate, and this committee has, during the intervals between meetings of the board of directors, all of the directors' powers, except:

- (a) the power to fill vacancies in the board of directors;
- (b) the power to remove a director;
- (c) the power to change the membership of, or fill vacancies in, any committee of the directors; and
- (d) such other powers, if any, as may be set out in the resolution or any subsequent directors' resolution.

18.2 Appointment and Powers of Other Committees

The directors may, by resolution,

- (a) appoint one or more committees (other than the executive committee) consisting of the director or directors that they consider appropriate;
- (b) delegate to a committee appointed under paragraph (a) any of the directors' powers, except:
 - (i) the power to fill vacancies in the board of directors;
 - (ii) the power to remove a director;
 - (iii) the power to change the membership of, or fill vacancies in, any committee of the board, and
 - (iv) the power to appoint or remove officers appointed by the board; and
- (c) make any delegation referred to in paragraph (b) subject to the conditions set out in the resolution.

18.3 Obligations of Committee

Any committee appointed under Articles 18.1 or 18.2, in the exercise of the powers delegated to it, must

- (a) conform to any rules that may from time to time be imposed on it by the directors; and
- (b) report every act or thing done in exercise of those powers as the directors may require.

18.4 Powers of Board

The directors may, at any time, with respect to a committee appointed under Articles 18.1 or 18.2:

- (a) revoke or alter the authority given to a committee, or override a decision made by a committee, except as to acts done before such revocation, alteration or overriding;
- (b) terminate the appointment of, or change the membership of, a committee; and
- (c) fill vacancies on a committee.

18.5 Committee Meetings

Subject to Article 18.3(a) and unless the directors otherwise provide in the resolution appointing the committee or in any subsequent resolution, with respect to a committee appointed under Articles 18.1 or 18.2:

- (a) the committee may meet and adjourn as it thinks proper;
- (b) the committee may elect a chair of its meetings but, if no chair of the meeting is elected, or if at any meeting the chair of the meeting is not present within 15 minutes after the time set for holding the meeting, the directors present who are members of the committee may choose one of their number to chair the meeting;
- (c) a majority of the members of a directors' committee constitutes a quorum of the committee; and
- (d) questions arising at any meeting of the committee are determined by a majority of votes of the members present, and in case of an equality of votes, the chair of the meeting has no second or casting vote.

PART 19 OFFICERS

19.1 Appointment of Officers

The directors may, from time to time, appoint such officers, if any, as the directors determine, and the directors may, at any time, terminate any such appointment.

19.2 Functions, Duties and Powers of Officers

The directors may, for each officer:

- (a) determine the functions and duties of the officer;
- (b) entrust to and confer on the officer any of the powers exercisable by the directors on such terms and conditions and with such restrictions as the directors think fit; and
- (c) revoke, withdraw, alter or vary all or any of the functions, duties and powers of the officer.

19.3 Qualifications

No officer may be appointed unless that officer is qualified in accordance with the *Business Corporations Act*. One person may hold more than one position as an officer of the Company. Any officer need not be a director.

19.4 Remuneration

All appointments of officers are to be made on the terms and conditions and at the remuneration (whether by way of salary, fee, commission, participation in profits or otherwise) that the directors think fit and are subject to termination at the pleasure of the directors, and an officer may in addition to such remuneration be entitled to receive, after he or she ceases to hold such office or leaves the employment of the Company, a pension or gratuity.

**PART 20
INDEMNIFICATION**

20.1 Definitions

In this Part 20:

- (a) “**eligible penalty**” means a judgment, penalty or fine awarded or imposed in, or an amount paid in settlement of, an eligible proceeding;
- (b) “**eligible proceeding**” means a legal proceeding or investigative action, whether current, threatened, pending or completed, in which a director, former director of the Company or an affiliate of the Company (an “eligible party”) or any of the heirs and legal personal representatives of the eligible party, by reason of the eligible party being or having been a director of the Company or an affiliate of the Company:
 - (i) is or may be joined as a party; or
 - (ii) is or may be liable for or in respect of a judgment, penalty or fine in, or expenses related to, the proceeding;
- (c) “**expenses**” has the meaning set out in the *Business Corporations Act*.

20.2 Mandatory Indemnification of Directors and Former Directors

Subject to the *Business Corporations Act*, the Company must indemnify and advance expenses of a director or former director of the Company and his or her heirs and legal personal representatives against all eligible penalties to which such person is or may be liable, and the Company must, after the final disposition of an eligible proceeding, pay the expenses actually and reasonably incurred by such person in respect of that proceeding. Each director is deemed to have contracted with the Company on the terms of the indemnity contained in this Article 20.2.

20.3 Indemnification of Other Persons

Subject to any restrictions in the *Business Corporations Act*, the Company may indemnify any person.

20.4 Non-Compliance with *Business Corporations Act*

The failure of a director or former director of the Company to comply with the *Business Corporations Act* or these Articles does not invalidate any indemnity to which he or she is entitled under this Part.

20.5 Company May Purchase Insurance

The Company may purchase and maintain insurance for the benefit of any person (or his or her heirs or legal personal representatives) who:

- (a) is or was a director, officer, employee or agent of the Company;
- (b) is or was a director, officer, employee or agent of a corporation at a time when the corporation is or was an affiliate of the Company;
- (c) at the request of the Company, is or was a director, officer, employee or agent of a corporation or of a partnership, trust, joint venture or other unincorporated entity;
- (d) at the request of the Company, holds or held a position equivalent to that of a director or officer of a partnership, trust, joint venture or other unincorporated entity;

against any liability incurred by him or her as such director, officer, employee or agent or person who holds or held such equivalent position.

**PART 21
DIVIDENDS**

21.1 Payment of Dividends Subject to Special Rights

The provisions of this Part 21 are subject to the rights, if any, of shareholders holding shares with special rights as to dividends.

21.2 Declaration of Dividends

Subject to the *Business Corporations Act*, the directors may from time to time declare and authorize payment of such dividends as they may deem advisable.

21.3 No Notice Required

The directors need not give notice to any shareholder of any declaration under Article 21.2.

21.4 Record Date

The directors may set a date as the record date for the purpose of determining shareholders entitled to receive payment of a dividend. The record date must not precede the date on which the dividend is to be paid by more than two months. If no record date is set, the record date is 5 p.m. on the date on which the directors pass the resolution declaring the dividend.

21.5 Manner of Paying Dividend

A resolution declaring a dividend may direct payment of the dividend wholly or partly by the distribution of specific assets or of paid up shares or of bonds, debentures or other securities of the Company, or in any one or more of those ways.

21.6 Settlement of Difficulties

If any difficulty arises in regard to a distribution under Article 21.5, the directors may settle the difficulty as they deem advisable, and, in particular, may:

- (a) set the value for distribution of specific assets;
- (b) determine that cash payments in substitution for all or any part of the specific assets to which any shareholders are entitled may be made to any shareholders on the basis of the value so fixed in order to adjust the rights of all parties; and
- (c) vest any such specific assets in trustees for the persons entitled to the dividend.

21.7 When Dividend Payable

Any dividend may be made payable on such date as is fixed by the directors.

21.8 Dividends to be Paid in Accordance with Number of Shares

All dividends on shares of any class or series of shares must be declared and paid according to the number of such shares held.

21.9 Receipt by Joint Shareholders

If several persons are joint shareholders of any share, any one of them may give an effective receipt for any dividend, bonus or other money payable in respect of the share.

21.10 Dividend Bears No Interest

No dividend bears interest against the Company.

21.11 Fractional Dividends

If a dividend to which a shareholder is entitled includes a fraction of the smallest monetary unit of the currency of the dividend, that fraction may be disregarded in making payment of the dividend and that payment represents full payment of the dividend.

21.12 Payment of Dividends

Any dividend or other distribution payable in cash in respect of shares may be paid by cheque, made payable to the order of the person to whom it is sent, and mailed to the address of the shareholder, or in the case of joint shareholders, to the address of the joint shareholder who is first named on the central securities register, or to the person and to the address the shareholder or joint shareholders may direct in writing. The mailing of such cheque will, to the extent of the sum represented by the cheque (plus the amount of the tax required by law to be deducted), discharge all liability for the dividend unless such cheque is not paid on presentation or the amount of tax so deducted is not paid to the appropriate taxing authority.

21.13 Capitalization of Surplus

Notwithstanding anything contained in these Articles, the directors may from time to time capitalize any surplus of the Company and may from time to time issue, as fully paid, shares or any bonds, debentures or other securities of the Company as a dividend representing the surplus or any part of the surplus.

**PART 22
DOCUMENTS, RECORDS AND REPORTS**

22.1 Recording of Financial Affairs

The directors must cause adequate accounting records to be kept to record properly the financial affairs and condition of the Company and to comply with the provisions of the *Business Corporations Act*.

22.2 Inspection of Accounting Records

Unless the directors determine otherwise, or unless otherwise determined by ordinary resolution, no shareholder of the Company is entitled to inspect or obtain a copy of any accounting records of the Company.

22.3 Remuneration of Auditors

The remuneration of the auditors, if any, shall be set by the directors regardless of whether the auditor is appointed by the shareholders, by the directors or otherwise. For greater certainty, the directors may delegate to the audit committee or other committee the power to set the remuneration of the auditors.

**PART 23
NOTICES**

23.1 Method of Giving Notice

Unless the *Business Corporations Act* or these Articles provides otherwise, a notice, statement, report or other record required or permitted by the *Business Corporations Act* or these Articles to be sent by or to a person may be sent by any one of the following methods:

- (a) mail addressed to the person at the applicable address for that person as follows:
 - (i) for a record mailed to a shareholder, the shareholder's registered address;
 - (ii) for a record mailed to a director or officer, the prescribed address for mailing shown for the director or officer in the records kept by the Company or the mailing address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the mailing address of the intended recipient;

- (b) delivery at the applicable address for that person as follows, addressed to the person:
 - (i) for a record delivered to a shareholder, the shareholder's registered address;
 - (ii) for a record delivered to a director or officer, the prescribed address for delivery shown for the director or officer in the records kept by the Company or the delivery address provided by the recipient for the sending of that record or records of that class;
 - (iii) in any other case, the delivery address of the intended recipient;
- (c) sending the record by fax to the fax number provided by the intended recipient for the sending of that record or records of that class;
- (d) sending the record, or a reference providing the intended recipient with immediate access to the record, by electronic communication to an address provided by the intended recipient for the sending of that record or records of that class;
- (e) sending the record by any method of transmitting legibly recorded messages, including without limitation by digital medium, magnetic medium, optical medium, mechanical reproduction or graphic imaging, to an address provided by the intended recipient for the sending of that record or records of that class; or
- (f) physical delivery to the intended recipient.

23.2 Deemed Receipt

A record that is mailed to a person by ordinary mail to the applicable address for that person referred to in Article 23.1 is deemed to be received by the person to whom it was mailed on the day, Saturdays, Sundays and holidays excepted, following the date of mailing. Any demand, notice or other communication given by personal delivery will be conclusively deemed to have been given on the day of actual delivery thereof and, if given by electronic communication, on the day of transmittal thereof if given during statutory business hours on the day which statutory business hours next occur if not given during such hours on any day.

23.3 Certificate of Sending

A certificate signed by the secretary, if any, or other officer of the Company or of any other corporation acting in that behalf for the Company stating that a notice, statement, report or other record was addressed as required by Article 23.1, prepaid and mailed or otherwise sent as permitted by Article 23.1 is conclusive evidence of that fact.

23.4 Notice to Joint Shareholders

A notice, statement, report or other record may be provided by the Company to the joint shareholders of a share by providing the notice to the joint shareholder first named in the central securities register in respect of the share.

23.5 Notice to Trustees

A notice, statement, report or other record may be provided by the Company to the persons entitled to a share in consequence of the death, bankruptcy or incapacity of a shareholder by:

- (a) mailing the record, addressed to them:
 - (i) by name, by the title of the legal personal representative of the deceased or incapacitated shareholder, by the title of trustee of the bankrupt shareholder or by any similar description; and
 - (ii) at the address, if any, supplied to the Company for that purpose by the persons claiming to be so entitled; or

- (b) if an address referred to in paragraph (a)(ii) has not been supplied to the Company, by giving the notice in a manner in which it might have been given if the death, bankruptcy or incapacity had not occurred.

PART 24 SEAL

24.1 Who May Attest Seal

Except as provided in Articles 24.2 and 24.3, the Company's seal, if any, must not be impressed on any record except when that impression is attested by the signature or signatures of:

- (a) any two directors;
- (b) any officer, together with any director;
- (c) if the Company only has one director, that director; or
- (d) any one or more directors or officers or persons as may be determined by resolution of the directors.

24.2 Sealing Copies

For the purpose of certifying under seal a certificate of incumbency of the directors or officers of the Company or a true copy of any resolution or other document, despite Article 24.1, the impression of the seal may be attested by the signature of any director or officer.

24.3 Mechanical Reproduction of Seal

The directors may authorize the seal to be impressed by third parties on share certificates or bonds, debentures or other securities of the Company as they may determine appropriate from time to time. To enable the seal to be impressed on any share certificates or bonds, debentures or other securities of the Company, whether in definitive or interim form, on which facsimiles of any of the signatures of the directors or officers of the Company are, in accordance with the *Business Corporations Act* or these Articles, printed or otherwise mechanically reproduced, there may be delivered to the person employed to engrave, lithograph or print such definitive or interim share certificates or bonds, debentures or other securities one or more unmounted dies reproducing the seal and the chair of the board or any senior officer together with the secretary, treasurer, secretary-treasurer, an assistant secretary, an assistant treasurer or an assistant secretary-treasurer may in writing authorize such person to cause the seal to be impressed on such definitive or interim share certificates or bonds, debentures or other securities by the use of such dies. Share certificates or bonds, debentures or other securities to which the seal has been so impressed are for all purposes deemed to be under and to bear the seal impressed on them.

PART 25 PROHIBITIONS

25.1 Definitions

In this Part 25:

- (a) "designated security" means:
 - (i) (i) a voting security of the Company;
 - (ii) (ii) a security of the Company that is not a debt security and that carries a residual right to participate in the earnings of the Company or, on the liquidation or winding up of the Company, in its assets; or
 - (iii) (iii) a security of the Company convertible, directly or indirectly, into a security described in paragraph (a) or (b);
- (b) "security" has the meaning assigned in the Securities Act (British Columbia);

- (c) “voting security” means a security of the Company that:
 - (i) is not a debt security, and
 - (ii) carries a voting right either under all circumstances or under some circumstances that have occurred and are continuing.

25.2 Application

Article 25.3 does not apply to the Company if and for so long as it is a public company.

25.3 Consent Required for Transfer of Shares or Designated Securities

No share or designated security may be sold, transferred or otherwise disposed of without the consent of the directors and the directors are not required to give any reason for refusing to consent to any such sale, transfer or other disposition.

PART 26 SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO SUBORDINATE VOTING SHARES

26.1 Voting

The holders of Class A subordinate voting shares (“**Subordinate Voting Shares**”) shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company except a meeting at which only the holders of another class or series of shares is entitled to vote. Each Subordinate Voting Share shall entitle the holder thereof to one vote at each such meeting.

26.2 Alteration to Rights of Subordinate Voting Shares

So long as any Subordinate Voting Shares remain outstanding, the Company will not, without the consent of the holders of Subordinate Voting Shares expressed by separate special resolution, alter or amend these Articles if the result of such alteration or amendment would:

- (a) prejudice or interfere with any right or special right attached to the Subordinate Voting Shares; or
- (b) affect the rights or special rights of the holders of Subordinate Voting Shares or Multiple Voting Shares on a per share basis as provided for herein.

26.3 Dividends

The holders of Subordinate Voting Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared thereon by the directors from time to time. The directors may declare no dividend payable in cash or property on the Subordinate Voting Shares unless the directors simultaneously declare a dividend payable in cash or property on the Multiple Voting Shares, in an amount per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Voting Share.

The directors may declare a stock dividend payable in Subordinate Voting Shares on the Subordinate Voting Shares, but only if the directors simultaneously declare a stock dividend payable in:

- (a) Multiple Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Voting Share; or
- (b) Subordinate Voting Shares on the Multiple Voting Shares, in a number of shares per Multiple Voting Share equal to the amount of the dividend declared per Subordinate Voting Share.

Holders of fractional Subordinate Voting Shares shall be entitled to receive any dividend declared on the Subordinate Voting Shares in an amount equal to the dividend per Subordinate Voting Share multiplied by the fraction thereof held by such holder.

26.4 Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purposes of winding up its affairs, the holders of the Subordinate Voting Shares shall be entitled to participate pari passu with the holders of Multiple Voting Shares, with the amount of such distribution per Subordinate Voting Share equal to the amount of such distribution per Multiple Voting Share; and each fraction of a Subordinate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Subordinate Voting Share.

26.5 Subdivision or Consolidation

The Subordinate Voting Shares shall not be consolidated or subdivided unless the Multiple Voting Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

PART 27 SPECIAL RIGHTS AND RESTRICTIONS ATTACHED TO MULTIPLE VOTING SHARES

27.1 Voting

The holders of Class C multiple voting shares (“**Multiple Voting Shares**”) shall be entitled to receive notice of and to attend and vote at all meetings of shareholders of the Company except a meeting at which only the holders of another class or series of shares is entitled to vote. Subject to Sections 27.2 and 27.3, each Multiple Voting Share shall entitle the holder to 800 votes and each fraction of a Multiple Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by 800 and rounding the product down to the nearest whole number, at each such meeting.

27.2 Alteration to Rights of Multiple Voting Shares

So long as any Multiple Voting Shares remain outstanding, the Company will not, without the consent of the holders of Multiple Voting Shares expressed by separate special resolution alter or amend these Articles if the result of such alteration or amendment would:

- (a) prejudice or interfere with any right or special right attached to the Multiple Voting Shares; or
- (b) affect the rights or special rights of the holders of Subordinate Voting Shares or Multiple Voting Shares on a per share basis as provided for herein.

At any meeting of holders of Multiple Voting Shares called to consider such a separate special resolution, each Multiple Voting Share shall entitle the holder to one (1) vote and each fraction of a Multiple Voting Share will entitle the holder to the corresponding fraction of one (1) vote.

27.3 Shares Superior to Multiple Voting Shares

- (a) The Company may take no action which would authorize or create shares of any class or series having preferences superior to or on a parity with the Multiple Voting Shares without the consent of the holders of a majority of the Multiple Voting Shares expressed by separate ordinary resolution.
- (b) At any meeting of holders of Multiple Voting Shares called to consider such a separate ordinary resolution, each Multiple Voting Share will entitle the holder to one (1) vote and each fraction of a Multiple Voting Share shall entitle the holder to the number of votes calculated by multiplying the fraction by 800 and rounding the product down to the nearest whole number, at each such meeting.

27.4 Dividends

- (a) The holders of Multiple Voting Shares shall be entitled to receive such dividends payable in cash or property of the Company as may be declared by the directors from time to time. The directors may declare no dividend payable in cash or property on the Multiple Voting Shares unless the directors simultaneously declare a dividend payable in cash or property on the Subordinate Voting Shares, in an amount equal to the amount of the dividend declared per Multiple Voting Share.

- (b) The directors may declare a stock dividend payable in Subordinate Voting Shares on the Multiple Voting Shares, but only if the directors simultaneously declare a stock dividend payable in Subordinate Voting Shares on the Subordinate Voting Shares, in a number of shares per Subordinate Voting Share equal to the amount of the dividend declared per Multiple Voting Share.
- (c) Holders of fractional Multiple Voting Shares shall be entitled to receive any dividend declared on the Multiple Voting Shares, in an amount equal to the dividend per Multiple Voting Share multiplied by the fraction thereof held by such holder.

27.5 Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or in the event of any other distribution of assets of the Company to its shareholders for the purpose of winding up its affairs, the holders of the Multiple Voting Shares shall be entitled to participate *pari passu* with the holders of Subordinate Voting Shares, with the amount of such distribution per Multiple Voting Share equal to the amount of such distribution per Subordinate Voting Share; and each fraction of a Multiple Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount payable per whole Multiple Voting Share.

27.6 Subdivision or Consolidation

The Multiple Voting Shares shall not be consolidated or subdivided unless the Subordinate Voting Shares are simultaneously consolidated or subdivided utilizing the same divisor or multiplier.

27.7 Transfer of Multiple Voting Shares

Except as otherwise provided in Articles 27.9 or 27.10, no Multiple Voting Share may be sold, transferred, assigned, pledged or otherwise disposed of (“Transfer”, “Transferring” or “Transferred”), whether voluntarily or involuntarily, by operation of law or otherwise, without the written consent of the directors, and the directors are not required to give any reason for refusing to consent to any such Transfer.

27.8 Mandatory Conversion of Multiple Voting Shares

- (a) Definitions. In this Article 27.8 and 27.9:
 - (i) “**4Front**” means 4Front Holdings LLC;
 - (ii) “**BC HoldCo**” means 1196260 B.C. Ltd.;
 - (iii) “**Business Combination**” means the completion of the combination of the businesses of 4Front, Nevada HoldCo, BC HoldCo and Cannex Capital Holdings Inc. pursuant to the Definitive Agreement;
 - (iv) “**Definitive Agreement**” means the business combination agreement between, *inter alia*, 4Front, Nevada HoldCo, BC HoldCo and Cannex Capital Holdings Inc. dated March 1, 2019, as amended;
 - (v) “**Disability**” means such holder (i) has been declared legally incompetent by a final court decree (the date of such decree being deemed to be the date on which the disability occurred), or (ii) has been found to be mentally disabled pursuant to a Disability Determination. A “Disability Determination” means a finding that the holder, because of a mental disability, is unable to perform substantially all of such holder’s regular duties to the Company and that such mental disability is determined or reasonably expected to continue for at least 12 months. Any Disability Determination shall be initiated by the Company and shall be based on the written opinion of the physician regularly attending the holder whose ability is in question (which expense shall be borne by the Company). If the Initial Holders holding a majority of the Multiple Voting Shares not held by the individual holder in question disagree with the opinion of this physician (the “First Physician”), they may, at their own expense, engage another physician (the “Second Physician”) to examine the holder. If the First Physician and the Second Physician agree in writing that the holder is or is not disabled, their written opinion shall, except

as otherwise set forth in this subsection, be conclusive on the issue of ability. If the First Physician and the Second Physician disagree on the disability of the Shareholder, they shall choose a third consulting physician (whose expense shall be borne by the Company), and the written opinion of a majority of these three physicians, shall, except as otherwise provided below, be conclusive as to the holder's ability. The date of any written opinion conclusively finding the holder to be Disabled is the date on which the disability shall be deemed to have occurred. If there is a conclusive finding that the holder is not Disabled, the holders holding a majority of the Multiple Voting Shares not held by the individual holder in question shall have the right to request additional Disability Determinations, provided they agree to pay all expenses of the Disability Determinations and do not request an additional Disability Determination more frequently than once every 12 months. In conjunction with a Disability Determination, each Initial Holder consents to, and agrees to cooperate with, any required medical examination, and agrees to furnish any medical information requested by any examining physician and to waive any applicable physician-patient privilege that may arise because of such examination. All physicians except the First Physician must be board-certified in the specialty most closely related to the nature of the disability alleged to exist.

- (vi) **“Initial Holders”** means the holders of Multiple Voting Shares as of the date of initial issuance of Multiple Voting Shares.
 - (vii) **“Involuntary Transfer Event”** occurs in the event that an Initial Holder (a) files a voluntary petition under any bankruptcy or insolvency law or a petition for the appointment of a receiver or makes an assignment for the benefit of creditors, (b) is subjected involuntarily to such a petition or assignment or to an attachment or other legal or equitable interest with respect to such holder's Multiple Voting Shares and such involuntary petition, assignment or attachment is not discharged within 30 days after its effective date, or (c) is subjected to any other possible involuntary Transfer of such Initial Holder's Multiple Voting Shares by legal process including, without limitation, an assignment or Transfer pursuant to a marital dissolution or divorce decree.
 - (viii) **“Nevada HoldCo”** means 4Front Ventures Corp., a corporation incorporated under the laws of the State of Nevada.
- (b) Mandatory Conversion. Multiple Voting Shares are not convertible until the later of the date (the “Initial Conversion Date”) that (i) the aggregate number of Multiple Voting Shares held by the Initial Holders are reduced to a number which is less than fifty per cent (50%) of the aggregate number of Class B Proportionate Voting Shares and Multiple Voting Shares held by the Initial Holders on the date of completion of the Business Combination, and (ii) is three (3) years following the date of completion of the Business Combination Closing Date. Following the Initial Conversion Date, Multiple Voting Shares will automatically, without any action on the part of the holder, be converted into Subordinate Voting Shares on the basis of one (1) Subordinate Voting Share for one (1) Multiple Voting Share upon: (i) the death or Disability of such Initial Holder with respect to all Multiple Voting Shares held by an Initial Holder, (ii) an Involuntary Transfer Event with respect to the Multiple Voting Shares being Transferred pursuant to the Involuntary Transfer Event, or (iii) any other Transfer of Multiple Voting Shares to anyone other than another Initial Holder with respect to such Multiple Voting Shares being Transferred (each, a “Mandatory Conversion Event”). The Initial Holder shall promptly provide notice to the Company of the occurrence of a Mandatory Conversion Event. On the date of such Mandatory Conversion Event, each certificate representing Multiple Voting Shares shall thenceforth be null and void. Within twenty (20) days of the Mandatory Conversion Event, the Company will send, or cause its transfer agent to send, notice thereof to such former holder of Multiple Voting Shares (a “Mandatory Conversion Notice”) specifying:
- (i) the date of the Mandatory Conversion Event;
 - (ii) the number of Subordinate Voting Shares into which the Multiple Voting Shares held by such holder have been converted.

As soon as practicable after the sending of the Mandatory Conversion Notice, the Company shall issue or shall cause its transfer agent to issue certificates representing the number of Subordinate Voting Shares into which the Multiple Voting Shares have been converted.

27.9 Transfers Prior to Initial Conversion Date

- (a) **Limitation on Transfers.** Subject to Article 27.7, an Initial Holder is permitted to Transfer Multiple Voting Shares prior to the Initial Conversion Date to another Initial Holder without compliance with this Article 27.9.
- (b) **Purchase Obligation Upon Certain Events.** Prior to the Initial Conversion Date, upon: (i) the death or Disability of an Initial Holder the other Initial Holders shall have the obligation to purchase all of such Initial Holder's Multiple Voting Shares as set forth in this Article 27.9; and (ii) an Involuntary Transfer Event, the other Initial Holders shall have the obligation to purchase all of such Initial Holder's Multiple Voting Shares which would otherwise be Transferred pursuant to the Involuntary Transfer Event as set forth in Article 27.9 (each a "**Purchase Obligation**"). References to the Initial Holder transferring the Subject Multiple Voting Shares pursuant to the Purchase Obligation (the "**Transferring Initial Holder**") shall include any executor, personal representative or administrator upon the death or Disability of such Transferring Initial Holder or a trustee or receiver in the event of an Involuntary Transfer Event.
- (c) **Notice of Purchase Obligation.** Promptly following an event triggering a Purchase Obligation, the Transferring Initial Holder shall send a written notice to the Company and other Initial Holders setting forth the event triggering the Purchase Obligation as well as the number of Multiple Voting Shares subject to the Purchase Obligation ("**Subject Multiple Voting Shares**"). The other Initial Holders are obligated to purchase the Subject Multiple Voting Shares in proportion to their respective holdings of the remaining Multiple Voting Shares.
- (d) **Purchase Obligation Terms.**
 - (i) The closing shall be on or before the thirtieth day following the transmittal of the notice of the Purchase Obligation (the "Closing"). At the Closing: (i) the purchasing Initial Holder shall deliver to the Transferring Initial Holder the purchase price for the Subject Multiple Voting Shares as determined below, (ii) the Transferring Initial Holder shall deliver to the purchasing Initial Holder share certificates for all the Multiple Voting Shares that are to be purchased or otherwise transferred pursuant to the Purchase Obligation, either duly endorsed in blank for transfer or with duly executed stock powers attached, and a certificate, dated as of the Closing, containing a representation and warranty that on such date the Transferring Initial Holder has transferred, or caused to be transferred, to the purchasing Initial Holder good and marketable title to all the Shares in question, free and clear of all claims, equities, liens, charges and encumbrances, and (iii) any other documents reasonably required by the Company.
 - (ii) The per share price of the Subject Multiple Voting Shares to be purchased pursuant to this Article 27.9 shall be the Fair Market Value of the Subordinate Voting Shares as of the date prior to the date of the event triggering the Purchase Obligation (the "**Valuation Date**"). "Fair Market Value" means, with respect to the Subject Multiple Voting Shares, the closing price of the Subordinate Voting Shares on the principal trading market for such shares on the trading day immediately preceding the Valuation Date.
 - (iii) The purchase price of any Subject Multiple Voting Shares purchased pursuant to this Article 27.9 shall be paid in any combination of cash, by wire transfer, by certified or cashier's check, or by a promissory note containing the terms set forth in Article 27.9(e) (the "**Note**").
- (e) **Note Terms.**
 - (i) Any Note shall be paid in no more than 12 equal quarterly installments of principal and interest, and the first installment of which shall be due 90 days after the Closing.

- (ii) Any Note shall bear interest on such principal amount at the minimum rate established pursuant to IRS Code Sections 483 and 1274 necessary to avoid any imputed interest or original issue discount being attributed to the Note holder. The Note shall provide that the maker shall pay a late penalty equal to 5% of any payment which is not paid within five days of its due date. The Note shall further provide that the maker shall have the right at any time to prepay without penalty all or any part of the balance due on the Note with interest to the date of prepayment. Partial prepayments shall be applied to the last maturing installments in inverse order.
- (iii) Any Note shall be secured by a pledge of such number of the purchasing Initial Holder's Subordinate Voting Shares or such other assets (excluding the Multiple Voting Shares being acquired) such that the Pledged Value equals the principal amount of the Note. "Pledged Value" per Subordinate Voting Share means the closing price of the Subordinate Voting Shares on the principal trading market for such shares on the trading day immediately preceding the Valuation Date. Pledged Value of any other assets shall be valued at fair market value of such assets. The pledge agreement shall name the Company to act as pledgeholder and shall contain such other terms as shall be reasonable and customary in stock pledge agreements.
- (iv) As long as the Note is not in default, the purchasing Initial Holder shall be entitled to receive all dividends on such Multiple Voting Shares and to exercise all voting rights with respect to such Multiple Voting Shares.
- (v) Failure to make any payment required by a Note within 10 days after its due date shall constitute a default and shall cause the remaining unpaid balance to become immediately due and payable, at the holder's option, and the Transferring Initial Holder shall have all the rights and remedies to enforce payment of the unpaid balance authorized by law; provided, however, that before taking any remedial action to enforce payment, the Transferring Initial Holder shall deliver notice of the default to the purchasing Initial Holder and if the payment in default is paid in full within 10 days after the date the default notice is delivered, the default shall be deemed not to have occurred.

27.10 Extension of Offer to Multiple Voting Shares

In the event that an offer is made to purchase Subordinate Voting Shares, and such offer is:

- (a) required pursuant to applicable securities legislation or the rules of any stock exchange on which the Subordinate Voting Shares may then be listed, to be made to all or substantially all of the holders of Subordinate Voting Shares in a province or territory of Canada to which the requirement applies (such offer to purchase under this Article 27.10(a), a "**MVS Offer**"); then
- (b) such MVS Offer shall be extended by the offeror to the holders of Multiple Voting Shares (which shall not be required to convert in order to participate in the MVS Offer) for consideration per Multiple Voting Share equal to the consideration offered per Subordinate Voting Share.

Dated _____.

FULL NAME AND SIGNATURE OF INCORPORATORS

4FRONT VENTURES CORP.

Per: _____

Authorized Signatory

SCHEDULE "D"

AUDIT COMMITTEE CHARTER

4FRONT VENTURES CORP.

AUDIT COMMITTEE CHARTER

1. PURPOSE & OBJECTIVES OF THE COMMITTEE

- The Audit Committee (“**Committee**”) is a committee of the Board of Directors (the “**Board**”) of 4Front Ventures Corp. (“**4Front**”).
- The main objective and role of the Committee is to assist the Board in discharging its responsibility to exercise due care, diligence and skill in relation to 4Front and its subsidiaries in relation to:
 - Financial Reporting
 - Application of accounting policies;
 - Management reports;
 - Semi-annual and annual reports;
 - Financial management;
 - Audit Functions and Coverage
 - Internal (including internally sourced and outsourced); and
 - External.

2. MEMBERSHIP OF THE COMMITTEE

- The Committee shall be comprised of a minimum of three Directors, appointed by the Board, a majority of which shall be independent under applicable securities legislation.
- All members of the Committee shall be “financially literate” within the meaning of National Instrument 52-110 - *Audit Committees*.
- The Board shall appoint a chair of the Committee (“**Chair**”) from the independent members of the Committee.

3. MEETINGS OF THE COMMITTEE

- Meetings shall be held not less than three times a year, having regard to 4Front’s semi-annual and annual reporting and audit cycle including timing of Board meetings.
- Any member of the Committee, the CEO, the Chief Financial Officer (“**CFO**”) or the external auditors may request a meeting at any time they consider it necessary.
- A quorum for a meeting of the Committee shall be three members.
- The Committee may have in attendance such members of management, including the CFO, and such other persons, including the internal and external auditors, as it considers necessary to provide appropriate information and explanations.
- All Directors who are not members of the Committee shall be entitled to attend meetings of the Committee only at the invitation of the Committee.
- The CEO shall not attend those meetings which the Committee chooses to hold without any of the executives present.
- Reasonable notice of meetings and the business to be conducted shall be given to the members of the Committee, all other members of the Board, the CEO the CFO and the internal and external auditors.
- Minutes of all meetings shall be kept by the Board secretary.

4. RESPONSIBILITIES OF THE COMMITTEE

The Committee has oversight responsibility in two areas:

- Financial Reporting
- Audit Functions and Coverage

4.1 Financial Reporting

The Committee has responsibility for:

- Ensuring that 4Front retains accurate financial and accounting records.
- Obtaining from the CEO and the CFO a formal statement that 4Front's financial reports present a true and fair view, in all material respects, and 4Front's financial condition and operational results are in accordance with applicable accounting standards.
- Reviewing the interim and annual financial statements and reports.
- Oversight of compliance and statutory responsibilities relating to financial regulations and guidelines and rules of the Canadian Securities Exchange, or such other stock exchange 4Front's shares principally trade on.
- Reviewing financial information prior to its public dissemination.
- Reviewing 4Front's accounting policies and reporting requirements to ensure accuracy and timeliness and the inclusion of appropriate disclosures.
- Considering matters which might be raised by shareholders at 4Front's annual meeting of shareholders.

4.2 Audit Functions and Coverage

The Committee has responsibility for:

- Recommending the appointment and removal of the internal and the external auditors, their fees and the terms of their engagement.
- Direct communication with and unrestricted access to the external and internal auditors and accountants.
- Review of the annual audit plans and fees with the internal and the external auditors ensuring coordination and appropriate reliance placed by the external auditors on the work undertaken by internal audit.
- Monitoring and reviewing the external and internal auditing practices.
- With respect to services provided by the external auditor:
 - Ensuring the rotation of the external auditor or lead audit partner and peer review partner at least every five years with suitable succession planning.
 - The external auditors are authorised to provide the following types of services:
 - Statutory and other audits.
 - Treasury management.
 - The external auditors will not provide the following types of services:
 - Management consultancy and, in particular, the selection and implementation of technology solutions integrated with the financial information systems.
 - Information and other business risk assurance, including forensic.
 - Outsourcing of internal audit.

- Purchase and vendor due diligence in M&A, including advice on tax deal structures.
 - Valuation which will then be subject of their audit.
 - Book-keeping services (excluding advice on the statutory accounts).
 - Tax compliance and advisory.
- Any other advisory services unrelated to the statutory audit required from our external auditors must be first approved by the CFO and if over \$20,000 be approved by the Board.
- Total non-audit fees to be regularly monitored by the Board.
- With respect to the internal audit function and coverage:
 - This will be determined by management based on the risk management framework as modified from time to time.
 - Management will determine and report on the resources to be deployed from internal and external sources.
 - Obtaining confirmation as to the adequacy of the internal controls.
 - Receiving reports from completed audits and ensuring that recommendations are agreed, including actions and timelines, with management.
 - Reviewing annually the effectiveness of the internal audit function.
- Approving the annual internal audit plan.
- Monitoring the implementation of recommendations made by external and internal auditors' actions agreed to be implemented by management.
- Ensuring that reports issued by auditors to management are tabled at Board Meetings together with management's response.

4.3 Internal Controls

The Committee has responsibility for:

- Reviewing whether management's approach to maintaining an effective internal control framework is sound and effective.
- Ensuring that the external auditors discuss with the Committee any event or matter which suggests the possibility of fraud, illegal acts or deficiencies in internal controls.
- Reviewing whether management has in place relevant policies and procedures, and that these are periodically reviewed and updated.
- Obtaining from the CEO and the CFO a written statement that:
 - The statement given to the Audit Committee in respect of 4Front's financial reports presenting a true and fair view, in all material respects, and 4Front's financial condition and operational results are in accordance with applicable accounting standards (by the CEO and the CFO) is founded on a sound system of internal compliance and control which implements the policies adopted by the Board; and
 - 4Front's internal compliance and control systems are operating efficiently and effectively in all material respects.
- Ensuring that 4Front maintains appropriate business continuity, material damage and liability insurance covers to ensure that the earnings of the business are well protected from adverse circumstances.

- Reviewing 4Front’s Code of Business Conduct and Ethics, compliance with the law with respect to financial matters and other relevant legislation under applicable Canadian corporate and securities law.
- Review of the frequency and significance of all transactions between 4Front and related parties and assessment of their propriety.

5. ACCESS AND AUTHORITY

- The Committee is authorised by the Board to investigate any activity within its terms of reference as set out in Section 4 of this Charter.
- The Committee is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the Committee.
- The Committee is authorised by the Board to obtain, at the expense of 4Front, such outside legal or other independent professional advice, and to arrange for the attendance at meetings, at the expense of 4Front, of outside parties with relevant experience and expertise, as it considers necessary to carry out its responsibilities.

6. ACCOUNTABILITY AND REPORTING

- The Committee shall ensure that processes are in place and that those processes are monitored so that the Board is properly and regularly informed and updated on corporate financial matters.
- The Committee shall maintain direct lines of communication with the external auditors, the CEO, the CFO, and the internal auditors and with management generally.
- Management are required to immediately notify the Committee of any material breakdown in internal controls and any event of fraud or malpractice. Should a material breakdown in internal control be uncovered by the internal auditor or external auditor, management and the internal auditor or external auditor are immediately required to inform the Committee.
- Any reporting of a material breakdown in internal control and any event of fraud or malpractice must also be accompanied with management’s proposed corrective actions.
- The Committee shall be provided with copies of all letters between the internal and external auditors and management.
- After each Committee meeting, the Chair shall report the Committee’s findings and recommendations to the Board.
- The minutes of all Committee meetings shall be circulated to members and the Board, the CFO and the external auditors.
- The Chair shall present an annual report to the Board summarizing the Committee’s activities during the year and any related significant results and findings.

REVIEW OF THE COMMITTEE AND CHARTER

At least once a year the Committee will undertake a self-review and report on the effectiveness of the Audit Committee to the full Board. The Board will review both this Charter and the Committee’s performance against this Charter annually.

Membership of the Committee will be reviewed each year after the annual meeting and at other times as necessary.