



**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING  
OF SHAREHOLDERS TO BE HELD ON JULY 24, 2020**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**JUNE 19, 2020**



## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the "**Meeting**") of the holders (the "**Shareholders**") of common shares (the "**Common Shares**") of WeedMD Inc. (the "**Corporation**") will be held on Friday, July 24, 2020 at 10:00 a.m. (Toronto time). This year, to deal with the public health impact of COVID-19, the Corporation is conducting an online only shareholders' meeting.

Registered Shareholders (as defined in the accompanying information circular (the "**Information Circular**") under the heading "Voting at the Meeting") and duly appointed proxyholders can attend the Meeting online at <https://web.lumiagm.com/256617525> where they can participate, vote, or submit questions during the Meeting's live webcast.

The Meeting is being held for the following purposes:

- (a) to receive the audited consolidated financial statements of the Corporation for the year ended December 31, 2019, together with the auditors' report thereon;
- (b) to fix the number of directors of the Corporation to be elected at the Meeting at six;
- (c) to elect the directors of the Corporation for the ensuing year;
- (d) to reappoint RSM Canada LLP (formerly, Collins Barrow LLP) as the auditors of the Corporation for the ensuing year and to authorize the board of directors of the Corporation (the "**Board**") to fix their remuneration and terms of engagement;
- (e) to consider and, if deemed appropriate, pass a resolution confirming and approving the 10% rolling omnibus incentive plan of the Corporation, as required by the TSX Venture Exchange on an annual basis; and
- (f) to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Information Circular provides additional information relating to each of the matters to be addressed at the Meeting. Shareholders are directed to read the Information Circular carefully and in full to evaluate the matters to be considered at the Meeting.

The record date for the determination of shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is May 26, 2020 (the "**Record Date**"). Shareholders of the Corporation whose names have been entered in the register of shareholders of the Corporation at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

**If you are a Registered Shareholder** and are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof, please date, sign and return the accompanying form of proxy (the "**Proxy**") for use at the Meeting or any adjournment(s) or postponement(s) thereof in accordance with the instructions

set forth in the Proxy and Information Circular. The Corporation's transfer agent recommends that shareholders vote in advance of the Meeting.

**If you are a Non-Registered Beneficial Shareholder**, a voting information form (also known as a VIF), instead of a form of proxy, may be enclosed. You must follow the instructions provided by your intermediary in order to vote your Common Shares. Non-registered beneficial Shareholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting virtually as guests, but guests will not be able to vote at the Meeting.

**DATED** at Toronto, Ontario this 19<sup>th</sup> day of June, 2020.

**BY ORDER OF THE BOARD**

(signed) "*Angelo Tsebelis*"

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Chief Executive Officer and Director



## MANAGEMENT INFORMATION CIRCULAR

Unless otherwise stated, the information in this management information circular (this "**Information Circular**") is as of June 19, 2020.

This Information Circular is furnished in connection with the solicitation of proxies by and on behalf of management of WeedMD Inc. (the "**Corporation**") for use at the annual general and special meeting (the "**Meeting**") of the shareholders of the Corporation (the "**Shareholders**") to be held virtually at <https://web.lumiagm.com/256617525> on Friday, July 24, 2020, at 10:00 a.m. (Toronto time) or any adjournment(s) or postponement(s) thereof for the purposes set forth in the accompanying notice of meeting (the "**Notice**").

This year, to deal with the public health impact of COVID-19, the Corporation will hold the Meeting in a virtual-only format, which will be conducted via live audiocast.

## GENERAL PROXY INFORMATION

### ***Solicitation of Proxies***

Solicitation of proxies for the Meeting will be primarily by mail, the cost of which will be borne by the Corporation. Proxies may also be solicited personally by employees of the Corporation at nominal cost to the Corporation. In some instances, the Corporation has distributed copies of the Notice, the Information Circular, and the accompanying form of proxy (the "**Proxy**", and collectively with the Notice and Information Circular, the "**Documents**") to clearing agencies, securities dealers, banks and trust companies, or their nominees (collectively "**Intermediaries**", and each an "**Intermediary**") for onward distribution to Shareholders whose common shares in the capital of the Corporation (the "**Common Shares**") are held by or in the custody of those Intermediaries ("**Non-registered Shareholders**"). The Intermediaries are required to forward the Documents to Non-registered Shareholders.

Solicitation of proxies from Non-registered Shareholders will be carried out by Intermediaries, or by the Corporation if the names and addresses of Non-registered Shareholders are provided by the Intermediaries.

### ***Voting at the Meeting***

A Registered Shareholder (as defined below), or a Non-registered Shareholder who has appointed themselves or a third party proxyholder to represent him, her or it at the Meeting, will appear on a list of Shareholders prepared by TSX Trust Company. Each Registered Shareholder or proxyholder will be required to enter the control number or username provided by TSX Trust Company at <https://web.lumiagm.com/256617525> (password: "weedmd2020") prior to the start of the Meeting to have his, her or its Common Shares voted at the Meeting. In order to vote, Non-registered Shareholders who appoint themselves as a proxyholder MUST register with TSX Trust Company at [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) after submitting their voting instruction form in order to receive a username (please see the information under "*Appointment of Proxyholders*" below for details).

Registered Shareholders and duly appointed proxyholders can attend the Meeting online by going to <https://web.lumiagm.com/256617525>.

Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking "**I have a control number**" and entering a username and password before the start of the Meeting.

- Registered Shareholders – The 12-digit control number located on the Proxy or in the email notification received by such Shareholder is the username and the password is "weedmd2020" (case sensitive).
- Duly appointed proxyholders – TSX Trust Company will provide the proxyholder with a control number after the voting deadline has passed. The password to the Meeting is "weedmd2020" (case sensitive).

Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-registered Shareholders who have not appointed themselves may attend the Meeting by clicking "**I am a guest**" and completing the online form.

Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting **must submit their Proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted his, her or its Proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, a Shareholder MUST visit <https://tsxtrust.com/resource/en/75> and email the completed form to [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) by no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the Meeting and provide TSX Trust Company with the contact information of his, her or its proxyholder, so that TSX Trust Company may provide the proxyholder with a username via email.

**It is important to be connected to the internet at all times during the Meeting in order to vote when balloting commences.**

**In order to participate online, Shareholders must have a valid 12-digit control number and proxyholders must have received an email from TSX Trust Company containing a control number.**

### ***Non-registered Shareholders***

Non-registered Shareholders who have received the Documents from their Intermediary should, other than as set out herein, follow the directions of their Intermediary with respect to the procedure to be followed for voting at the Meeting. Generally, Non-registered Shareholders will either:

- (a) be provided with a form of proxy executed by the Intermediary but otherwise uncompleted. The Non-registered Shareholder may complete the proxy and return it directly to TSX Trust Company; or
- (b) be provided with a request for voting instructions. The Intermediary is required to send the Corporation an executed form of proxy completed in accordance with any voting instructions received by the Intermediary.

If you are a Non-registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained from your Intermediary in accordance with applicable securities regulatory requirements. By choosing to send the Documents to you directly, the Corporation (and not your Intermediary) has assumed responsibility for (i) delivering the Documents to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### ***Participating in the Meeting***

The Meeting will be hosted online by way of a live audiocast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting is provided below. The Meeting will begin at 10:00 a.m. (Toronto time) on Friday, July 24, 2020.

- Registered Shareholders that have a 12-digit control number, along with duly appointed proxyholders who were assigned a control number by TSX Trust Company (see details under "*Appointment of Proxyholders*"), will be able to vote and submit questions during the Meeting. To do so, please go to <https://web.lumiagm.com/256617525> prior to the start of the Meeting to login. Click on "**I have a control number**" and enter your 12-digit control number or username along with the password "weedmd2020" (case sensitive). Non-Registered Shareholders who have not appointed themselves to vote at the Meeting may login as a guest by clicking on "**I am a guest**" and completing the online form. Guests will not be able to vote at the Meeting.
- United States Non-registered Shareholders: To attend and vote at the Meeting, you must first obtain a valid legal proxy from your Intermediary and then register in advance to attend the Meeting. Follow the instructions from your Intermediary included with these Meeting materials, or contact your Intermediary to request a legal proxy form. After first obtaining a valid legal proxy from your Intermediary, to then register to attend the Meeting, you must submit a copy of your legal proxy to TSX Trust Company. Requests for registration should be directed to TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, ON, M5H 4H1 or via email at [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com).

Requests for registration must be labeled as "Legal Proxy" and be received no later than 10:00 a.m. (Toronto time) on July 22, 2020. You will receive a confirmation of your registration by email after your registration materials have been received. You may attend the Meeting and vote your Common Shares at <https://web.lumiagm.com/256617525> (password: "weedmd2020") during the Meeting. Any appointees must reach out to TSX Trust in advance of the meeting (latest 48 hours before the meeting). They must complete the Request for Control Number form at <https://tsxtrust.com/resource/en/75> and email it to [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com) in advance of the meeting.

- Non-registered Shareholders who do not have a 12-digit control number or username will only be able to attend as a guest which allows such persons to listen to the Meeting, however, Non-registered Shareholders will not be able to vote or submit questions.
- If you are using a 12-digit control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, please log in as a guest.

- If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

### ***Appointment of Proxyholders***

The persons named in the enclosed Proxy (the "**Management Designees**") are directors and/or officers of the Corporation. **SHAREHOLDERS HAVE THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM, HER OR IT AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE PROXY INSTRUMENT** either by striking out the names of the persons designated in the Proxy and by inserting the name of the person or company to be appointed in the space provided in the Proxy or by completing another proper form of proxy.

Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting **must submit their Proxy or voting instruction form (if applicable) prior to registering their proxyholder. Registering a proxyholder is an additional step once the Proxy or voting instruction form have been submitted. Failure to register the proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, Shareholders **MUST** visit <https://tsxtrust.com/resource/en/75> no later than 10:00 a.m. (Toronto time) on July 22, 2020 and provide TSX Trust Company with their proxyholder's contact information by emailing [tsxtrustproxyvoting@tmx.com](mailto:tsxtrustproxyvoting@tmx.com), so that TSX Trust Company may provide the proxyholder with a username via email.

A Proxy can be submitted to TSX Trust Company either in person, or by mail or courier, to 100 Adelaide Street West, Suite 301, Toronto, ON, M5H 4H1, by fax at 416-595-9593 or via the internet at [www.voteproxyonline.com](http://www.voteproxyonline.com). The Proxy must be deposited with TSX Trust Company by no later than 10:00 a.m. (Toronto time) on July 22, 2020 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the beginning of any adjournment(s) or postponement(s) to the Meeting. If a Shareholder who has submitted a Proxy attends the Meeting and has accepted the terms and conditions when entering the Meeting, any votes cast by such Shareholder on a ballot will be counted and the submitted Proxy will be disregarded.

**Without a control number, proxyholders will not be able to vote at the Meeting.**

### ***Revocation of Proxy***

A Registered Shareholder who has given a proxy pursuant to this solicitation may revoke it at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof at which the proxy is to be used:

- (a) by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, ON, M5H 4H1;
- (b) by delivering written notice of such revocation to the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof;
- (c) by attending the Meeting and voting the Common Shares; or

(d) in any other manner permitted by law.

Non-registered Shareholders who wish to change their vote must contact their Intermediary to discuss their options well in advance of the Meeting.

***Voting of Proxies and Discretion Thereof***

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed Proxy **WILL, UNLESS OTHERWISE INDICATED, BE VOTED FOR THE ELECTION OF DIRECTORS, FOR THE RE-APPOINTMENT OF RSM, AS THE AUDITORS OF THE CORPORATION, FOR THE AUTHORIZATION OF THE BOARD TO FIX THE AUDITORS' REMUNERATION AND TERMS OF ENGAGEMENT, FOR THE DIRECTOR FIXING RESOLUTION AND FOR THE INCENTIVE PLAN RESOLUTION.** The Common Shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The enclosed Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice or other matters which may properly come before the Meeting. At the date of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote such proxy according to their best judgment.

**VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The Corporation is authorized to issue an unlimited number of Common Shares. As at May 26, 2020 (the "**Record Date**"), an aggregate of 210,261,714 Common Shares were issued and outstanding.

Only Shareholders of record at the close of business on the Record Date who either attend the Meeting virtually or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote at the Meeting, unless that Shareholder has transferred any Common Shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of such Common Shares and demands that the transferee's name be included on the list of Shareholders entitled to vote at the Meeting.

Pursuant to the by-laws of the Corporation, a quorum for the transaction of business at the Meeting shall be not less than two persons present and each entitled to vote at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, the only person or company known by the Corporation to beneficially own, or control or direct, directly or indirectly, more than 10% of the voting rights attached to all outstanding Common Shares is as follows:

Name	Number of Common Shares Beneficially Owned or Controlled or Directed	Percentage of Outstanding Common Shares
2437653 Ontario Limited	60,352,956	28.7%



## MATTERS TO BE ACTED UPON AT THE MEETING

### 1. Presentation of Financial Statements

The audited consolidated financial statements of the Corporation for the year ended December 31, 2019, together with the auditors' report thereon and the related management's discussion and analysis ("**MD&A**"), will be presented to the Shareholders at the Meeting or any adjournment(s) or postponement(s) thereof for their consideration.

### 2. Fixing Number of Directors

The articles of the Corporation (the "**Articles**") provide that the board of directors of the Corporation (the "**Board**") shall consist of a minimum of one director and a maximum of 10 directors. Shareholders will be asked to consider, and if thought appropriate, approve a special resolution fixing the number of directors to be elected at the Meeting or any adjournment(s) or postponement(s) thereof at six directors (the "**Director Fixing Resolution**").

**The Management Designees intend to vote IN FAVOUR of the Director Fixing Resolution, unless otherwise instructed on a properly executed and validly deposited proxy.**

The text of the Director Fixing Resolution is as follows:

**"BE IT RESOLVED** that the number of directors of WeedMD Inc. (the "**Corporation**") to be elected at the meeting of shareholders of the Corporation held on July 24, 2020 or any adjournment(s) or postponement(s) thereof be fixed at six."

The Director Fixing Resolution must be approved by at least two-thirds of the votes cast thereon at the Meeting or any adjournment(s) or postponement(s) thereof.

### 3. Election of Directors

The Corporation currently has six directors, five of which will be standing for re-election at the Meeting or any adjournment(s) or postponement(s) thereof. The term of each of the Corporation's present directors expires at the close of the Meeting and unless the director's office is vacated earlier in accordance with the provisions of the *Business Corporations Act (Ontario)* ("**OBCA**") or removed in accordance with the by-laws of the Corporation, each director elected at the Meeting or any adjournment(s) or postponement(s) thereof will hold office until the conclusion of the next annual meeting of the Shareholders. Where directors fail to be elected at any such meeting of Shareholders, the incumbent directors shall continue in office until their successors are elected. The number of directors to be elected at any such meeting shall be the greater of the number (or the minimum number, as the case may be) of directors provided for in the Articles and the number of directors then in office unless the directors or the Shareholders otherwise determine.

Other than pursuant to a nomination rights and voting agreement (the "**Nomination Rights Agreement**") between 2437653 Ontario Inc. ("**Nominating Shareholder 1**"), Johnathan Vrozos ("**Nominating Shareholder 2**") and the Corporation dated December 20, 2019, none of the proposed nominees for election as a director of the Corporation are proposed for election pursuant to any arrangement or understanding between a proposed nominee and any other person. Pursuant to the terms of the Nomination Rights Agreement, as of the Record Date: (i) Nominating Shareholder 1 is allowed to nominate two nominees for election as director, and (ii) Nominating Shareholder 2 is allowed to nominate one nominee for election as director, to the Board at the Meeting or any adjournment(s) or postponement(s) thereof. G.

Edmund King and Hugh Scully are Nominating Shareholder 1's director nominees. Angelo Tsebelis is Nominating Shareholder 2's director nominee. Pursuant to the Nomination Rights Agreement, Nominating Shareholder 1 is also permitted to appoint one of its director nominees as the Chair of each committee of the Board.

The Corporation's by-laws provide for advance notice of nominations of directors (the "**Advance Notice Requirement**"). Among other things, the Advance Notice Requirement fixes a deadline by which Shareholders must submit a notice of director nominations to the Corporation prior to any annual or special meeting of Shareholders where directors are to be elected, sets forth the information that a Shareholder must include in the notice to the Corporation for the notice to be valid and establishes additional eligibility requirements for nominated candidates. No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of the Advance Notice Requirement.

In the case of an annual meeting of Shareholders, notice to the Chief Executive Officer of the Corporation must be given not less than 30 nor more than 65 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is called for a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the 10<sup>th</sup> day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting), notice to the Corporation must be given not later than the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting was made. The Board may, in its sole discretion, waive any requirement of the Advance Notice Requirement.

The purpose of the Advance Notice Requirement is to facilitate an orderly and efficient annual and special meeting process, to ensure all Shareholders receive adequate notice of director nominations and sufficient information with respect to all nominees, to allow the Corporation and the Shareholders to evaluate nominee's qualifications and suitability as a director of the Corporation and to allow Shareholders to cast an informed vote.

A copy of the Corporation's by-laws is available under its profile on SEDAR at [www.sedar.com](http://www.sedar.com).

**The Management Designees intend to vote FOR each of the proposed nominees set out herein, unless otherwise instructed on a properly executed and validly deposited proxy.**

The names, provinces and countries of residence of each of the persons nominated as directors of the Corporation, their position(s) with the Corporation, the principal occupation for the past five (5) years, the period served as director and the number of voting securities of the Corporation beneficially owned, controlled or directed, directly or indirectly by such persons are set forth in the table below:

Name of Proposed Nominee, Province, Country of Residence and Position(s) with the Corporation	Principal Occupation(s) for the Past Five (5) Years <sup>(1)</sup>	Director of the Corporation Since	Common Shares Owned, Controlled or Directed, Directly or Indirectly <sup>(2)</sup>
Angelo Tsebelis <sup>(3)</sup> Ontario, Canada  <i>Chief Executive Officer and Director<sup>(4)</sup></i>	CEO of the Corporation President of Starseed Medicinal Inc. Director, Payor Strategy & Partnerships of Shoppers Drug Mart	December 2019	1,380,375

Name of Proposed Nominee, Province, Country of Residence and Position(s) with the Corporation	Principal Occupation(s) for the Past Five (5) Years <sup>(1)</sup>	Director of the Corporation Since	Common Shares Owned, Controlled or Directed, Directly or Indirectly <sup>(2)</sup>
George Scorsis Ontario, Canada  <i>Director and Executive Chair of the Board</i>	President of Mettrum Health Corp. CEO & Director of Liberty Health Sciences Inc. Chairman of Scythian BioSciences Corp.	December 2019	1,700
Gail Paech <sup>(5)(6)(7)</sup> Ontario, Canada  <i>Director</i>	Chief Executive Officer of Associated Medical Services Director of Extendicare, Canada	April 2017	37,500 <sup>(8)</sup>
G. Edmund King <sup>(5)(6)(7)(9)</sup> Ontario, Canada  <i>Lead Independent Director</i>	Director of Highvista Gold Inc.	December 2019	6,257,700 <sup>(10)</sup>
Dr. Hugh Scully <sup>(5)(6)(7)(9)</sup> Ontario, Canada  <i>Director</i>	Professor-Emeritus of Surgery and Health Policy, Management & Evaluation at the University of Toronto	December 2019	616,875
Bruce Croxon Ontario, Canada  <i>N/A</i>	Managing Partner of Round13 Capital. Director of Points International Ltd.	N/A	Nil

## Notes:

- (1) The information as to principal occupation, business or employment of the respective nominees is not within the knowledge of the management of the Corporation and has been furnished by the respective nominees. Unless otherwise indicated, each nominee has held the same or a similar principal occupation with the organization indicated or a predecessor thereof for the last five years.
- (2) The information as to the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by the directors, not being within the knowledge of the Corporation, has been furnished by the respective nominees or obtained from the System for Electronic Disclosure by Insiders (SEDI).
- (3) Nominating Shareholder 2 nominee pursuant to the Nomination Rights Agreement.
- (4) Mr. Tsebelis was appointed Chief Executive Officer of the Corporation on February 4, 2020.
- (5) Member of the nomination and governance committee of the Board (the "**Nomination & Governance Committee**").
- (6) Member of the audit committee of the Board (the "**Audit Committee**").
- (7) Member of the compensation committee of the Board (the "**Compensation Committee**").
- (8) Held by Paech Results Inc., a corporation beneficially owned or controlled by Ms. Paech.
- (9) Nominating Shareholder 1 nominee pursuant to the Nomination Rights Agreement.
- (10) 6,135,000 Common Shares held through Edmund King Nominee Holdings Inc., a corporation beneficially owned or controlled by Mr. King.

The following is a brief profile of each nominee to the Board:

Angelo Tsebelis

Angelo Tsebelis is the Chief Executive Officer of the Corporation and WeedMD Rx Inc., a Canadian medical and adult use cannabis company fully licensed by Health Canada. Previous to this position, Angelo was the President of Starseed (as defined below).

Angelo has an extensive background in the healthcare and pharmaceutical markets. Prior to his role at Starseed, he was with Shoppers Drug Mart and Loblaw Companies where he was responsible for building

strategic partnerships with key payors, insurers, PBMs and benefits consultants in the Canadian market. Additionally, Angelo has held a series of progressive commercial roles with GlaxoSmithKline where he was responsible for strategic pricing, market access and government affairs for the Canadian vaccines markets. Angelo holds an MBA from the Schulich School of Business and a BA (Honours) from the University of Toronto.

### George Scorsis

George Scorsis has over 25 years of experience leading companies in highly regulated industries to rapid growth, including alcohol, energy drinks and, most recently, medical cannabis. While attending York University, completing his Bachelor in Administrative Studies, Mr. Scorsis worked as a University Ambassador for Bacardi Canada and held several executive roles. Following York University, Mr. Scorsis obtained an MBA at Queens University. Mr. Scorsis, formerly President of Red Bull Canada, was instrumental in restructuring the organization from a geographical and operational perspective, growing the business to \$150 million in revenue. He also worked closely with Health Canada on guidelines regulating the energy drink category. Mr. Scorsis also brings agricultural and technological experience from his time as President at Mettrum Health Corp., which was acquired for \$473 million by Canopy Growth Corporation. Mr. Scorsis was also the CEO and Director of Liberty Health Sciences Inc., which was one of the first Canadian cannabis companies to expand into the United States. He also served as Chairman of the Board of Directors of Scythian Biosciences Corp., a research and development company committed to advancing treatment efforts for traumatic brain injury with its proprietary cannabinoid-based combination drug therapy and additional cannabis-related activities across the globe as well as current Chairman of Tasilli Life Sciences Corp. which focusses on PTSD research. Mr. Scorsis is currently the Executive Chairman of the Corporation.

### Gail Paech

Ms. Paech is a highly focused, seasoned professional with over 25 years of senior executive experience in the public, private and not-for-profit sectors. Currently, she is CEO of Associated Medical Services, a foundation that addresses and funds research on critical healthcare issues in Canada. She is a former Associate Deputy Minister, Economic Development and Trade and Assistant Deputy Minister, Ministry of Health. During her tenure as a senior civil servant, Gail gained the reputation for her ability to head up large-scale, high-profile, provincial initiatives that resulted in system transformation and lasting change in the delivery of core public services. Ms. Paech possesses in-depth knowledge of government decision-making processes, having been responsible for policy formulation of both sector-specific and government-wide policies, programs and the regulatory process. As interim CEO of the largest Long Term Care Association in Canada, Ms. Paech assisted in the development of consumer-oriented strategy that unleashed the innovation potential of the long-term care sector while generating value for the healthcare system. As President and CEO of a large downtown Toronto hospital, Ms. Paech was responsible for implementing strategic direction which successfully repositioned the hospital during the province-wide restructuring program. Ms. Paech has considerable experience with a global consulting company where she was National Director responsible for the development and future direction of the healthcare practice across Canada. Ms. Paech conducted large-scale health system redesign projects across the country.

### G. Edmund King

Mr. King joined Wood Gundy in 1957 after graduating from the University of Toronto, B.A. (Econ.) and was elected as a director of the company twelve years later, In 1959. From 1971 to 1974, Mr. King was President of Wood Gundy's U.S. subsidiary based in New York and was appointed Vice Chairman in 1986. In 1988

he was named Chairman and Chief Executive Officer of Wood Gundy. On October 1, 1992, Mr. King became Chairman and Chief Executive Officer of The CIBC Wood Gundy Corporation. On October 31, 1995 Mr. King retired from Wood Gundy. Currently, Mr. King is a director of the Corporation and Highvista Gold Inc.

Throughout his career, Mr. King has received many awards and recognitions, namely the Centennial Award from the Ontario Medical Association and the Diamond Jubilee Medal from the Investment Industry Association. In 1992-1993, Mr. King was Chairman of the Investment Dealers Association of Canada. Mr. King is also a member of The York Club, The National Club, Muskoka Lakes Country Club and The Toronto Hunt Club.

Dr. Hugh Scully

A cardiac surgeon, Dr. Hugh Scully studied and trained at Queen's University, the University of Toronto, and at Harvard University. He is Professor-Emeritus of Surgery and Health Policy, Management & Evaluation at the University of Toronto. At UHN Toronto General Hospital ("**TGH**"), he has served as Deputy Head of CV Surgery, Deputy Surgeon-in-Chief, Chairman of the Education Committee, Chief of Staff, Board of Trustees and the TGH TWH Foundation and recently as President of the Mt. Sinai – UHN Academic Medical Organization. Presently, he is an Honorary Member of the TGH and a Member of the Senate of the University Health Network.

He is Past-President of the Ontario Medical Association, the Canadian Medical Association ("**CMA**"), and the Canadian Cardiovascular Society, ("**CCS**"). He has served on the Councils (Boards) of the Royal College of Physicians and Surgeons of Canada and the World Medical Association as well as the Board of Governors of the American College of Surgeons ("**ACS**"). Dr. Scully was the only non-American member of the Health Policy and Advocacy Group of the ACS in Washington.

In 2010, Dr. Scully received the CMA's Medal of Service and the Annual (Lifetime) Achievement Award from the CCS. Since 2013, Dr. Scully has been a leadership volunteer with the Canadian Medical Foundation ("**CMF**") as multi-million dollar fundraising effort to raise support for physician health and wellness: The Every Physician Campaign. Presently, he is the Chair of the Board of Trustees of the CMF.

He is on the Board of the Canadian Medical Hall of Fame, the Board of Partners-in-Health Canada, the Advisory Board to the Canadian Concussion Centre and is Advisor to the James Wallace McCutcheon Foundation.

In the world of motorsport, he is a Founding Fellow of the FIA Institute for Motor Sport Safety and Sustainability based in Paris, a Founding Member of the FIA World Medical Commission also based in Paris, a Founding Member and Chair-Emeritus and Director of International Affairs of the International Council of Motorsport Sciences based in Indianapolis. He is a Member, and Chair of the Board of the Canadian Motorsport Hall of Fame and President of the Canadian Motorsport Heritage Foundation.

Prior to joining the Board, Dr. Scully was a member of the board of directors of Starseed.

Bruce Croxon

Mr. Croxon made his mark as a digital pioneer by co-founding Lavalife and revolutionizing how people connect. Under his direction, Mr. Croxon grew this early tech start-up into the marquee brand in online dating with over two million users. As partner, chairman and CEO, Mr. Croxon helped lead the company's

growth from four to 600 employees, and achieving revenue of just under \$100 million. After its spectacular rise, he led the sale of the company for \$180 million dollars. Since that time, Mr. Croxon has been active as both an investor and advisor in early stage companies in the technology and hospitality sectors, continuing to expand the reach of his entrepreneurial successes. As an ex-Dragon on CBC's Dragons' Den, Mr. Croxon adds a broad range of businesses and products to his portfolio that tap into his passion for digital media, health and marketing. Mr. Croxon currently helms Round13, a company dedicated to investment in growth stage digital Canadian companies. He currently co-hosts The Disruptors on BNN and CTV, a weekly show spotlighting Canadian business. Mr. Croxon also currently sits on the board of Points International Ltd.

### ***Cease Trade Orders***

No proposed director of the Corporation is, as of the date of this Information Circular, or has been, within 10 years before the date hereof, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Corporation) that was subject to a cease trade order, an order similar to a cease trade order or an order that denied such company access to any exemptions under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued: (a) while that person was acting in such capacity; or (b) after that person ceased to act in such capacity but which resulted from an event that occurred while that person was acting in such capacity.

### ***Bankruptcies***

No proposed director of the Corporation is, as of the date of this Information Circular, or has been, within 10 years before the date hereof, a director or executive officer of any company (including the Corporation) that, while such person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director of the Corporation has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### ***Penalties or Sanctions***

No proposed director of the Corporation has been subject to 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 has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### ***Regulatory Matters***

In accordance with the requirements of the *Cannabis Act*, each director of the Corporation must hold a security clearance. As at the date of this Information Circular, an application to obtain security clearance for Bruce Croxon is in process with Health Canada. Subject to Mr. Croxon's election at the Meeting, until such time as Mr. Croxon has received security clearance, Mr. Croxon will not vote on any matter related to the licensed cannabis operations of the Corporation. If Mr. Croxon does not ultimately

obtain the necessary approvals under the *Cannabis Act* then he has agreed to tender his resignation to the Chair of the Board.

#### 4. Appointment of Auditors

Management proposes that RSM Canada LLP (formerly Collins Barrow LLP) ("**RSM**") be reappointed as the auditors of the Corporation to hold office until the next annual general meeting of the Shareholders or until its successor is appointed, and to authorize the Board to fix their remuneration and terms of engagement. RSM were appointed as the auditors of the Corporation on April 19, 2017.

**The Management Designees intend to vote FOR the reappointment of RSM as auditors of the Corporation, and to authorize the Board to fix their remuneration and terms of engagement, unless otherwise instructed on a properly executed and validly deposited proxy.**

#### 5. Annual Approval of the Omnibus Incentive Plan

The omnibus incentive plan of the Corporation (the "**Omnibus Incentive Plan**") was adopted by the Board on April 27, 2019 and was approved by the Shareholders at the annual and special meeting of Shareholders which took place on June 25, 2019 (the "**2019 Meeting**").

Since the 2019 Meeting, there have been no amendments to the Omnibus Incentive Plan. The Omnibus Incentive Plan provides that the aggregate number of Common Shares reserved for issuance upon the exercise of all Awards granted under such plan (together with all Common Shares issuable pursuant to each other security-based compensation arrangement of the Corporation shall not exceed 10% of the issued and outstanding Common Shares at the time of granting of Awards (on a non-diluted basis). In light of the fact that the Corporation has a rolling plan, as noted above, it is required by the policies of the TSX Venture Exchange (the "**TSXV**") that it obtain annual Shareholder approval of the Omnibus Incentive Plan. As such, Shareholders will be asked at the Meeting to consider and, if deemed advisable, confirm and approve the Omnibus Incentive Plan.

See "*Securities Authorized for Issuance under Equity Compensation Plans*" for further details concerning the Omnibus Incentive Plan. The information related to the Omnibus Incentive Plan in this Information Circular is intended as a summary only and is qualified in its entirety by reference to the Omnibus Incentive Plan which is attached as Schedule "B" to this Information Circular.

At the Meeting, disinterested Shareholders will be asked to consider, and, if deemed appropriate, approve, with or without variation, a resolution (the "**Incentive Plan Resolution**") confirming and approving the Omnibus Incentive Plan. The text of the Incentive Plan Resolution is as follows:

**"BE IT RESOLVED THAT:**

- (a) The Omnibus Incentive Plan, attached as Schedule "B" to the Information Circular, is hereby confirmed and approved.
- (b) That number of Common Shares that are issuable pursuant to the Omnibus Incentive Plan are hereby allotted, set aside and reserved for issuance pursuant thereto.
- (c) Any one director or officer of the Corporation is hereby authorized and directed, for and on behalf of the Corporation, to finalize, sign and deliver all documents, to enter into any agreements and to do and perform all acts and things as such individual, in his or her

discretion, deems necessary or advisable in order to give effect to the intent of this resolution and the matters authorized hereby, including compliance with all securities laws and regulations and the rules and requirements of the TSXV, such determination to be conclusively evidenced by the finalizing, signing or delivery of such document or agreement or the performing of such act or thing."

**The Management Designees intend to vote FOR the Incentive Plan Resolution, unless otherwise instructed on a properly executed and validly deposited proxy.** The Incentive Plan Resolution must be approved by the affirmative vote of at least a majority of the votes cast thereon at the Meeting, or any adjournment(s) or postponement(s) thereof, by disinterested Shareholders.

All directors and senior officers and their associates and affiliates will be excluded from voting on the Incentive Plan Resolution, including, without limitation, Angelo Tsebelis, George Scorsis, G. Edmund King, Dr. Hugh Scully, Gail Paech and Michael Pesner. As of the date hereof, the Corporation has been advised that a total of 10,684,128 Common Shares will be excluded from voting on the Incentive Plan Resolution.

## **STATEMENT OF EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The purpose of the Compensation Discussion and Analysis section of this Information Circular is to provide information about the Corporation's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Corporation's Named Executive Officers (as defined below).

#### ***How the Corporation Determines Compensation***

The Compensation Committee is responsible for reviewing, establishing and overseeing the compensation policies of the Corporation and compensation of the NEOs (as defined below). Based on the recommendations of the Compensation Committee, the Board, as a whole, is responsible for determining the compensation paid to the executive officers and directors of the Corporation.

#### ***Objectives of the Compensation Program***

The Corporation's executive compensation program has been designed to motivate, reward, attract and retain high caliber management deemed essential to ensure the Corporation's success. The program seeks to align executive compensation with the Corporation's short-term and long-term business objectives, business strategy and financial performance. The Corporation's compensation program is designed to achieve the following objectives:

- provide competitive compensation opportunities in order to attract and retain talented, high caliber executive officers, whose expertise, skills and performance are critical to the Corporation's success;
- motivate these executive officers to achieve the Corporation's strategic vision and business objectives;
- align the interests of the executive officers with those of the Shareholders and other stakeholders by tying a meaningful portion of compensation directly to the overall growth of the Corporation's business; and



- provide incentives that encourage appropriate levels of risk-taking by the executive team.

The Corporation aims to design executive compensation packages that are comparable to those for executives with similar talents, qualifications and responsibilities at companies with similar financial and operating characteristics. However, executive compensation is not evaluated against a formal "peer group".

### ***Executive Compensation Components***

The Corporation's executive compensation program is comprised of fixed and variable components. The variable components include equity and non-equity elements. Each compensation component has a different function, but all elements are designed to work in concert to maximize the Corporation and individual performance and provide financial incentives to senior executives based on the level of achievement of specific operational and financial objectives. The compensation of the NEOs includes: base salary; bonuses; long-term equity incentives, consisting of Awards (as defined below) granted under the Omnibus Incentive Plan and any other equity plan that may be approved by the Board; limited perquisites; and customary benefit programs. These principal elements of compensation are described in more detail below.

#### ***Base Salary***

Base salaries for executive officers are established based on the scope of their responsibilities and their prior relevant experience, taking into account compensation paid by other companies in the industry for similar positions and the overall market demand for such executives at the time of hire. The Corporation does not actively benchmark its compensation to other companies, but has reviewed the public disclosure available for other comparable cannabis companies to assist in determining the competitiveness of base salary (as well as bonuses, benefits and stock options) paid to the executive officers of the Corporation. An executive officer's base salary is determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with the Corporation's overall compensation philosophy.

Base salaries are reviewed annually and increased for merit reasons, based on the executive's success in meeting or exceeding individual objectives and/or for market competitiveness. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

#### ***Bonus Plans***

The Corporation's compensation program includes eligibility for annual incentive cash bonuses. Factors considered in determining bonus amounts include individual performance, financial criteria (such as share price performance) and operational criteria (such as the attainment of corporate milestones).

#### ***Omnibus Incentive Plan***

The Corporation maintains the Omnibus Incentive Plan for directors, officers, employees and consultants of the Corporation. The purpose of the Omnibus Incentive Plan is to add incentive and to provide consideration for effective services of full and part-time employees, full and part-time officers and directors of the Corporation, and persons performing special technical or other services to the Corporation. The

number of Awards and the terms and conditions thereof are determined by the Board at the time of the grant, subject to the defined parameters of the Omnibus Incentive Plan.

The Omnibus Incentive Plan is administered by the Board. Participation is limited to directors, full and part-time officers, full and part-time employees and consultants providing services to the Corporation.

For a summary of the Omnibus Incentive Plan, see "*Securities Authorized for Issuance under Equity Compensation Plans*".

#### *Perquisites and Other Benefits*

Certain of the Corporation's executive officers are provided perquisites to aid in the performance of their respective duties and to provide compensation competitive with executives with similar positions and levels of responsibilities. Perquisites generally include reimbursement of automobile expenses, monthly personal cell phone allowances, technology allowances and/or payment of professional development fees. Such perquisites are not a significant element of the compensation of executive officers.

#### *Health and Insurance Benefits*

Each of the Corporation's executive officers is eligible to participate in the Corporation's health and insurance plans on the same terms and conditions as provided to all other eligible employees. Such benefits include: medical and dental benefits; long-term disability insurance; and life insurance and accidental death and disability coverage. The Corporation believes that the benefits described are necessary and appropriate to provide a competitive compensation package to its executive officers.

### **Compensation Governance**

The Compensation Committee is charged with, among other things, a periodic review of directors' and officers' compensation having regard to the Corporation's peers, various governance reports on current trends in directors' compensation and independently compiled compensation data for directors and officers of reporting issuers of comparable size to the Corporation.

#### ***Compensation Committee***

The Compensation Committee is currently comprised of G. Edmund King (Chair), Dr. Hugh Scully, Gail Paech and Michael Pesner. Mr. Pesner is not standing for re-election and will cease to be a member of the Compensation Committee following the Meeting. All of the members of the Compensation Committee are considered to be independent, in accordance with applicable securities legislation. The skills and experience that enable the members of the Compensation Committee to make decisions on the suitability of the Corporation's compensation policies and practices are summarized above in the Section entitled "*Matters to be Acted Upon at the Meeting – Election of Directors*".

#### ***Compensation Committee Mandate***

The overall purpose of the Compensation Committee is set out in the Compensation Committee's mandate (the "**Compensation Committee Mandate**"). Under the Compensation Committee Mandate, the Compensation Committee is responsible for, among other things: (a) in consultation with senior management, establishing the Corporation's general compensation philosophy, and overseeing the development and implementation of compensation programs; (b) reviewing and approving the

compensation of the Chief Executive Officer; (c) in consultation with the Chief Executive Officer, reviewing compensation programs applicable to the senior management of the Corporation; (d) making recommendations to the Board with respect to the Corporation's incentive compensation plans and equity-based plans, the activities of the individuals and committees responsible for administering these plans, and discharging any responsibilities imposed on the Compensation Committee by any of these plans; and (e) annually reviewing directors' compensation and recommending any changes to the Board for consideration.

### Summary Compensation Table

Executive compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) at the end of the most recently completed fiscal year whose total compensation was more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Corporation, nor acting in a similar capacity, at the end of that financial year (the "Named Executive Officers" or "NEO's").

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation or any subsidiary thereof, to each Named Executive Officer and director of the Corporation, for each of the two most recently completed financial years ended December 31, 2019 and 2018.

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Keith Merker <sup>(1)</sup> Former CEO and Director	2019	\$307,522	-	-	-	-	\$307,522
	2018	\$250,823	\$107,912	-	-	-	\$358,735
Nichola Thompson <sup>(2)</sup> Former CFO	2019	\$219,419	-	-	-	-	\$219,419
	2018	\$161,906	\$42,503	-	-	-	\$204,409
George Scorsis <sup>(3)(4)</sup> Executive Chairman and Director	2019	172,163	-	-	-	-	\$172,163
	2018	-	-	-	-	-	-
Michael Kraft <sup>(5)</sup> Former Director	2019	\$174,677	-	-	-	-	\$174,677
	2018	\$242,000	-	-	-	-	\$242,000
Gail Paech Director	2019	\$60,000	-	\$106,500	-	-	\$196,500
	2018	-	-	\$104,250	-	-	\$104,250
Rick Moscone <sup>(6)</sup> Former Director	2019	-	-	-	-	-	-
	2018	-	-	-	-	-	-
Kevin McGovern <sup>(5)</sup>	2019	\$198,943	-	\$158,699	-	-	\$357,642

Table of compensation excluding compensation securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Former Director	2018	-	-	\$104,250	-	-	\$104,250
Michael Pesner Director	2019	\$60,000	-	\$136,500	-	-	\$196,500
	2018	-	-	\$34,819	-	-	\$34,819
Angelo Tsebelis <sup>(3)(6)</sup> Director	2019	\$6,799	-	-	-	-	\$6,799
	2018	N/A	N/A	N/A	N/A	N/A	N/A
G. Edmund King <sup>(3)(7)</sup> Director	2019	-	-	-	-	-	-
	2018	N/A	N/A	N/A	N/A	N/A	N/A
Dr. Hugh Scully <sup>(3)(7)</sup> Director	2019	-	-	-	-	-	-
	2018	N/A	N/A	N/A	N/A	N/A	N/A

## Notes:

- (1) Mr. Merker was formerly a NEO and a director of the Corporation. Mr. Merker did not receive any additional remuneration from the Corporation pertaining to his role as a director. Mr. Merker resigned as CEO and a director effective February 4, 2020.
- (2) Ms. Thompson was appointed the interim Chief Financial Officer of the Corporation commencing July 9, 2018 and was appointed the Chief Financial Officer commencing April 25, 2019. Ms. Thompson resigned as CFO effective April 30, 2020.
- (3) Appointed as a director of the Corporation, effective December 20, 2019.
- (4) Prior to his appointment as director, Mr. Scorsis provided consulting services to the Corporation through 1927729 Ontario Inc. See "*Employment, Consulting and Management Agreements*".
- (5) Resigned as a director of the Corporation, effective December 20, 2019.
- (6) Nominating Shareholder 2 nominee pursuant to the Nomination Rights Agreement.
- (7) Nominating Shareholder 1 nominee pursuant to the Nomination Rights Agreement.

### External Management Companies

Please refer to "*Employment, Consulting and Management Agreements*" below for disclosure relating to any external management company employing, or retaining individuals, acting as Named Executive Officers of the Corporation, or that provide Corporation's executive management services and allocate compensation paid to any Name Executive Officer or director.

### Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued by the Corporation, or any subsidiary thereof, to each director and Named Executive Officer, in the most recently completed financial year ended December 31, 2019, for services provided or to be provided, directly or indirectly, to the Corporation or any subsidiary thereof.

Compensation Securities							
Name and position	Type of Compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and percentage of class <sup>(2)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$) <sup>(3)</sup>	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Keith Merker</b> <sup>(4)</sup> Former CEO and Director	-	-	-	-	-	-	-
<b>Nichola Thompson</b> <sup>(5)</sup> Former CFO	Stock Options	100,000 <sup>(6)</sup>	January 9, 2019	1.53	1.53	0.86	January 8, 2024
<b>Michael Kraft</b> <sup>(7)</sup> Former Director	Stock Options	300,000 <sup>(8)</sup>	January 9, 2019	1.53	1.53	0.86	January 8, 2024
<b>Gail Paech</b> Director	Stock Options	195,500 <sup>(9)</sup>	January 9, 2019	1.53	1.53	0.86	January 8, 2024
<b>Rick Moscone</b> <sup>(7)</sup> Former Director	Stock Options	100,000 <sup>(10)</sup>	January 9, 2019	1.53	1.53	0.86	January 8, 2024
<b>Kevin McGovern</b> <sup>(7)</sup> Former Director	Stock Options	197,500 <sup>(11)</sup>	January 9, 2019	1.53	1.53	0.86	January 8, 2024
<b>Michael Pesner</b> Director	Stock Options	185,000 <sup>(12)</sup>	January 9, 2019	1.53	1.53	0.86	January 8, 2024
<b>Angelo Tsebelis</b> <sup>(13)(14)</sup> Director	Stock Options	920,250 <sup>(15)</sup>	December 20, 2019	0.98	0.81	0.86	November 2, 2022
<b>George Scorsis</b> <sup>(13)</sup> Executive Chairman and Director	-	-	-	-	-	-	-
<b>G. Edmund King</b> <sup>(13)(16)</sup> Director	Stock Options	720,863 <sup>(17)</sup>	December 20, 2019	0.98	0.81	0.86	November 2, 2022
<b>Dr. Hugh Scully</b> <sup>(13)(16)</sup> Director	-	-	-	-	-	-	-

## Notes:

- (1) Each stock option is exercisable into one Common Share in the capital of the Corporation.
- (2) The number of compensation securities beneficially owned or controlled has been taken from the System for Electronic Disclosure by Insiders (SEDI) or has been furnished by the respective individuals as at December 31, 2019.
- (3) Unless otherwise indicated, no compensation security has been re-priced, cancelled, replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year. Unless otherwise indicated, there are no restrictions or conditions for converting, exercising or exchanging the compensation securities.
- (4) Mr. Merker was formerly a director and Chief Executive Officer of the Corporation. Mr. Merker resigned as CEO and a director effective February 4, 2020.
- (5) Ms. Thompson was appointed the interim Chief Financial Officer of the Corporation commencing July 9, 2018 and was appointed the Chief Financial Officer commencing April 25, 2019. Ms. Thompson resigned as CFO effective April 30, 2020.
- (6) As at December 31, 2019, Ms. Thompson held 100,000 Options exercisable at \$1.53 per share entitling such holder to acquire 100,000 Common Shares. The Options expire on January 8, 2024. The Options vest over a period of 36 months.
- (7) Resigned as a director of the Corporation, effective December 20, 2019.
- (8) As at December 31, 2019, Mr. Kraft held 300,000 Options exercisable at \$1.53 per share entitling such holder to acquire 300,000 Common Shares. The Options expire on January 8, 2024. The Options vest over a period of 36 months.
- (9) As at December 31, 2019, Ms. Paech held 195,500 Options exercisable at \$1.53 per share entitling such holder to acquire 195,500 Common Shares. The Options expire on January 8, 2024. The Options vest over a period of 36 months.
- (10) As at December 31, 2019, Mr. Moscone held 100,000 Options exercisable at \$1.53 per share entitling such holder to acquire 100,000 Common Shares. The Options expire on January 8, 2024. The Options vest over a period of 36 months.
- (11) As at December 31, 2019, Mr. McGovern held 197,500 Options exercisable at \$1.53 per share entitling such holder to acquire 197,500 Common Shares. The Options expire on January 8, 2024. The Options vest over a period of 36 months.

- (12) As at December 31, 2019, Mr. Pesner held 185,000 Options exercisable at \$1.53 per share entitling such holder to acquire 185,000 Common Shares. The Options expire on January 8, 2024. The Options vest over a period of 36 months.
- (13) Appointed as a director of the Corporation, effective December 20, 2019.
- (14) Nominating Shareholder 2 nominee pursuant to the Nomination Rights Agreement.
- (15) As at December 31, 2019, Mr. Tsebelis held 920,250 Options exercisable at \$0.98 per share entitling such holder to acquire 920,250 Common Shares. The Options expire on November 2, 2022. The Options vest over a period of 36 months.
- (16) Nominating Shareholder 1 nominee pursuant to the Nomination Rights Agreement.
- (17) As at December 31, 2019, Mr. King held 720,863 Options exercisable at \$0.98 per share entitling such holder to acquire 720,863 Common Shares. The Options expire on November 2, 2022. The Options vest over a period of 36 months.

### **Exercise of Compensation Securities by Directors and NEOs**

No compensation securities were exercised by a director or Named Executive Officer during the most recently completed financial year, ended December 31, 2019.

### **Directors' Compensation**

The Corporation's director compensation program is designed to attract and retain qualified individuals. The Compensation Committee assesses the director compensation program annually and makes recommendations with respect to director compensation to the Board. Quarterly compensation for the fiscal year 2020 for each director will be \$30,000 with 50% issued in cash and DSUs, respectively.

### **Pension Plan Benefits**

The Corporation does not have any pension plans that provide for payments of benefits at, following or in connection with, retirement or provide for retirement or deferred compensation plans for the NEOs or directors.

### **Employment, Consulting and Management Agreements**

Except as disclosed herein, the Corporation does not have any agreement or arrangement under which compensation was provided during the most recently completed financial period ended December 31, 2019 or is payable in respect of services provided to the Corporation or any of its subsidiaries that were performed by a director or a NEO, or performed by any other party but are services typically provided by a director or a NEO.

#### *Keith Merker – Chief Executive Officer*

On December 18, 2019, the Corporation and Keith Merker entered into an employment agreement, which provided for an annual base salary of \$300,000 (subject to annual increases), with such amount to be reviewed on an annual basis, with any increase to be at the sole discretion of the Board. Under the agreement, Mr. Merker was also eligible to receive an annual performance bonus of up to 50% of base salary, to be determined based on performance criteria to be established by the Board. Mr. Merker was also eligible to participate in the Corporation's standard benefit plans.

In the event of: (i) the termination of Mr. Merker's employment without cause; or (ii) the resignation for good cause by Mr. Merker following a change affecting Mr. Merker's employment, where such change occurs within 270 days following a change of control of the Corporation or certain other specified events, Mr. Merker is entitled to: (1) a payment from the Corporation in an amount equal to 18 months' severance, with annual bonus to be included at the discretion of the Board, less taxes and other deductions required by law, 50% of such severance to be paid within 15 days of termination and the remaining 50% to be paid monthly over the next 18 months; (2) continuation of benefits for 12 months following the date of termination or resignation; (3) participation in any bonus payable for the year of termination (as may have been determined

by the Board or the Corporation) which shall be paid out pro rata for the period of active service; and (4) outplacement services for a period not exceeding 12 months. In addition, in the event of a change of control, all of the stock options held by Mr. Merker shall immediately vest and the Board shall be permitted to accelerate the vesting of any RSUs and DSUs held by Mr. Merker. The agreement further contemplates standard non-competition and non-solicitation clauses in favour of the Corporation during the term of the agreement and for a period of 12 months thereafter.

*Nichola Thompson – Chief Financial Officer*

On October 8, 2019, the Corporation and Nichola Thompson entered into an employment agreement, which provided for an annual base salary of \$220,000 (subject to annual increases) effective April 1, 2019, with such amount to be reviewed on an annual basis, with any increase to be at the sole discretion of the Board. Under the agreement, Ms. Thompson was also eligible to receive an annual performance bonus of up to 40% of base salary, to be determined based on performance criteria to be established by the Chief Executive Officer. Ms. Thompson was also eligible to participate in the Corporation's standard benefit plans.

In the event of: (i) the termination of Ms. Thompson's employment without cause; or (ii) the resignation for good cause by Ms. Thompson following a change affecting Ms. Thompson's employment, where such change occurs within 270 days following a change of control of the Corporation or certain other specified events, Ms. Thompson is entitled to: (1) a cash payment from the Corporation in an amount equal to 12 months' severance, less taxes and other deductions requirement by law; (2) continuation of benefits for 12 months following the date of termination or resignation; and (3) participation in any bonus payable for the year of termination (as may have been determined by the Board or the Corporation) which shall be paid out pro rata for the period of active service. In addition, in the event of a change of control, all of the stock options held by Ms. Thompson shall immediately vest. The agreement further contemplates standard non-competition and non-solicitation clauses in favour of the Corporation during the term of the agreement and for a period of 12 months thereafter.

*George Scorsis – Executive Chairman*

On July 15, 2019, the Corporation entered into a management consulting agreement (the "**Consulting Agreement**") with George Scorsis and 1927729 Ontario Inc. ("**192**"), which provides that 192 will cause Mr. Scorsis to provide the services of a special advisor to the board of directors to the Corporation. The Consulting Agreement provides that Mr. Scorsis will receive from the Corporation a fee of \$20,000 per month from the period beginning on the effective date until December 31, 2019 and a fee of \$15,000 per month for the period beginning on January 1, 2020 until June 30, 2020. In addition, under the terms of the Consulting Agreement, in connection with the acquisition of Starseed, Mr. Scorsis is entitled to receive the following payments: (i) \$50,000 upon signing of a definitive agreement, (ii) \$100,000 upon the closing of the transaction, and (iii) \$50,000 (payable in DSUs or RSUs) upon the successful integration of Starseed. In addition, the Consulting Agreement provides that the Consultant shall be granted: (i) 100,000 RSUs on or about September 30, 2019; and (ii) 150,000 RSUs to be determined based on performance metrics determined by the Compensation Committee as at the end of the Corporation's financial year. Mr. Scorsis is also eligible to participate in the Corporation's standard benefit and bonus plans.

The Consulting Agreement is for an initial one year term. In the event of the termination of the Consulting Agreement by the Corporation following the initial term, 192 is entitled to six months of fees. In the event of the termination of the Consulting Agreement by Mr. Scorsis for good cause following a change of control of the Corporation or certain other specified events, Mr. Scorsis is entitled to: (1) a payment from the Corporation in an amount equal to six months fees, 50% of such amount payable upon termination with the

balance payable over the following 12 months. In addition, in the event of a change of control, all of the DSUs held by Mr. Scorsis shall immediately vest. The Consulting Agreement further contemplates standard non-competition and non-solicitation clauses in favour of the Corporation during the term of the agreement and for a period of 12 months thereafter.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as of December 31, 2019 with respect to the Corporation's equity compensation plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in (a))
	(a)	(b)	(c)
Equity compensation plans approved by securityholders	16,345,026	\$1.56	11,415,702
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>Total</b>	16,345,026	\$1.56	11,415,702

### Description of Stock Option Plan

The following is a summary of certain provisions of the Omnibus Incentive Plan. This summary is intended as a summary only and is qualified in its entirety by reference to the Omnibus Incentive Plan which is attached as Schedule "B" to this Information Circular.

#### *Summary of Material Terms*

The Omnibus Incentive Plan, in respect of options to purchase Common Shares, serves as the successor to the Corporation's previous stock option plan adopted on September 30, 2014 (the "**Previous Stock Option Plan**"), and no further options to purchase Common Shares have been or will be granted under the Previous Stock Option Plan from and after the effective date of the Omnibus Incentive Plan.

The purposes of the Omnibus Incentive Plan is to: (i) provide the Corporation with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of eligible participants in the Omnibus Incentive Plan ("**Participants**") with that of other Shareholders of the Corporation generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Corporation through the acquisition of Common Shares as long-term investments.

The Omnibus Incentive Plan is administered by the Board and provides that the Board may, from time to time, in its discretion, and in accordance with TSXV requirements or any other stock exchange on which the Common Shares are listed (the "**Exchange**"), grant to eligible Participants, non-transferable awards (the "**Awards**"). Such Awards include stock options ("**Options**"), restricted share units ("**RSUs**"), deferred share units ("**DSUs**") and performance share units ("**PSUs**").



Under the Omnibus Incentive Plan, the maximum number of Common Shares issuable from treasury pursuant to Awards shall not exceed 10% of the total outstanding Common Shares from time to time less the number of Common Shares issuable pursuant to all other security-based compensation arrangements of the Corporation. For greater certainty, the aggregate number of Common Shares available for issuance pursuant to settlement of Options shall not exceed 10% of the Corporation's outstanding share capital. The Omnibus Incentive Plan with respect to the Options is a "rolling plan" and as a result, any and all increases in the number of issued and outstanding Shares will result in an increase to the space available under the plan. Common Shares in respect of which Options have not been exercised and are no longer subject to being purchased pursuant to the terms of any Options shall be available for further Options under the Omnibus Incentive Plan.

For so long as the Corporation is listed on the TSXV or on another exchange that requires the Corporation to fix the number of Common Shares to be issued in settlement of Awards that are not Options, the maximum number of Common Shares available for issuance pursuant to the settlement of RSUs, DSUs and PSUs together shall be an aggregate of 11,415,702 Common Shares.

The maximum number of Common Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Common Shares, unless the Corporation obtains disinterested shareholder approval as required by the policies of the Exchange. The aggregate number of Common Shares for which Awards may be issued to any one consultant within any 12-month period shall not exceed 2% of the outstanding Common Shares, calculated on the date an Award is granted to the consultant. The aggregate number of Common Shares for which Options may be issued to any persons retained to provide Investor Relations Activities (as defined by the Exchange) within any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Option is granted to such persons.

Further, unless disinterested shareholder approval as required by the policies of the Exchange is obtained: (i) the maximum number of Common Shares for which Awards may be issued to insiders of the Corporation (as a group) at any point in time shall not exceed 10% of the outstanding Common Shares; and (ii) the aggregate number of Awards granted to insiders of the Corporation (as a group), within any 12-month period, shall not exceed 10% of the outstanding Common Shares, calculated at the date an Award is granted to any insider.

The Omnibus Incentive Plan provides for customary adjustments or substitutions, as applicable, in the number of Common Shares that may be issued under the Omnibus Incentive Plan in the event of a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Corporation, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Corporation, or any similar corporate event or transaction.

In the event of an actual or potential Change of Control (as is defined in the Omnibus Incentive Plan) of the Corporation, the Board shall have discretion as to the treatment of Awards, including whether to (i) accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised prior to the successful completion of such Change of Control. If there is a Change of Control, any Awards held by a Participant shall automatically vest following such Change of Control, if the Participant is an employee, officer or a

director and their employment, or officer or director position is terminated within 12 months following the Change of Control, provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required.

### *Options*

Subject to the terms and conditions of the Omnibus Incentive Plan, the Board may grant Options to Participants in such amounts and upon such terms (including the exercise price, duration of the Options, the number of Common Shares to which the Option pertains, and the conditions, if any, upon which an Option shall become vested and exercisable) as the Board shall determine.

The exercise price of the Options will be determined by the Board at the time any Option is granted. In no event will such exercise price be lower than the last closing price of the Common Shares on the Exchange less any discount permitted by the rules or policies of the Exchange at the time the Option is granted. Such price upon exercise of any Option shall be payable to the Corporation in full in cash, by certified cheque or by wire transfer.

Unless otherwise specified in an Award agreement granting Options, Options shall vest subject to Exchange policies, and the Board may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

Subject to any requirements of the Exchange, the Board may determine the expiry date of each Option. Subject to a limited extension if an Option expires during a black out period, Options may be exercised for a period of up to ten years after the grant date, provided that: (i) upon a Participant's termination for cause, all Options, whether vested or not, as at the date on which a Participant ceases to be eligible to participate under the Omnibus Incentive Plan (the "**Termination Date**") as a result of termination of employment, will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested Options as at the Termination Date shall automatically and immediately vest, and all vested Options will continue to be subject to the Omnibus Incentive Plan and be exercisable for a period of 12 months after the Termination Date; (iii) in the case of the disability of a Participant, all Options shall remain and continue to vest (and are exercisable) in accordance with the terms of the Omnibus Incentive Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such Options, to determine whether to accelerate the vesting of such Options, cancel such Options with or without payment and determine how long, if at all, such Options may remain outstanding following the Termination Date, provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date; and; (v) in all other cases where a Participant ceases to be eligible under the Omnibus Incentive Plan, including a termination without cause or a voluntary resignation, unless otherwise determined by the Board, all unvested Options shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested Options will continue to be subject to the Omnibus Incentive Plan and be exercisable for a period of 90 days after the Termination Date.

### *RSUs*

Subject to the terms and conditions of the Omnibus Incentive Plan, the Board may grant RSUs to Participants in such amounts and upon such terms (including time-based restrictions on vesting,

restrictions under applicable laws or under the requirements of the Exchange) as the Board shall determine.

Unless otherwise specified in an Award agreement granting RSUs, RSUs shall vest at the discretion of the Board, subject to the policies of the Exchange, provided that, and subject to the Board's discretion: (i) upon a Participant's termination for cause, all RSUs, whether vested (if not yet paid out) or not as at the Termination Date will automatically and immediately expire and be forfeited; (ii) upon the death of a Participant, all unvested RSUs as at the Termination Date shall automatically and immediately vest and be paid out; (iii) in the case of the disability of a Participant, all RSUs shall remain and continue to vest in accordance with the terms of the Omnibus Incentive Plan for a period of 12 months after the Termination Date, provided that any RSUs that have not been vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date; (iv) in the case of the retirement of a Participant, the Board shall have discretion, with respect to such RSUs, to determine whether to accelerate the vesting of such RSUs, cancel such RSUs with or without payment and determine how long, if at all, such RSUs may remain outstanding following the Termination Date, provided, however, that in no event shall such RSUs be exercisable for more than 12 months after the Termination Date; and (v) in all other cases where a Participant ceases to be eligible under the Omnibus Incentive Plan, including a termination without cause or a voluntary resignation, unless otherwise determined by the Board, all unvested RSUs shall automatically and immediately expire and be forfeited as of the Termination Date, and all vested RSUs will be paid out in accordance with the Omnibus Incentive Plan.

When and if RSUs become payable, the Participant issued such RSUs shall be entitled to receive payment from the Corporation in settlement of such RSU: (i) in a number of Common Shares (issued from treasury) equal to the number of RSUs being settled, or (ii) in any other form, all as determined by the Board at its sole discretion. The Board's determination regarding the form of payout shall be set forth or reserved for later determination in the Award agreement for the grant of the RSUs.

Participants holding RSUs may, if the Board so determines, be credited with dividends paid with respect of the underlying Common Shares or dividend equivalents while they are so held in a manner determined by the Board in its sole discretion.

#### *DSUs*

Subject to the terms and conditions of the Omnibus Incentive Plan, the Board may grant DSUs to Participants in such amounts and upon such terms (including the requirement that Participants pay a stipulated purchase price for each DSU, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the Exchange, or holding or sale restrictions placed on the Common Shares by the Corporation upon vesting of such DSUs) as the Board shall determine.

When and if DSUs become payable, the Participant issued such DSUs shall be entitled to receive payment from the Corporation in settlement of such DSU: (i) in a number of Common Shares (issued from treasury) equal to the number of DSUs being settled, or (ii) in any other form, all as determined by the Board at its sole discretion. The Board's determination regarding the form of payout shall be set forth or reserved for later determination in the Award agreement for the grant of the DSUs. Participants holding DSUs may, if the Board so determines, be credited with dividends paid with respect of the underlying Common Shares or dividend equivalents while they are so held in a manner determined by the Board in its sole discretion.

The extent to which a Participant shall have the right to retain DSUs following termination of the Participant's employment or other relationship with the Corporation, shall be set out in each DSU award agreement and determined in the sole discretion of the Board, and need not be uniform among all DSUs issued pursuant to the Omnibus Incentive Plan, and may reflect distinctions based on the reasons for termination, provided that the provisions shall comply with the applicable rules of the Exchange.

#### *Performance Awards*

Subject to the terms and conditions of the Omnibus Incentive Plan, the Board may grant PSUs to Participants in such amounts and upon such terms (including the performance criteria applicable to such PSUs) as the Board shall determine. Each PSU shall have an initial value equal to the fair market value of a Common Share on the date of grant. After the applicable performance period has ended, the holder of a PSU shall be entitled to receive payout on the value and number of PSUs, determined as a function of the extent to which the corresponding performance criteria have been achieved.

Subject to the terms of the Omnibus Incentive Plan, the Board, in its sole discretion, may pay earned PSUs in the form of a number of Common Shares issued from treasury equal to the number of earned PSUs at the end of the applicable performance period. Any Common Shares may be granted subject to any restrictions deemed appropriate by the Board.

Participants holding PSUs may, if the Board so determines, be credited with dividends paid with respect of the underlying Common Shares or dividend equivalents while they are so held in a manner determined by the Board in its sole discretion.

The extent to which a Participant shall have the right to retain PSUs following termination of the Participant's employment or other relationship with the Corporation, shall be set out in each PSU award agreement and determined in the sole discretion of the Board, and need not be uniform among all PSUs issued pursuant to the Omnibus Incentive Plan, and may reflect distinctions based on the reasons for termination, provided that the provisions shall comply with the applicable rules of the Exchange.

## **CORPORATE GOVERNANCE**

### **General**

The Board believes that good corporate governance improves corporate performance and benefits all Shareholders. The Canadian Securities Administrators (the "**CSA**") have adopted National Policy 58-201 – *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which prescribes certain disclosure by the Corporation of its corporate governance practices. This disclosure is presented below.

### **Board of Directors**

The Board is currently comprised of six directors, four of whom are independent for the purposes of NI 58-101 and two of whom are not independent.

Michael Pesner, Gail Paech, Dr. Hugh Scully and G. Edmund King are each independent of the Corporation in that they do not have a direct or indirect material relationship with the Corporation or one which could, in the view of the Board, be reasonably expected to interfere with the exercise of their independent judgement.

Angelo Tsebelis, who serves as the Corporation's Chief Executive Officer, and George Scorsis who serves as Executive Chairman of the Corporation, are not considered to be independent of the Corporation. Mr. Croxon will be considered to be independent if elected.

### **Directorships**

The following current and proposed directors are presently directors of other issuers that are reporting issuers (or the equivalent):

<b>Name</b>	<b>Name of Reporting Issuer</b>
Gail Paech	Extencicare, Canada (TSX & S&P)
G. Edmund King	Highvista Gold Inc. (TSXV)
Bruce Croxon	Points International Ltd. (TSX)

### **Orientation and Continuing Education**

The Board does not have a formal orientation policy. New directors, when elected or appointed, are and will be provided with access to information, including sufficient historical data, to become familiar with the Corporation and its operations and to familiarize themselves with the procedures of the Board.

The skills and knowledge of the Board, as a whole, is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds and have years of collective experience in managing and maintaining operations of companies in various sectors. Board members are encouraged to take courses that will continue to update their knowledge of any changes in regulatory and reporting requirements, as well as communicate with management, auditors and technical consultants to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. Board members have full access to the Corporation's records. However, each current member of the Board is an experienced director who is aware of his or her responsibility to maintain the skill and knowledge necessary to meet his or her obligations as a director.

### **Ethical Business Conduct**

The Corporation has a Code of Conduct for directors, officers, employees and representatives of the Corporation and its subsidiaries worldwide.

Directors and executive officers are required by applicable law and the Corporation's corporate governance practices and policies to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, applicable law and principles of sound corporate governance require them to declare the interest in writing and, where required by applicable law, to abstain from voting with respect to such agreement or transaction.

The Code of Conduct also sets out: (i) standards for the Corporation and its employees' relationships with customers and others; (ii) standards for the accuracy of the Corporation's books and records and the provision of information to the public; and (iii) rules regarding the ownership, protection and proper use of the Corporation's assets. Significant efforts are made to ensure all directors, officers, employees and representatives of the Corporation fully understand their responsibilities under the Code of Conduct through training, leadership communications, certification requirements and awareness initiatives.

Any waiver of the Code of Conduct's provisions shall be granted only in exceptional circumstances and then only by the Board in writing. Waivers granted to directors or executive officers may only be granted by the Board and shall be publicly disclosed as required by law.

### **Nomination of Directors**

The Nomination & Governance Committee is comprised of Dr. Hugh Scully (Chair), G. Edmund King, Gail Paech and Michael Pesner. Mr. Pesner is not standing for re-election and will cease to be a member of the Nomination & Corporate Governance Committee following the Meeting. All of the members of the Nomination & Governance Committee are considered to be "independent" within the meaning of NI 52-110.

The Nomination & Governance Committee is responsible for overseeing and assessing the functioning of the Board and the committees thereof. The Nomination & Governance Committee is tasked with annually reviewing and making recommendations to the Board with regard to the size, composition and role of the Board and its standing committees (including any additional committees to be established) and the methods and processes by which the Board, committees and individual directors fulfill their duties and responsibilities, including the methods and processes for evaluating board, committee and individual director effectiveness. In so doing, the Nomination & Governance Committee will: (i) consider what competencies and skills the Board, as a whole, should possess; (ii) assess what competencies and skills each existing director possesses; (iii) recommend to the Board the necessary and desirable competencies of directors, taking into account the Corporation's strategic direction and changing circumstances and needs; (iv) identify individuals qualified to become new members of the Board and recommend to the Board the new director nominees for the next annual meeting of shareholders; and (v) annually conduct, review and report to the Board the results of an assessment of the performance and effectiveness of the Board.

Pursuant to the terms of the Nomination Rights Agreement, as of the Record Date: (i) Nominating Shareholder 1 is allowed to nominate two nominees for election as directors, and (ii) Nominating Shareholder 2 is allowed to nominate one nominee for election as director, to the Board at the Meeting or any adjournment(s) or postponement(s) thereof. G. Edmund King and Hugh Scully are Nominating Shareholder 1's director nominees. Angelo Tsebelis is Nominating Shareholder 2's director nominee.

### **Compensation**

All four members of the Compensation Committee are considered to be independent directors of the Corporation. For a description of the Compensation Committee Mandate, see "*Statement of Executive Compensation – Compensation Governance – Compensation Committee Mandate*".

### **Other Board Committees**

In addition to the Audit Committee, the Nomination & Governance Committee and the Compensation Committee, the Corporation may also from time to time convene a special committee to assess potential business combinations and potential alternatives thereto and to provide the Board with advice and a recommendation in respect of same.

### **Assessments**

At intervals which the Nomination & Governance Committee considers appropriate, the Nomination & Governance Committee will evaluate the performance of (a) individual directors; (b) the Board; and (c) Board committees. The purpose of the evaluations is to assess and, where possible, increase the effectiveness of the Board and its committees. The Nomination & Governance Committee may make

recommendations to the Board for improving the Board's effectiveness and will discuss with the full Board its effectiveness.

### **AUDIT COMMITTEE**

National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of the Audit Committee and its relationship with its independent auditor. This disclosure is presented below.

#### **Charter of the Audit Committee**

The responsibilities and duties of the Audit Committee are set out in the committee's charter, the text of which is attached as Schedule "A" to this Information Circular.

#### **Composition of the Audit Committee**

The Audit Committee is currently comprised of four individuals, all of whom are financially literate. The current members of the Audit Committee are Michael Pesner (Chair), G. Edmund King, Gail Paech and Dr. Hugh Scully. Mr. Pesner is not standing for re-election and will cease to be a member of the Audit Committee following the Meeting. All of the members of the Audit Committee are considered to be "independent" within the meaning of NI 52-110.

#### **Relevant Education and Experience**

The education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an audit committee member is as follows:

##### *Michael Pesner*

Mr. Pesner, CPA, CA, has been President of Hermitage Canada Finance Inc. since 2002, a firm specializing in financial advisory services. Mr. Pesner was previously a partner in financial advisory services at KPMG LLP, in Montreal, specializing in corporate finance, mergers and acquisitions, divestitures, restructuring and corporate recovery in Canada. Mr. Pesner holds a Bachelor of Commerce degree in Finance and Administration from McGill University as well as a Bachelor of Arts degree from Sir George Williams University. Mr. Pesner is also a Chartered Professional Accountant, a Licensed Insolvency Trustee, and a Certified Insolvency and Restructuring Professional. Mr. Pesner has considerable experience as chair of audit committees of several publicly listed companies.

##### *Gail Paech*

Ms. Paech is a highly focused, seasoned professional with over 25 years of senior executive experience in the public, private and not-for-profit sectors. Currently she is CEO of Associated Medical Services a foundation that addresses and funds research on critical healthcare issues in Canada. She is a former Associate Deputy Minister, Economic Development and Trade and Assistant Deputy Minister, Ministry of Health. During her tenure as a senior civil servant, Gail gained the reputation for her ability to head up large-scale, high-profile, provincial initiatives that resulted in system transformation and lasting change in the delivery of core public services. Ms. Paech possesses in-depth knowledge of government decision-making processes, having been responsible for policy formulation of both sector-specific and government-wide policies, programs and the regulatory process. As interim CEO of the largest Long Term Care Association in Canada, Ms. Paech assisted in the development of consumer-oriented strategy that unleashed the

innovation potential of the long-term care sector while generating value for the healthcare system. As President and CEO of a large downtown Toronto hospital, Ms. Paech was responsible for implementing strategic direction which successfully repositioned the hospital during the province-wide restructuring program. Ms. Paech has considerable experience with a global consulting company where she was National Director responsible for the development and future direction of the healthcare practice across Canada. Ms. Paech conducted large-scale health system redesign projects across the country.

*G. Edmund King*

Mr. King joined Wood Gundy in 1957 after graduating from the University of Toronto, B.A. (Econ.) and was elected as a director of the company twelve years later, In 1959. From 1971 to 1974, Mr. King was President of Wood Gundy's U.S. subsidiary based in New York and was appointed Vice Chairman in 1986. In 1988 he was named Chairman and Chief Executive Officer of Wood Gundy. On October 1, 1992, Mr. King became Chairman and Chief Executive Officer of The CIBC Wood Gundy Corporation. On October 31, 1995 Mr. King retired from Wood Gundy. Currently, Mr. King is a director of the Corporation and Highvista Gold Inc.

*Dr. Hugh Scully*

A cardiac surgeon, Dr. Hugh Scully studied and trained at Queen's University, the University of Toronto, and at Harvard University. He is Professor-Emeritus of Surgery and Health Policy, Management & Evaluation at the University of Toronto. At TGH, he has served as Deputy Head of CV Surgery, Deputy Surgeon-in-Chief, Chairman of the Education Committee, Chief of Staff, Board of Trustees and the TGH TWH Foundation and recently as President of the Mt. Sinai – UHN Academic Medical Organization. Presently, he is an Honorary Member of the TGH and a Member of the Senate of the University Health Network.

He is Past-President of the Ontario Medical Association, the CMA, and the CCS. He has served on the Councils (Boards) of the Royal College of Physicians and Surgeons of Canada and the World Medical Association as well as the Board of Governors of the ACS. Dr. Scully was the only non-American member of the Health Policy and Advocacy Group of the ACS in Washington. Presently, he is the Chair of the Board of Trustees of the CMF.

He is on the Board of the Canadian Medical Hall of Fame, the Board of Partners-in-Health Canada, the Advisory Board to the Canadian Concussion Centre and is Advisor to the James Wallace McCutcheon Foundation. Prior to joining the Board, Dr. Scully was a member of the board of directors of Starseed Holdings Inc.

Dr. Scully is also a Founding Fellow of the FIA Institute for Motor Sport Safety and Sustainability based in Paris, a Founding Member of the FIA World Medical Commission also based in Paris, a Founding Member and Chair-Emeritus and Director of International Affairs of the International Council of Motorsport Sciences based in Indianapolis. He is a Member, and Chair of the Board of the Canadian Motorsport Hall of Fame and President of the Canadian Motorsport Heritage Foundation.

**Audit Committee Oversight**

Since the commencement of the Corporation's most recently completed financial year, each of the Audit Committee's recommendations to nominate or compensate an external auditor have been adopted by the Board.



## Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on an exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), Section 6.1.1(4) of NI 52-110 (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Section 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), Section 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has, within the charter of the Audit Committee, adopted specific responsibilities and duties regarding the provision of services by the Corporation's external auditors, currently RSM. Any non-audit services must be submitted to the Audit Committee for review and approval.

## External Auditor Service Fees (by category)

The following table provides information about the fees billed to the Corporation for professional services rendered by the Corporation's auditors during the fiscal years ended December 31, 2019 and 2018, respectively, and were payable for services in the year indicated:

Category	Fiscal Year Ended December 31, 2019	Fiscal Year Ended December 31, 2018
Audit fees <sup>(1)</sup>	\$270,000	\$240,750
Audit related fees <sup>(2)</sup>	\$5,085	\$31,400
Tax fees <sup>(3)</sup>	\$7,350	Nil
All other fees <sup>(4)</sup>	\$52,500	\$15,600
<b>Total<sup>(5)</sup></b>	<b>\$334,935</b>	<b>\$287,750</b>

Notes:

- (1) Audit fees were for professional services rendered by the auditors for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Audit-related fees are for services related to performance of limited procedures performed by the Corporation's auditors.
- (3) Tax fees are for tax compliance, tax planning and tax advice outside of "Audit Fees" and "Audit Related Fees".
- (4) All other fees for services performed by the Corporation's auditors including review engagements and work performed in connection with short form prospectus offerings.
- (5) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf. These additional costs are not material as compared to the total professional services fees for each year.

## Exemption

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 5 (Reporting Obligations) of NI 52-110.

## INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of each person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, any proposed nominee for election as a director, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting other than the election of directors or the approval of the Incentive Plan Resolution. Certain directors and officers of the Corporation, and their affiliates, own or

control, directly or indirectly, Common Shares. See "*Matters to be Acted on at the Meeting – Election of Directors*". All of the directors and officers may receive Awards pursuant to the Omnibus Incentive Plan. See "*Matters to be Acted on at the Meeting – Annual Approval of the Omnibus Incentive Plan*".

#### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

There is no indebtedness outstanding of any current or former director, executive officer or employee of the Corporation or any of its subsidiaries which is owing to the Corporation or any of its subsidiaries or to another entity which is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, entered into in connection with a purchase of securities or otherwise.

No individual is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, and no proposed nominee for election as a director of the Corporation, or any associate of any such director, executive officer or proposed nominee: (a) is or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries; or (b) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

#### **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the knowledge of the Corporation, other than as described herein, no "informed person", proposed director, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since January 1, 2019 or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries.

For the purposes of this Information Circular, an "informed person" means: (a) a director or executive officer of the Corporation; (b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Corporation; or (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attaching to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation that has purchased redeemed or otherwise acquired any of its securities for so long as it holds any of its securities.

On December 20, 2019, the Corporation completed a "three-cornered amalgamation" under the provisions of the *Canada Business Corporations Act*, pursuant to which the Corporation acquired all of the issued and outstanding common shares of Starseed Holdings Inc. ("**Starseed**") following Starseed's amalgamation with the Corporation's wholly-owned subsidiary, 11773348 Canada Inc., and continuing as a wholly-owned subsidiary under the name "Starseed Holdings Inc." (the "**Acquisition**"). Further information about the Acquisition can be found in the Corporation's press release dated November 29, 2019, the Corporation's material change report dated December 9, 2019 and the Corporation's management information circular dated January 6, 2020, copies of which have been filed under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and which will be provided free of charge to a securityholder of the Corporation upon request. At the time of the Acquisition, George Scorsis was an informed person and had a material interest in the Acquisition, pursuant to the terms of the Consulting Agreement. See "*Employment, Consulting and Management Agreements*". In addition, Angelo Tsebelis, G. Edmund King and Hugh Scully, who would

now be considered informed persons of the Corporation, had a material interest in the Acquisition due to being directors, officers and shareholders of Starseed, as applicable.

On December 20, 2019 the Corporation completed a private placement pursuant to which Nominating Shareholder 1 purchased 23,079,763 subscription receipts of the Corporation ("**Subscription Receipts**") at a price of \$1.0832 per Subscription Receipt, for aggregate gross proceeds to the Corporation of \$25,000,000 (the "**Private Placement**"). The Private Placement was approved at the Corporation's special meeting of shareholders held on February 4, 2020. Further information about the Private Placement can be found in the Corporation's press release dated November 29, 2019, the Corporation's material change report dated December 9, 2019 and the Corporation's management information circular dated January 6, 2020, copies of which have been filed under the Corporation's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and which will be provided free of charge to a securityholder of the Corporation upon request. At the time of the Private Placement, no informed persons had a material interest, direct or indirect, in the Private Placement. However, Nominating Shareholder 1 would now be considered an informed person of the Corporation and had a material interest in the Private Placement.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is filed on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information relating to the Corporation is provided in the Corporation's audited consolidated financial statements as at December 31, 2019, the report of the auditors' thereon and the accompanying MD&A. Securityholders of the Corporation may request the Corporation's financial statements and MD&A by contacting the Corporation at 250 Elm Street, Aylmer, Ontario, N5H 2M8, telephone number: 844-933-3636. Copies of documents will be provided free of charge to securityholders of the Corporation. The Corporation may require the payment of a reasonable charge from any person or company who is not a securityholder of the Corporation, who requests a copy of any such document.

### **APPROVAL OF THE BOARD OF DIRECTORS**

The contents of this Information Circular and the sending of it to each director of the Corporation, to the auditors of the Corporation, to the Shareholders and to the appropriate governmental agencies, have been approved by the Board.

**DATED** at Toronto, Ontario this 19<sup>th</sup> day of June, 2020.

### **BY ORDER OF THE BOARD**

(signed) "*Angelo Tsebelis*"

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Chief Executive Officer and Director

## Schedule "A"

### Audit Committee Charter

#### A. RESPONSIBILITY

The Audit Committee is responsible for assisting the Board of Directors (the "**Board**") of WeedMD Inc. (the "**Corporation**") in fulfilling its oversight responsibilities in relation to:

- (a) the integrity of the Corporation's financial statements;
- (b) the Corporation's compliance with legal and regulatory requirements related to financial reporting;
- (c) the qualifications, independence and performance of the Corporation's auditor;
- (d) the design, implementation and maintenance of internal controls and disclosure controls; and
- (e) any additional matters delegated to the Audit Committee by the Board.

#### B. MEMBERS

The Board must appoint a minimum of three directors to be members of the Audit Committee. The members of the Audit Committee will be selected by the Board on the recommendation of the Nomination and Governance Committee.

All of the members of the Audit Committee will be "independent directors" ("**Independent Directors**") as defined in National Instrument 52-110—*Audit Committees*, as amended from time to time ("**NI 52-110**"). In addition, every member of the Audit Committee will be "financially literate" as defined in NI 52-110.

#### C. DUTIES

The Audit Committee is responsible for performing the duties set out below as well as any other duties that are otherwise required by law or delegated to the Audit Committee by the Board.

##### 1. Appointment and Review of the Auditor

The auditor is ultimately accountable to the Audit Committee and reports directly to the Audit Committee. Accordingly, the Audit Committee will evaluate and be responsible for the Corporation's relationship with the auditor. Specifically, the Audit Committee will:

- (a) select, evaluate and nominate the auditor to be proposed for appointment or reappointment, as the case may be, by the shareholders;
- (b) review and approve the auditor's engagement letter;
- (c) review the independence, experience, qualifications and performance of the auditor, including the engagement and lead partners, in recommending its appointment or reappointment, including considering whether the auditor's provision of any permitted non-audit services is compatible with maintaining its independence;

- (d) resolve any disagreements between senior management and the auditor regarding financial reporting;
- (e) at least annually, obtain and review a report by the auditor describing:
  - (i) the auditor's internal quality-control procedures, including with regard to safeguarding confidential information;
  - (ii) any material issues raised by the most recent internal quality control review, or peer review, of the auditor, or review by any independent oversight body, such as the Canadian Public Accountability Board, or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the auditor, and the steps taken to deal with any issues raised in any such review; and
  - (iii) where appropriate, terminate the auditor.

## 2. Confirmation of the Auditor's Independence

At least annually, and before the auditor issues its report on the annual financial statements, the Audit Committee will:

- (a) review a formal written statement from the auditor describing all of its relationships with the Corporation;
- (b) discuss with the auditor any relationships or services that may affect its objectivity and independence;
- (c) obtain written confirmation from the auditor that it is objective within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs and is an independent public accountant within the meaning of the Independence Standards of the Canadian Institute of Chartered Accountants; and
- (d) confirm that the auditor has complied with applicable rules, if any, with respect to the rotation of certain members of the audit engagement team.

## 3. Pre-Approval of Non-Audit Services

The Audit Committee will pre-approve the appointment of the auditor for any non-audit service to be provided to the Corporation. Before the appointment of the auditor for any non-audit service, the Audit Committee will consider the compatibility of the service with the auditor's independence. The Audit Committee may pre-approve the appointment of the auditor for any non-audit services by adopting specific policies and procedures, from time to time, for the engagement of the auditor for non-audit services. Such policies and procedures will be detailed as to the particular service, and the Audit Committee must be informed of each service, and the procedures may not include delegation of the Audit Committee's responsibilities to management. In addition, the Audit Committee may delegate to one or more members the authority to pre approve the appointment of the auditor for any non-audit service to the extent permitted by applicable law provided that any pre-approvals granted pursuant to such delegation shall be reported to the full Audit Committee at its next scheduled meeting.

#### 4. Communications with the Auditor

The Audit Committee has the authority to communicate directly with the auditor and will meet privately with the auditor periodically to discuss any items of concern to the Audit Committee or the auditor, such as:

- (a) the scope, planning and staffing of the audit;
- (b) the auditor's materiality threshold for the audit;
- (c) the assessment by the auditor of significant audit risk;
- (d) any material written communications between the auditor and senior management, such as any management letter or schedule of unadjusted differences;
- (e) whether or not the auditor is satisfied with the quality and effectiveness of financial recording procedures and systems;
- (f) the extent to which the auditor is satisfied with the nature and scope of its examination;
- (g) whether or not the auditor has received the full co-operation of senior management and other employees of the Corporation;
- (h) the auditor's opinion of the competence and performance of the Chief Financial Officer and other key financial personnel;
- (i) the items required to be communicated to the Audit Committee under the Canadian authoritative guidance;
- (j) critical accounting policies and practices to be used by the Corporation;
- (k) alternative treatments of financial information within generally accepted accounting principles that have been discussed with senior management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the auditor;
- (l) any difficulties encountered in the course of the audit work, any restrictions imposed on the scope of activities or access to requested information, any significant disagreements with senior management and their response; and
- (m) any illegal act that may have occurred and the discovery of which is required to be disclosed to the Audit Committee.

#### 5. Review of the Audit Plan

The Audit Committee will discuss with the auditor the nature of an audit and the responsibility assumed by the auditor when conducting an audit under generally accepted auditing standards. The Audit Committee will review a summary of the auditor's audit plan for each audit.

#### 6. Review of Audit Fees

The Audit Committee will determine the auditor's fee and the terms of the auditor's engagement. In determining the auditor's fee, the Audit Committee should consider, among other things, the number and nature of reports to be issued by the auditor, the quality of the internal controls of the Corporation, the size,

complexity and financial condition of the Corporation and the extent of support to be provided to the auditor by the Corporation.

## 7. Review of Financial Statements

The Audit Committee will review and discuss with senior management and the auditor the annual audited financial statements, together with the auditor's report thereon, and the interim financial statements, before recommending them for approval by the Board. The Audit Committee will also review and discuss with senior management and the auditor management's discussion and analysis relating to the annual audited financial statements and interim financial statements. The Audit Committee will also engage the auditor to review the interim financial statements prior to the Audit Committee's review of such financial statements.

Before recommending any financial statements to the Board for approval, the Audit Committee will satisfy itself that such financial statements, together with the other financial information included in the Corporation's annual and interim filings, fairly present in all material respects the financial condition, results of operations and cash flows of the Corporation as of the relevant date and for the relevant periods.

In conducting its review of the financial statements and related management's discussion and analysis, the Audit Committee will:

- (a) consider the quality of, and not just the acceptability of, the accounting principles, the reasonableness of senior management's judgments and estimates that have a significant effect upon the financial statements, and the clarity of the disclosures in the financial statements;
- (b) discuss any analyses prepared by senior management or the auditor that set out significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of any alternative treatments of financial information that have been discussed with management and the ramification of their use and the auditor's preferred treatment;
- (c) discuss the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Corporation's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;
- (d) consider any changes in accounting practices or policies and their impact on financial statements of the Corporation;
- (e) discuss with senior management, the auditor and, if necessary, legal counsel, a report from senior management describing any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position of the Corporation, and the manner in which these matters have been disclosed in the financial statements;
- (f) discuss with senior management and the auditor any correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Corporation's financial statements or accounting policies;
- (g) discuss with the auditor any special audit steps taken in light of material weaknesses in internal control;

- (h) review the results of the audit, including any reservations or qualifications in the auditor's opinion;
- (i) discuss with the auditor any difficulties encountered in the course of the audit work, including any restrictions on the scope of their procedures and access to requested information, accounting adjustments proposed by the auditor but were "passed" (as immaterial or otherwise), and significant disagreements with senior management;
- (j) discuss with the auditor any issues on which the Corporation's audit team consulted the auditor's national office; and
- (k) consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements.

#### 8. Review of Other Financial Information

The Audit Committee will review:

- (a) all earnings press releases and other press releases containing financial information, as well as financial information and earnings guidance provided to analysts and rating agencies. The Audit Committee will also review the use of "pro forma" or "adjusted" non-GAAP information in such press releases and financial information. Such review may consist of a general discussion of the types of information to be disclosed or the types of presentations to be made;
- (b) all other financial statements of the Corporation that require approval by the Board before they are released to the public;
- (c) the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Corporation's financial statements; and
- (d) disclosures made to the Audit Committee by the Chief Executive Officer and Chief Financial Officer during their certification process for applicable securities law filings about any significant deficiencies and material weaknesses in the design or operation of the Corporation's internal control over financial reporting which are reasonably likely to adversely affect the Corporation's ability to record, process, summarize and report financial information, and any fraud involving senior management or other employees who have a significant role in the Corporation's internal control over financial reporting.

#### 9. Relations with Senior Management and other Board Committees

The members will periodically meet privately with senior management to discuss any areas of concern to the Audit Committee or senior management. The Audit Committee will provide input to the Compensation Committee on the competence and performance of the Chief Financial Officer and will provide input to the Chief Financial Officer on the competence and performance of other key financial personnel. The Audit Committee will meet with the Board as reasonably required to ensure all public disclosure of financial information (including annual and interim financial statements and management's discussion and analysis related thereto, and all news releases containing financial information) are approved by the Audit Committee prior to public disclosure. Members of the Audit Committee will also consult with the Board when requested in connection with making materiality determinations relating to the Corporation's disclosure obligations.



#### 10. Oversight of Internal Controls and Disclosure Controls

The Audit Committee will review with senior management the adequacy of the internal controls and procedures that have been adopted by the Corporation to safeguard assets from loss and unauthorized use and to verify the accuracy of the financial records. The Audit Committee will review any special audit steps adopted in light of material control deficiencies. The Audit Committee will review with senior management the controls and procedures that have been adopted by the Corporation to confirm that material information about the Corporation and its subsidiaries that is required to be disclosed under applicable law or stock exchange rules is disclosed.

#### 11. Legal Compliance

The Audit Committee will review with legal counsel any legal matters that could have a significant effect on the Corporation's financial statements. It will also review with legal counsel material inquiries received from regulators and governmental agencies and advise the Board accordingly.

#### 12. Risk Management

The Audit Committee will oversee the Corporation's risk assessment and management function and, on a quarterly basis, will review a report from senior management describing the major financial (including taxation matters), legal, operational and reputational risk exposures of the Corporation and the steps senior management has taken to monitor and control such exposures, including the Corporation's policies with respect to monitoring risk assessment and managing and controlling risks. At least annually, the Audit Committee will meet separately with members of senior management and, if desired by the Audit Committee and/or the Corporation's auditors, to assess the Corporation's risk assessment and management policies and practices, including an assessment of the Corporation's most significant areas of risk and the Corporation's plans to monitor and manage those areas of risk (including the Corporation's insurance relating thereto).

#### 13. Taxation Matters

The Audit Committee will review with senior management the status of taxation matters of the Corporation. The Audit Committee will also review a report from senior management confirming that the Corporation has withheld or collected and remitted all amounts required to be withheld or collected and remitted by it in respect of any taxes, levies, assessments, reassessments and other charges payable to any governmental authority.

#### 14. Employees of the Auditor

The Audit Committee will pre-approve the hiring by the Corporation of any partners or employees or former partners or employees of the auditor.

#### 15. Conduct and Ethics

On a quarterly basis, the Audit Committee will review all expenses incurred by the Chief Executive Officer and will confirm that the Chief Executive Officer reviews all expenses incurred by the directors and senior management of the Corporation, respectively.

#### 16. Complaints Procedure

The Audit Committee will review the procedures established by the Board for the receipt, retention and follow-up of complaints received by the Corporation regarding accounting, internal controls, disclosure

controls or auditing matters and for the confidential, anonymous submission of concerns by employees of the Corporation regarding such matters.

## 17. Reporting

The Audit Committee will regularly report to the Board on:

- (a) the auditor's independence;
- (b) the performance of the auditor and the Audit Committee's recommendations regarding its reappointment or termination;
- (c) the adequacy of the Corporation's internal controls and disclosure controls;
- (d) its recommendations regarding the annual and interim financial statements of the Corporation, including any issues with respect to the quality or integrity of the financial statements;
- (e) its review of the annual and interim management's discussion and analysis;
- (f) the Corporation's compliance with legal and regulatory requirements related to financial reporting;
- (g) the Corporation's risk assessment and management policies and practices; and
- (h) all other significant matters it has addressed and with respect to such other matters that are within its responsibilities.

## **B. MEETINGS**

Subject to the Corporation's by-laws and articles and the requirements under the *Business Corporations Act* (Ontario):

### 1. Scheduling

The Audit Committee will meet at least four (4) times annually or more frequently as it determines is necessary to fulfill its responsibilities, which will be not less than four times a year. A meeting of the Audit Committee may be called by the Chair of the Audit Committee, the Chair of the Board, the Chief Executive Officer, the President, the Chief Financial Officer, any Audit Committee member or the Corporation's auditor. Meetings will be held at a location determined by the Chair of the Audit Committee.

### 2. Notice

Notice of the time and place of each meeting will be given to each member either by telephone or other electronic means not less than 48 hours before the time of the meeting. Meetings may be held at any time without notice if all of the members have waived or are deemed to have waived notice of the meeting. A member participating in a meeting will be deemed to have waived notice of the meeting.

### 3. Agenda

The Chair of the Audit Committee will preside as Chair of each meeting and will establish the agenda for each meeting and lead discussion on meeting agenda items. The Chair shall instruct management to

circulate properly prepared agenda materials to Committee members with sufficient time to review prior to scheduled meetings. Any member may propose the inclusion of items on the agenda, request the presence of or a report by any member of senior management, or at any meeting raise subjects that are not on the agenda for the meeting.

#### 4. Distribution of Information

The Chair of the Audit Committee will distribute, or cause the Secretary to distribute, an agenda and meeting materials in advance of each meeting to allow members sufficient time to review and consider the matters to be discussed.

#### 5. Attendance and Participation

Each member is expected to attend all meetings. A member who is unable to attend a meeting in person may participate by telephone or teleconference.

#### 6. Quorum

A majority of members will constitute a quorum for any meeting of the Audit Committee.

#### 7. Voting and Approval

At meetings of the Audit Committee, each member will be entitled to one vote and questions will be decided by a majority of votes. In case of an equality of votes, the Chair of the Audit Committee will not have a second or casting vote in addition to his or her original vote.

#### 8. Procedures

Procedures for Audit Committee meetings will be determined by the Chair of the Audit Committee unless otherwise determined by the by-laws of the Corporation or a resolution of the Audit Committee or the Board.

#### 9. Transaction of Business

The powers of the Audit Committee may be exercised at a meeting where a quorum is present in person or by telephone or other electronic means, or by resolution in writing signed by all members entitled to vote on that resolution at a meeting of the Audit Committee.

#### 10. Absence of Chair

In the absence of the Chair of the Audit Committee at a meeting of the Audit Committee, the members in attendance must select one of them to act as chair of that meeting.

#### 11. Secretary

The Audit Committee may appoint one of its members or any other person to act as secretary.

#### 12. Minutes of Meetings

A person designated by the Chair of the Audit Committee at each meeting will keep minutes of the proceedings of the Audit Committee and the Chair will cause the Secretary to circulate copies of the minutes to each member on a timely basis.

#### **A. CHAIR**

Each year, the Board will appoint one member to be Chair of the Audit Committee. If, in any year, the Board does not appoint a Chair of the Audit Committee, the incumbent Chair of the Audit Committee will continue in office until a successor is appointed.

#### **B. REMOVAL AND VACANCIES**

Any member may be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to meet the qualifications set out above. The Board will fill vacancies on the Audit Committee by appointment from among qualified members of the Board. If a vacancy exists on the Audit Committee, the remaining members will exercise all of its powers so long as a quorum remains in office.

#### **C. ASSESSMENT**

At least annually, the Nomination and Governance Committee will review the effectiveness of the Audit Committee in fulfilling its responsibilities and duties as set out in this Charter and in a manner consistent with the mandate adopted by the Board.

#### **D. REVIEW AND DISCLOSURE**

The Audit Committee will review this Charter at least annually and submit it to the Nomination and Governance Committee together with any proposed amendments.

#### **E. ACCESS TO OUTSIDE ADVISORS AND RECORDS**

The Audit Committee may retain any outside advisor at the expense of the Corporation at any time and has the authority to determine any such advisor's fees and other retention terms.

The Audit Committee, and any outside advisors retained by it, will have access to all records and information relating to the Corporation which it deems relevant to the performance of its duties.

B-1

**Schedule "B"**

**Omnibus Incentive Plan**

**(see attached)**

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**WEEDMD INC.**

**2019 OMNIBUS EQUITY INCENTIVE COMPENSATION PLAN**

**ARTICLE I  
ESTABLISHMENT, PURPOSE AND DURATION**

- 1.1 Establishment of the Plan. The following is the omnibus equity incentive compensation plan of WeedMD Inc. (the "**Company**") pursuant to which share based compensation Awards (as defined below) may be granted to eligible Participants (as defined below). The name of the plan is the WeedMD 2019 Omnibus Equity Incentive Compensation Plan (the "**Plan**").

The Plan permits the grant of Options, Restricted Share Units, Deferred Share Units and Performance Share Units (as such terms are defined below). The Plan was approved by the Board (as defined below) on April 27, 2019 and is being put forth before the shareholders of the Company for approval on June 25, 2019, and will be effective upon receipt of shareholder and Exchange approvals (the "**Effective Date**") until the date it is terminated by the Board in accordance with the Plan.

- 1.2 Purposes of the Plan. The purposes of the Plan are to: (i) provide the Company with a mechanism to attract, retain and motivate highly qualified directors, officers, employees and consultants; (ii) align the interests of Participants with that of other shareholders of the Company generally; and (iii) enable and encourage Participants to participate in the long-term growth of the Company through the acquisition of Shares (as defined below) as long-term investments.
- 1.3 Successor Plan. The Plan shall in respect of Options (as defined below) serve as the successor to the Company's stock option plan dated effective September 20, 2014, and most recently reapproved by the holders of the Company's Shares on July 11, 2018 (the "**Predecessor Plan**"), and no further awards shall be made under the Predecessor Plan from and after the Effective Date of the Plan.

**ARTICLE II  
DEFINITIONS**

- 2.1 Whenever used in the Plan, the following terms shall have the respective meanings set forth below, unless the context clearly requires otherwise, and when such meaning is intended, such term shall be capitalized.
- (a) "**Affiliate**" means any corporation, partnership or other entity (i) in which the Company, directly or indirectly, has majority ownership interest or (ii) which the Company controls. For the purposes of this definition, the Company is deemed to "control" such corporation, partnership or other entity if the Company possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of such corporation, partnership or other entity, whether through the ownership of voting securities, by contract or otherwise, and includes a corporation which is considered to be a subsidiary for purposes of consolidation under International Financial Reporting Standards.
- (b) "**Award**" means, individually or collectively, a grant under the Plan of Options, Deferred Share Units, Restricted Share Units or Performance Share Units, in each case subject to the terms of the Plan.
- (c) "**Award Agreement**" means either (i) a written agreement entered into by the Company or an Affiliate of the Company and a Participant setting forth the terms and provisions applicable to Awards granted under the Plan; or (ii) a written statement issued by the Company or an Affiliate of the Company to a Participant describing the terms and provisions of such Award. All Award Agreements shall be deemed to incorporate the provisions of the Plan, subject to such modifications or additions as the Committee may, in its sole discretion, determine appropriate. An Award Agreement need not be identical to other Award Agreements either in form or substance.

- (d) **"Blackout Period"** means a period of time during which the Participant cannot sell Shares, due to applicable law or policies of the Company in respect of insider trading.
- (e) **"Board"** or **"Board of Directors"** means the Board of Directors of the Company as may be constituted from time to time.
- (f) **"Cause"** means (i) if the Participant has a written agreement pursuant to which he or she offers his or her services to the Company and the term "cause" is defined in such agreement, "cause" as defined in such agreement; or otherwise (ii) (a) the inability of the Participant to perform his or her duties due to a legal impediment such as an injunction, restraining order or other type of judicial judgment, decree or order entered against the Participant; (b) the failure of the Participant to follow the Company's reasonable instructions with respect to the performance of his or her duties; (c) any material breach by the Participant of his or her obligations under any code of ethics, any other code of business conduct or any lawful policies or procedures of the Company; (d) excessive absenteeism, flagrant neglect of duties, serious misconduct, or conviction of crime or fraud; and (e) any other act or omission of the Participant which would in law permit an employer to, without notice or payment in lieu of notice, terminate the employment of an employee.
- (g) **"Change of Control"** means the occurrence of any one or more of the following events:
  - (i) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company as a result of which the holders of Shares prior to the completion of the transaction hold or beneficially own, directly or indirectly, less than 50% of the outstanding Voting Securities of the successor corporation after completion of the transaction;
  - (ii) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of all or substantially all of the assets of the Company and/or any of its subsidiaries to any other person or entity, other than a disposition to a wholly-owned subsidiary in the course of a reorganization of the assets of the Company and its subsidiaries;
  - (iii) a resolution is adopted to wind-up, dissolve or liquidate the Company;
  - (iv) an acquisition by any person, entity or group of persons or entities acting jointly or in concert of beneficial ownership of more than 50% of the Voting Securities, or securities convertible into, exercisable for or carrying the right to purchase more than 50% of the Voting Securities on a post-conversion basis, assuming only the conversion or exercise of securities beneficially owned by the acquirer; or
  - (v) the Board adopts a resolution to the effect that a Change of Control as defined herein has occurred or is imminent.
- (h) **"Committee"** means the Board of Directors or if so delegated in whole or in part by the Board, any duly authorized committee of the Board appointed by the Board to administer the Plan.
- (i) **"Company"** means WeedMD Inc.
- (j) **"Consultant"** has the meaning set out in Policy 4.4 of the Exchange or such replacement definition for so long as the Shares are listed on the Exchange, and if the Shares are not so listed, shall have the meaning, if any, that applies to a listing of the Shares on such other exchange as the Shares are then listed on.



- (k) **"Deferred Share Unit"** means an Award denominated in units that provides the holder thereof with a right to receive Shares upon settlement of the Award, granted under and subject to the terms of the Plan.
- (l) **"Director"** means any individual who is a member of the Board of Directors of the Company.
- (m) **"Disability"** means the disability of the Participant which would entitle the Participant to receive disability benefits pursuant to the long-term disability plan of the Company (if one exists) then covering the Participant, provided that the Board may, in its sole discretion, determine that, notwithstanding the provisions of any such long-term disability plan, the Participant is permanently disabled for the purposes of the Plan.
- (n) **"Dividend Equivalent"** means a right with respect to an Award to receive cash, Shares or other property equal in value and form to dividends declared by the Board and paid with respect to outstanding Shares. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement, and if specifically provided for in the Award Agreement shall be subject to such terms and conditions set forth in the Award Agreement as the Committee shall determine.
- (o) **"Employee"** means any employee or officer of the Company or an Affiliate of the Company. Directors who are not otherwise employed by the Company or an Affiliate of the Company shall not be considered Employees under the Plan.
- (p) **"Exchange"** means the TSX Venture Exchange, or any other stock exchange on which the Common Shares of the Company are listed.
- (q) **"Exchange Policies"** mean the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange.
- (r) **"FMV"** means, unless otherwise required by any applicable provision of any regulations thereunder or by any applicable accounting standard for the Company's desired accounting for Awards or by the rules of the Exchange, a price that is determined by the Committee, provided that such price cannot be less than the last closing price of the Shares on the Exchange less any discount permitted by the rules or policies of the Exchange.
- (s) **"Insider"** shall have the meaning ascribed thereto in Exchange Policies.
- (t) **"ITA"** means the Income Tax Act (Canada).
- (u) **"Non-Employee Director"** means a Director who is not an Employee.
- (v) **"Notice Period"** means any period of contractual notice or reasonable notice that the Company or an Affiliate of the Company may be required at law, by contract or otherwise agrees to provide to a Participant upon termination of employment, whether or not the Company or Affiliate elects to pay severance in lieu of providing notice to the Participant, provided that where a Participant's employment contract provides for an increased severance or termination payment in the event of termination following a Change of Control, the Notice Period for the purposes of the Plan shall be the Notice Period under such contract applicable to a termination which does not follow a Change of Control.
- (w) **"Option"** means the conditional right to purchase Shares at a stated Option Price for a specified period of time subject to the terms of the Plan.
- (x) **"Option Price"** means the price at which a Share may be purchased by a Participant pursuant to an Option, as determined by the Committee.

- (y) **"Participant"** means an Employee, Non-Employee Director or Consultant who has been selected to receive an Award, or who has an outstanding Award granted under the Plan or the Predecessor Plan.
- (z) **"Performance Period"** means the period of time during which the assigned performance criteria must be met in order to determine the degree of payout and/or vesting with respect to an Award.
- (aa) **"Performance Share Unit"** means an Award granted under Article 9 herein and subject to the terms of the Plan, denominated in units, the value of which at the time it is payable is determined as a function of the extent to which corresponding performance criteria have been achieved.
- (bb) **"Period of Restriction"** means the period when an Award of Restricted Share Units is subject to forfeiture based on the passage of time, the achievement of performance criteria, and/or upon the occurrence of other events as determined by the Committee, in its discretion.
- (cc) **"Person"** shall have the meaning ascribed to such term in Exchange Policies.
- (dd) **"Reserve"** shall have the meaning ascribed to such term under Article 4.1 herein.
- (ee) **"Restricted Share Unit"** means an Award denominated in units subject to a Period of Restriction, with a right to receive Shares upon settlement of the Award, granted under Article 7 herein and subject to the terms of the Plan.
- (ff) **"Retirement"** or **"Retire"** means a Participant's permanent withdrawal from employment or office with the Company or an Affiliate of the Company on terms and conditions accepted and determined by the Board.
- (gg) **"Shares"** means common shares of the Company.
- (hh) **"Share Units"** means Deferred Share Units, Performance Share Units and Restricted Share Units, including any Dividend Equivalent granted with respect to a Deferred Share Unit, Performance Share Unit and/or Restricted Share Unit.
- (ii) **"Termination Date"** means the date on which a Participant ceases to be eligible to participate under the Plan as a result of a termination of employment, officer position, board service or consulting arrangement with the Company or any Affiliate of the Company for any reason, including death, Retirement, resignation or termination with or without Cause. For the purposes of the Plan, a Participant's employment, officer position, board service or consulting arrangement with the Company or an Affiliate of the Company shall be considered to have terminated effective on the last day of the Participant's actual and active employment, officer position or board or consulting service with the Company or the Affiliate whether such day is selected by agreement with the individual, unilaterally by the Company or the Affiliate and whether with or without advance notice to the Participant. For the avoidance of doubt, no period of notice or pay in lieu of notice that is given or that ought to have been given under applicable law in respect of such termination of employment that follows or is in respect of a period after the Participant's last day of actual and active employment shall be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under the Plan.
- (jj) **"Voting Securities"** shall mean any securities of the Company ordinarily carrying the right to vote at elections of directors and any securities immediately convertible into or exchangeable for such securities.

### ARTICLE III ADMINISTRATION

- 3.1 General. The Committee shall be responsible for administering the Plan. The Committee may employ legal counsel, consultants, accountants, agents and other individuals, any of whom may be an Employee, and the Committee, the Company, and its officers and Directors shall be entitled to rely upon the advice, opinions or valuations of any such persons. All actions taken and all interpretations and determinations made by the Committee shall be final, conclusive and binding upon the Participants, the Company, and all other interested parties. No member of the Committee will be liable for any action or determination taken or made in good faith with respect to the Plan or Awards granted hereunder. Each member of the Committee shall be entitled to indemnification by the Company with respect to any such determination or action in the manner provided for by the Company and its subsidiaries.
- 3.2 Authority of the Committee. The Committee shall have full and exclusive discretionary power to determine the terms and provisions of Award Agreements, to interpret the terms and the intent of the Plan and any Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Committee may deem necessary or proper. Such authority shall include, but not be limited to, selecting Award recipients, establishing all Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining any performance goals applicable to Awards and whether such performance goals have been achieved, and, subject to Article 13, adopting modifications and amendments to the Plan or any Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.
- 3.3 Delegation. The Committee may delegate to one or more of its members any of the Committee's administrative duties or powers as it may deem advisable; provided, however, that any such delegation must be permitted under applicable corporate law.

#### **ARTICLE IV SHARES SUBJECT TO THE PLAN AND MAXIMUM AWARDS**

- 4.1 Maximum Number of Shares Available for Awards. The maximum number of Shares available for issuance pursuant to the exercise or redemption, as applicable, of Awards granted under the Plan will be 10% of the total outstanding Shares from time to time less the number of Shares issuable pursuant to all other security-based compensation arrangements of the Company (the "**Reserve**"). For greater certainty, the aggregate number of Shares available for issuance pursuant to settlement of Options shall not exceed 10% of the Company's outstanding Share capital. Shares in respect of which Options have not been exercised and are no longer subject to being purchased pursuant to the terms of any Options shall be available for further Options under the Plan. The Plan with respect to the Options is a "rolling plan" and as a result, any and all increases in the number of issued and outstanding Shares will result in an increase to the Reserve.
- 4.2 Maximum Number of Shares Available for the Settlement of Share Units. For so long as the Corporation is listed on the TSX Venture Exchange or on another exchange that requires the Corporation to fix the number of Shares to be issued in settlement of Share Units, the maximum number of Shares available for issuance pursuant to the settlement of Share Units shall be 11,415,702 Shares. For greater certainty, the aggregate number of Shares available for issuance pursuant to settlement of Share Units shall not exceed the lesser of (i) 10% of the Company's outstanding Share capital less the number of Options outstanding; and (ii) 11,415,702 less the number of Share Units redeemed for Shares.
- 4.3 Award Grants to Individuals. The aggregate number of Shares for which Awards may be issued to any one Participant in any 12-month period shall not exceed 5% of the outstanding Shares, calculated on the date an Award is granted to the Participant, unless the Company obtains disinterested shareholder approval as required by the policies of the Exchange. The aggregate number of Shares for which Awards may be issued to any one Consultant (as defined by the Exchange) within any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Award is granted to the Consultant. The aggregate number of Shares for which Options may be issued to any Persons retained to provide Investor Relations Activities (as defined by the Exchange) within any 12-month period shall not exceed 2% of the outstanding Shares, calculated on the date an Option is granted to such Persons.

- 4.4 Award Grants to Insiders. Unless disinterested shareholder approval as required by the policies of the Exchange is obtained: (i) the maximum number of Shares for which Awards may be issued to Insiders (as a group) at any point in time shall not exceed 10% of the outstanding Shares; and (ii) the aggregate number of Awards granted to Insiders (as a group), within any 12-month period, shall not exceed 10% of the outstanding Shares, calculated at the date an Award is granted to any Insider.
- 4.5 Adjustments in Authorized Shares. In the event of any corporate event or transaction (collectively, a "**Corporate Reorganization**") (including, but not limited to, a change in the Shares of the Company or the capitalization of the Company) such as a merger, arrangement, amalgamation, consolidation, reorganization, recapitalization, separation, stock dividend, extraordinary dividend, stock split, reverse stock split, split up, spin-off or other distribution of stock or property of the Company, combination of securities, exchange of securities, dividend in kind, or other like change in capital structure or distribution (other than normal cash dividends) to shareholders of the Company, or any similar corporate event or transaction, the Committee shall make or provide for such adjustments or substitutions, as applicable, in the number and kind of Shares that may be issued under the Plan, the number and kind of Shares subject to outstanding Awards, the Option Price, grant price or exercise price applicable to outstanding Awards, the limit on issuing Awards other than Options granted with an Option Price equal to at least the FMV of a Share on the date of grant and any other value determinations applicable to outstanding Awards or to the Plan, as are equitably necessary to prevent dilution or enlargement of Participants' rights under the Plan that otherwise would result from such corporate event or transaction. In connection with a Corporate Reorganization, the Committee shall have the discretion to permit a holder of Options to purchase (at the times, for the consideration, and subject to the terms and conditions set out in the Plan and the applicable Award Agreement) and the holder will then accept on the exercise of such Option, in lieu of the Shares that such holder would otherwise have been entitled to purchase, the kind and amount of shares or other securities or property that such holder would have been entitled to receive as a result of the Corporate Reorganization if, on the effective date thereof, that holder had owned all Shares that were subject to the Option. Such adjustments shall be made automatically, without the necessity of Committee action, on the customary arithmetical basis in the case of any stock split, including a stock split effected by means of a stock dividend, and in the case of any other dividend paid in Shares.

The Committee shall also make appropriate adjustments in the terms of any Awards under the Plan as are equitably necessary to reflect such Corporate Reorganization and may modify any other terms of outstanding Awards, including modifications of performance criteria and changes in the length of Performance Periods. The determination of the Committee as to the foregoing adjustments, if any, shall be conclusive and binding on Participants under the Plan, provided that any such adjustments must comply with all regulatory requirements.

Subject to the provisions of Article 11 and any applicable law or regulatory requirement, without affecting the number of Shares reserved or available hereunder, the Committee may authorize the issuance, assumption, substitution or conversion of Awards under the Plan in connection with any Corporate Reorganization, upon such terms and conditions as it may deem appropriate. Additionally, the Committee may amend the Plan, or adopt supplements to the Plan, in such manner as it deems appropriate to provide for such issuance, assumption, substitution or conversion as provided in the previous sentence.

## **ARTICLE V ELIGIBILITY AND PARTICIPATION**

- 5.1 Eligibility. Awards under the Plan shall be granted only to bona fide Employees, Non-Employee Directors and Consultants, as per the policies of the Exchange.
- 5.2 Actual Participation. Subject to the provisions of the Plan, the Committee may, from time to time, in its sole discretion select from among eligible Employees, Non-Employee Directors and Consultants, those to whom Awards shall be granted under the Plan, and shall determine in its discretion the nature, terms, conditions and amount of each Award.

## ARTICLE VI STOCK OPTIONS

- 6.1 Grant of Options. Subject to the terms and provisions of the Plan, Options may be granted to Participants in such number, and upon such terms, and at any time and from time to time as shall be determined by the Committee in its discretion.
- 6.2 Award Agreement. Each Option grant shall be evidenced by an Award Agreement that shall specify the Option Price, the duration of the Option, the number of Shares to which the Option pertains, the conditions, if any, upon which an Option shall become vested and exercisable, and any such other provisions as the Committee shall determine. The Award Agreement for the grant of Options shall be in such form or forms as the Committee may from time to time approve.
- 6.3 Option Price. The Option Price for each grant of an Option under the Plan shall be determined by the Committee and shall be specified in the Award Agreement. The Option Price for an Option shall be not less than the FMV of the Shares on the date of grant.
- 6.4 Vesting of Options. Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Options, Options shall vest subject to Exchange Policies, and the Committee may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.
- 6.5 Duration of Options. Each Option granted to a Participant shall expire at such time as the Committee shall determine at the time of grant; provided, however, that, subject to section 6.6, no Option shall be exercisable later than the tenth (10) anniversary date of its grant.
- 6.6 Blackout Periods. If the date on which an Option is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Option shall be extended to the last day of such 10 business day period.
- 6.7 Exercise of Options. Options granted under this Article 6 shall be exercisable at such times and on the occurrence of such events, and be subject to such restrictions and conditions, as the Committee shall in each instance approve, which need not be the same for each grant or for each Participant.
- 6.8 Payment. Options granted under this Article 6 shall be exercised by the delivery of a notice of exercise to the Company or an agent designated by the Company in a form specified or accepted by the Committee, or by complying with any alternative procedures which may be authorized by the Committee, setting forth the number of Shares with respect to which the Option is to be exercised, accompanied by full payment of the Option Price.

The Option Price upon exercise of any Option shall be payable to the Company in full in cash, certified cheque or wire transfer.

As soon as practicable after receipt of a notification of exercise and full payment of the Option Price, the Shares in respect of which the Option has been exercised shall be issued as fully-paid and non-assessable common shares of the Company. As of the business day the Company receives such notice and such payment, the Participant (or the person claiming through a Participant, as the case may be) shall be entitled to be entered on the share register of the Company as the holder of the number of Shares in respect of which the Option was exercised and to receive as promptly as possible thereafter, but in any event, on or before the 15th day of the third month of the year following the year in which the Option was exercised, a certificate or evidence of book entry representing the said number of Shares. The Company shall cause to be delivered to or to the direction of the Participant Share certificates or evidence of book entry Shares in an appropriate amount based upon the number of Shares purchased under the Option(s).

Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Shares pursuant thereto shall comply with all relevant provisions of applicable Canadian and U.S. securities law, including, without limitation, the 1933 Act, the United States Securities and Exchange Act of 1934, as amended, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Shares are quoted at any given time. As a condition to the exercise of an Option, the Company may require the person exercising such Option to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required by law.

6.9 Death, Disability, Retirement and Termination or Resignation of Employment. If the Award Agreement does not specify the effect of a termination, cessation or resignation of employment then the following default rules will apply:

- (a) Death: If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate of the Company:
  - (i) all unvested Options as at the Termination Date shall automatically and immediately vest; and
  - (ii) all vested Options (including those that vested pursuant to (i) above) shall continue to be subject to the Plan and exercisable for a period of 12 months after the Termination Date, provided that any Options that have not been exercised within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability then all Options remain and continue to vest (and are exercisable) in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Options that have not been exercised (whether vested or not) within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Options, to determine: (i) whether to accelerate vesting of any or all of such Options, (ii) whether any of such Options shall be cancelled, with or without payment, and (iii) how long, if at all, such Options may remain outstanding following the Termination Date; provided, however, that in no event shall such Options be exercisable for more than 12 months after the Termination Date.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Options, whether vested or not, as at the Termination Date shall automatically and immediately expire and be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in sections 6.9(a)-(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Options shall automatically and immediately expire and be forfeited, and
  - (ii) all vested Options shall continue to be subject to the Plan and exercisable for a period of 90 days after the Termination Date, provided that any Options that have not been exercised within 90 days after the Termination Date shall automatically and immediately expire and be forfeited on such date.

- 6.10 **Nontransferability of Options.** An Option granted under this Article 6 may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated, other than by bequeath or by the laws of descent and distribution, subject to the requirements of the Exchange or as otherwise allowed by the Exchange.

## **ARTICLE VII RESTRICTED SHARE UNITS**

- 7.1 **Grant of Restricted Share Units.** Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Restricted Share Units to Participants in such amounts and upon such terms as the Committee shall determine.
- 7.2 **Restricted Share Unit Agreement.** Each Restricted Share Unit grant shall be evidenced by an Award Agreement that shall specify the Period(s) of Restriction, the number of Restricted Share Units granted, and the settlement date for Restricted Share Units, and any such other provisions as the Committee shall determine, provided that unless otherwise determined by the Committee or as set out in any Award Agreement, no Restricted Share Unit shall vest later than allowed by the policies of the Exchange. The Committee shall impose, in the Award Agreement at the time of grant, such other conditions and/or restrictions on any Restricted Share Units granted pursuant to the Plan as it may deem advisable, including, without limitation, restrictions based upon the time-based restrictions on vesting and, restrictions under applicable laws or under the requirements of the Exchange.
- 7.3 **Vesting of Restricted Share Units.** Unless otherwise specified in an Award Agreement, and subject to any provisions of the Plan or the applicable Award Agreement relating to acceleration of vesting of Restricted Share Units, Restricted Share Units shall vest at the discretion of the Committee, and subject to the policies of the Exchange.
- 7.4 **Black Out Periods.** If the date on which a Restricted Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10 business day period.
- 7.5 **Nontransferability of Restricted Share Units.** The Restricted Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated until the date of settlement through delivery or other payment, or upon earlier satisfaction of any other conditions, as specified by the Committee in its sole discretion and set forth in the Award Agreement at the time of grant or thereafter by the Committee. All rights with respect to the Restricted Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.
- 7.6 **Dividends and Other Distributions.** During the Period of Restriction, Participants holding Restricted Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Restricted Share Units.
- 7.7 **Death, Disability, Retirement and Termination or Resignation of Employment.** If the Award Agreement does not specify the effect of a termination or resignation of employment then the following default rules will apply:
- (a) **Death:** If a Participant dies while an Employee, Director of, or Consultant to, the Company or an Affiliate:
    - (i) all unvested Restricted Share Units as at the Termination Date shall automatically and immediately vest; and

- (ii) all vested Restricted Share Units (including those that vested pursuant to (i) above) shall be paid to the Participant's estate in accordance with the terms of the Plan and the Award Agreement.
- (b) Disability: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their Disability, then all Restricted Share Units remain and continue to vest in accordance with the terms of the Plan for a period of 12 months after the Termination Date, provided that any Restricted Share Units that have not vested within 12 months after the Termination Date shall automatically and immediately expire and be forfeited on such date.
- (c) Retirement: If a Participant Retires then the Board shall have the discretion, with respect to such Participant's Restricted Share Units, to determine: (i) whether to accelerate vesting of any or all of such Restricted Share Units, (ii) whether any of such Restricted Share Units shall be cancelled, with or without payment, and (iii) how long, if at all, such Restricted Share Units may remain outstanding following the Termination Date; provided, however, that in no event shall such Restricted Share Units remain outstanding for more than 12 months after the Termination Date. Notwithstanding the above, for U.S. Participants, the treatment of Restricted Share Units upon retirement shall be provided for in the Award Agreement.
- (d) Termination for Cause: If a Participant ceases to be eligible to be a Participant under the Plan as a result of their termination for Cause, then all Restricted Share Units, whether vested or not, as at the Termination Date shall automatically and immediately be forfeited.
- (e) Termination without Cause or Voluntary Resignation: If a Participant ceases to be eligible to be a Participant under the Plan for any reason, other than as set out in sections 7.7(a)-(d), then, unless otherwise determined by the Board in its sole discretion, as of the Termination Date:
  - (i) all unvested Restricted Share Units shall automatically and immediately be forfeited, and
  - (ii) all vested Restricted Share Units shall be paid to the Participants in accordance with the terms of the Plan and the Award Agreement.

7.8 Payment in Settlement of Restricted Share Units. When and if Restricted Share Units become payable, the Participant issued such Restricted Share Units shall be entitled to receive payment from the Company in settlement of such Restricted Share Units: (i) in a number of Shares (issued from treasury) equal to the number of Restricted Share Units being settled, or (ii) in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Restricted Share Units.

## **ARTICLE VIII DEFERRED SHARES UNITS**

- 8.1 Grant of Deferred Share Units. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Deferred Share Units to Participants in such amounts and upon such terms as the Committee shall determine.
- 8.2 Deferred Share Unit Agreement. Each Deferred Share Unit grant shall be evidenced by an Award Agreement that shall specify the number of Deferred Share Units granted, the settlement date for Deferred Share Units, and any other provisions as the Committee shall determine, including, but not limited to a requirement that Participants pay a stipulated purchase price for each Deferred Share Unit, restrictions based upon the achievement of specific performance criteria, time-based restrictions, restrictions under applicable laws or under the requirements of the Exchange, or holding requirements or sale restrictions placed on the Shares by the Company upon vesting of such Deferred Share Units.



- 8.3 Nontransferability of Deferred Share Units. The Deferred Share Units granted herein may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated. All rights with respect to the Deferred Share Units granted to a Participant under the Plan shall be available during such Participant's lifetime only to such Participant.
- 8.4 Black Out Periods. If the date on which a Deferred Share Unit is scheduled to expire occurs during, or within 10 business days after the last day of a Black Out Period applicable to such Participant, then the expiry date for such Award shall be extended to the last day of such 10 business day period.
- 8.5 Dividends and Other Distributions. Participants holding Deferred Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate.

The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Deferred Share Units.

- 8.6 Termination of Employment, Consultancy or Directorship. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Deferred Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Deferred Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that provisions shall comply with applicable rules of the Exchange.
- 8.7 Payment in Settlement of Deferred Share Units. When and if Deferred Share Units become payable, the Participant issued such Deferred Share Units shall be entitled to receive payment from the Company in settlement of such Deferred Share Units: (i) in a number of Shares (issued from treasury) equal to the number of Deferred Share Units being settled, or (ii) in any other form, all as determined by the Committee at its sole discretion. The Committee's determination regarding the form of payout shall be set forth or reserved for later determination in the Award Agreement for the grant of the Deferred Share Units.

## **ARTICLE IX PERFORMANCE SHARE UNITS**

- 9.1 Grant of Performance Share Units. Subject to the terms and conditions of the Plan, the Committee, at any time and from time to time, may grant Performance Share Units to Participants in such amounts and upon such terms as the Committee shall determine.
- 9.2 Value of Performance Share Units. Each Performance Share Unit shall have an initial value equal to the FMV of a Share on the date of grant. The Committee shall set performance criteria for a Performance Period in its discretion, which, depending on the extent to which they are met, will determine, in the manner determined by the Committee and set forth in the Award Agreement, the value and/or number of each Performance Share Unit that will be paid to the Participant.
- 9.3 Earning of Performance Share Units. Subject to the terms of the Plan and the applicable Award Agreement, after the applicable Performance Period has ended, the holder of Performance Share Units shall be entitled to receive payout on the value and number of Performance Share Units, determined as a function of the extent to which the corresponding performance criteria have been achieved. Notwithstanding the foregoing, the Company shall have the ability to require the Participant to hold any Shares received pursuant to such Award for a specified period of time.
- 9.4 Form and Timing of Payment of Performance Share Units. Payment of earned Performance Share Units shall be as determined by the Committee and as set forth in the Award Agreement. Subject to the terms of

the Plan, the Committee, in its sole discretion, may pay earned Performance Share Units in the form of a number of Shares issued from treasury equal to the number of earned Performance Share Units at the end of the applicable Performance Period. Any Shares may be granted subject to any restrictions deemed appropriate by the Committee. The determination of the Committee with respect to the form of payout of such Awards shall be set forth in the Award Agreement for the grant of the Award or reserved for later determination. In no event will delivery of such Shares be made later than the earlier of: (i) 3 months after the close of the year in which such conditions or restrictions were satisfied or lapsed and (ii) December 31 of the third year following the year of the grant date.

- 9.5 Dividends and Other Distributions. Participants holding Performance Share Units granted hereunder may, if the Committee so determines, be credited with dividends paid with respect to the underlying Shares or Dividend Equivalents while they are so held in a manner determined by the Committee in its sole discretion. Dividend Equivalents shall not apply to an Award unless specifically provided for in the Award Agreement. The Committee may apply any restrictions to the dividends or Dividend Equivalents that the Committee deems appropriate. The Committee, in its sole discretion, may determine the form of payment of dividends or Dividend Equivalents, including cash, Shares or Performance Share Units.
- 9.6 Termination of Employment, Consultancy or Directorship. Each Award Agreement shall set forth the extent to which the Participant shall have the right to retain Performance Share Units following termination of the Participant's employment or other relationship with the Company or its Affiliates. Such provisions shall be determined in the sole discretion of the Committee, need not be uniform among all Performance Share Units issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination, provided that the provisions shall comply with applicable rules of the Exchange.
- 9.7 Non-transferability of Performance Share Units. Performance Share Units may not be sold, transferred, pledged, assigned or otherwise alienated or hypothecated, other than by will or by the laws of descent and distribution. Further, a Participant's rights under the Plan shall inure during such Participant's lifetime only to such Participant.

## **ARTICLE X BENEFICIARY DESIGNATION**

- 10.1 Beneficiary. A Participant's "beneficiary" is the person or persons entitled to receive payments or other benefits or exercise rights that are available under the Plan in the event of the Participant's death. A Participant may designate a beneficiary or change a previous beneficiary designation at such times as prescribed by the Committee and by using such forms and following such procedures approved or accepted by the Committee for that purpose. If no beneficiary designated by the Participant is eligible to receive payments or other benefits or exercise rights that are available under the Plan at the Participant's death, the beneficiary shall be the Participant's estate.
- 10.2 Discretion of the Committee. Notwithstanding the provisions above, the Committee may, in its discretion, after notifying the affected Participants, modify the foregoing requirements, institute additional requirements for beneficiary designations, or suspend the existing beneficiary designations of living Participants or the process of determining beneficiaries under this Article 10, or both, in favor of another method of determining beneficiaries.

## **ARTICLE XI RIGHTS OF PERSONS ELIGIBLE TO PARTICIPATE**

- 11.1 Employment. Nothing in the Plan or an Award Agreement shall interfere with or limit in any way the right of the Company or an Affiliate of the Company to terminate any Participant's employment, consulting or other service relationship with the Company or the Affiliate at any time, nor confer upon any Participant any right to continue in the capacity in which he or she is employed or otherwise serves the Company or the Affiliate.

Neither an Award nor any benefits arising under the Plan shall constitute part of an employment or service contract with the Company or an Affiliate of the Company, and, accordingly, subject to the terms of the Plan, the Plan may be terminated or modified at any time in the sole and exclusive discretion of the Committee or the Board without giving rise to liability on the part of the Company or its Affiliates for severance payments or otherwise, except as provided in the Plan.

For purposes of the Plan, unless otherwise provided by the Committee, a transfer of employment of a Participant between the Company and an Affiliate or among Affiliates of the Company, shall not be deemed a termination of employment. The Committee may provide, in a Participant's Award Agreement or otherwise, the conditions under which a transfer of employment to an entity that is spun off from the Company or an Affiliate of the Company shall not be deemed a termination of employment for purposes of an Award.

- 11.2 Participation. No Employee or other Person eligible to participate in the Plan shall have the right to be selected to receive an Award. No person selected to receive an Award shall have the right to be selected to receive a future Award, or, if selected to receive a future Award, the right to receive such future Award on terms and conditions identical or in proportion in any way to any prior Award.
- 11.3 Rights as a Shareholder. A Participant shall have none of the rights of a shareholder with respect to Shares covered by any Award until the Participant becomes the holder of such Shares.

## **ARTICLE XII CHANGE OF CONTROL**

- 12.1 Change of Control and Termination of Employment. Subject to section 12.2 and the terms and provisions of any Award Agreement, if there is a Change of Control, any Awards held by a Participant shall automatically vest following such Change of Control, on the Termination Date, if the Participant is an Employee, officer or a Director and their employment, or officer or Director position is terminated within 12 months following the Change of Control, provided that no acceleration of Awards shall occur in the case of a Participant that was retained to provide Investor Relations Activities unless the approval of the Exchange is either obtained or not required.
- 12.2 Discretion to Board. Notwithstanding any other provision of the Plan, in the event of an actual or potential Change of Control, the Board may, in its sole discretion, without the necessity or requirement for the agreement of any Participant: (i) accelerate, conditionally or otherwise, on such terms as it sees fit (including, but not limited to those set out in (iii) and (iv) below), the vesting date of any Awards; (ii) permit the conditional redemption or exercise of any Awards, on such terms as it sees fit; (iii) otherwise amend or modify the terms of any Awards, including for greater certainty by (1) permitting Participants to exercise or redeem any Awards to assist the Participants to participate in the actual or potential Change of Control, or (2) providing that any Awards exercised or exercised shall be exercisable or redeemed for, in lieu of Shares, such property (including shares of another entity or cash) that shareholders of the Company will receive in the Change of Control; and (iv) terminate, following the successful completion of a Change of Control, on such terms as it sees fit, the Awards not exercised or redeemed prior to the successful completion of such Change of Control.
- 12.3 Non-Occurrence of Change of Control. In the event that any Awards are conditionally exercised pursuant to section 12.2 above and the Change of Control does not occur, the Board may, in its sole discretion, determine that any (i) Awards so exercised shall be reinstated as the type of Award prior to such exercise, and (ii) Shares issued be cancelled and any exercise or similar price received by the Company shall be returned to the Participant.
- 12.4 Agreement with Purchaser in a Change of Control. In connection with a Change of Control, the Board may be permitted to condition any acceleration of vesting on the Participant entering into an employment, confidentiality or other agreement with the purchaser as the Board deems appropriate.

**ARTICLE XIII  
AMENDMENT AND TERMINATION**

- 13.1 Amendment and Termination. The Board may, at any time, suspend or terminate the Plan. Subject to compliance with any applicable law, including the rules of the Exchange, the Board may also, at any time, amend or revise the terms of the Plan and any Award Agreement. No such amendment of the Plan or Award Agreement may be made if such amendment would materially and adversely impair any rights arising from any Awards previously granted to a Participant under the Plan without the consent of the Participant or the representatives of his or her estate, as applicable.
- 13.2 Reduction of Option Price or Grant Price. Disinterested shareholder approval as required by the policies of the Exchange shall be obtained for any reduction in the Option Price if the Participant is an Insider of the Company at the time of the proposed amendment.

**ARTICLE XIV  
WITHHOLDING**

- 14.1 Withholding. The Company or any of its Affiliates shall have the power and the right to deduct or withhold, or require a Participant to remit to the Company or the Affiliate, an amount sufficient to satisfy federal, provincial and local taxes or domestic or foreign taxes required by law or regulation to be withheld with respect to any taxable event arising from or as a result of the Plan or any Award hereunder. The Committee may provide for Participants to satisfy withholding requirements by having the Company withhold and sell Shares or the Participant making such other arrangements, including the sale of Shares, in either case on such conditions as the Committee specifies.
- 14.2 Acknowledgement. Participant acknowledges and agrees that the ultimate liability for all taxes legally payable by Participant is and remains Participant's responsibility and may exceed the amount actually withheld by the Company. Participant further acknowledges that the Company: (a) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of the Plan; and (b) does not commit to and is under no obligation to structure the terms of the Plan to reduce or eliminate Participant's liability for taxes or achieve any particular tax result. Further, if Participant has become subject to tax in more than one jurisdiction, Participant acknowledges that the Company may be required to withhold or account for taxes in more than one jurisdiction.

**ARTICLE XV  
SUCCESSORS**

- 15.1 Any obligations of the Company or its Affiliates under the Plan with respect to Awards granted hereunder shall be binding on any successor to the Company or its Affiliates, respectively, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation or otherwise, of all or substantially all of the businesses and/or assets of the Company or the Affiliate, as applicable.

**ARTICLE XVI  
GENERAL PROVISIONS**

- 16.1 Delivery of Title. The Company shall have no obligation to issue or deliver evidence of title for Shares issued under the Plan prior to:
- (a) Obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and
  - (b) Completion of any registration or other qualification of the Shares under any applicable law or ruling of any governmental body that the Company determines to be necessary or advisable.

- 16.2 Investment Representations. The Committee may require each Participant receiving Shares pursuant to an Award under the Plan to represent and warrant in writing that the Participant is acquiring the Shares for investment and without any present intention to sell or distribute such Shares.
- 16.3 Uncertificated Shares. To the extent that the Plan provides for issuance of certificates to reflect the transfer of Shares, the transfer of such Shares may be effected on a non-certificated basis to the extent not prohibited by applicable law or the rules of the Exchange.
- 16.4 No Fractional Shares. No fractional Shares shall be issued or delivered pursuant to the Plan or any Award Agreement. In such an instance, unless the Committee determines otherwise, fractional Shares and any rights thereto shall be forfeited or otherwise eliminated.
- 16.5 Other Compensation and Benefit Plans. Nothing in the Plan shall be construed to limit the right of the Company or an Affiliate of the Company to establish other compensation or benefit plans, programs, policies or arrangements. Except as may be otherwise specifically stated in any other benefit plan, policy, program or arrangement, no Award shall be treated as compensation for purposes of calculating a Participant's rights under any such other plan, policy, program or arrangement.
- 16.6 No Constraint on Corporate Action. Nothing in the Plan shall be construed (i) to limit, impair or otherwise affect the Company's or its Affiliates' right or power to make adjustments, reclassifications, reorganizations or changes in its capital or business structure, or to merge or consolidate, or dissolve, liquidate, sell or transfer all or any part of its business or assets, or (ii) to limit the right or power of the Company or its Affiliates to take any action which such entity deems to be necessary or appropriate.
- 16.7 Compliance with Canadian Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to an exemption from the prospectus requirements of Canadian securities laws where applicable.
- 16.8 Compliance with U.S. Securities Laws. All Awards and the issuance of Shares underlying such Awards issued pursuant to the Plan will be issued pursuant to the registration requirements of the U.S. Securities Act of 1933, as amended or an exemption from such registration requirements. If the Awards or Shares are not so registered and no such registration exemption is available, the Company shall not be required to issue any Shares otherwise issuable hereunder.

## ARTICLE XVII LEGAL CONSTRUCTION

- 17.1 Gender and Number. Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.
- 17.2 Severability. In the event any provision of the Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.
- 17.3 Requirements of Law. The granting of Awards and the issuance of Shares under the Plan shall be subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or securities exchanges as may be required. The Company or an Affiliate of the Company shall receive the consideration required by law for the issuance of Awards under the Plan.

The inability of the Company or an Affiliate of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company or the Affiliate to be necessary for the lawful issuance and sale of any Shares hereunder, shall relieve the Company or the Affiliate of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

17.4 Governing Law. The Plan and each Award Agreement shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein excluding any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of the Plan to the substantive law of another jurisdiction.