



AUXLY CANNABIS GROUP INC.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON

JUNE 30, 2022

DATED AS OF MAY 20, 2022

AUXLY CANNABIS GROUP INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares ("**Common Shares**") of Auxly Cannabis Group Inc. (the "**Company**") will be held at the offices of McCarthy Tétrault LLP, Suite 5300, TD Bank Tower, Toronto, Ontario M5K 1E6 at 10:00 a.m. (Toronto time) on June 30, 2022, for the following purposes:

1. to receive the audited financial statements of the Company for the year ended December 31, 2021 and the report of the auditor thereon;
2. to elect directors of the Company for the ensuing year, as more particularly described in the management information circular (the "**Information Circular**") accompanying this Notice;
3. to re-appoint the auditor of the Company for the ensuing year and to authorize the directors to fix the remuneration of the auditor; and
4. to transact such other business as may properly come before the Meeting or any adjournment or adjournments thereof.

The accompanying Information Circular provides additional information relating to the business to be dealt with at the Meeting and is deemed to form part of this Notice. Additional information relating to the Company is available on SEDAR at www.sedar.com, including financial information and management discussion and analysis in respect of the Company's most recently completed financial year. Shareholders are reminded to carefully review the Information Circular and any additional materials prior to voting on the matters being transacted at the Meeting.

To limit and mitigate risks to the health and safety of our communities arising from COVID-19 and due to limited capacity, the Company is discouraging Shareholders from attending the meeting in person. Shareholders who wish to attend in person will be required to pre-register with the Company at least 48 hours in advance of the Meeting; however physical attendance is subject to capacity restrictions. Notice can be provided at IR@auxly.com.

The vast majority of our Shareholders vote by proxy in advance of the meeting, and we encourage Shareholders to continue to vote in this manner using one of the methods described in the Information Circular. Shareholders may listen to the Meeting by live audio teleconference by dialing 888-664-6383 or joining the webcast (audio only) at: https://producerediton.webcasts.com/starthere.jsp?ei=1550036&tp_key=2d74d99faa starting at 10:00 a.m. (Toronto time) on June 30, 2022. Please note that Shareholders will not be entitled to vote at, or otherwise participate in, the Meeting by way of teleconference or other electronic means.

The Company has elected to use the notice-and-access provisions under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* (the "**Notice-and-Access Provisions**") of the Canadian Securities Administrators for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials that must be physically mailed to Shareholders of the Company by allowing the Company to post its Information Circular and any additional materials online.

The Information Circular and all additional materials have been posted in full on the Company's website at <https://auxly.com/investors/#events> and under the Company's SEDAR profile at www.sedar.com. All

Shareholders of record as of May 18, 2022, the record date, will receive a notice and access notification containing instructions on how to access the Company's Information Circular and all additional materials. Shareholders of the Company may request paper copies of the Information Circular and additional materials at no cost by calling toll-free within North America at 1-866-962-0498, or direct from outside North America at 514-982-8716, up to the date of the Meeting or any adjournment thereof, or thereafter by contacting the Company at 1-833-695-2414. In order to ensure that a paper copy of the Information Circular and additional materials can be delivered to a Shareholder in time for such Shareholder to review the Information Circular and return a form of proxy or voting instruction form prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than June 20, 2022. Shareholders who would like more information about the Notice-and-Access Provisions may contact the Company's transfer agent, Computershare Investor Services Inc., toll-free at 1-866-964-0492. **Please see "Notice-and-Access" in the accompanying Information Circular.**

It is important that you read and follow the instructions on how to vote by proxy included in the accompanying Information Circular or the instructions on your voting instruction form in order to have your vote count.

Shareholders may attend the Meeting in person or be represented by proxy, but rather than attending in person, Shareholders are encouraged to vote in advance by submitting their proxy by mail, facsimile, telephone or online in accordance with the instructions below. Shareholders who wish to appoint, as their proxy, the officers of the Company, whose names appear on the proxy form, are requested to complete, date and sign the enclosed form of proxy and deposit it with the Company's transfer agent, Computershare Investor Services Inc.: (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (ii) by facsimile to 1-866-249-7775; or (iii) by telephone at 1-866-732-8683. As an alternative to completing and submitting a proxy for use at the Meeting, a Shareholder may vote electronically on the internet at www.investorvote.com. Votes cast electronically are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper form of proxy. Shareholders who wish to vote using internet or by telephone should follow the instructions provided in the form of proxy. In order to be valid, proxies must be received by the transfer agent not less than 48 hours prior to the commencement of the Meeting or any adjournment(s) thereof, excluding Saturdays, Sundays and holidays.

DATED this 20th day of May, 2022.

BY ORDER OF THE BOARD OF DIRECTORS
AUXLY CANNABIS GROUP INC.

"Hugo Alves"

Hugo Alves

Chief Executive Officer and Director

AUXLY CANNABIS GROUP INC.



MANAGEMENT INFORMATION CIRCULAR

FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 30, 2022

PURPOSE OF SOLICITATION

This Management Information Circular ("Information Circular") is furnished in connection with the solicitation of proxies by the management of Auxly Cannabis Group Inc. ("Auxly" or the "Company") for use at the annual general meeting (the "Meeting") of the holders ("Shareholders") of common shares ("Common Shares") of the Company.

The Meeting will be held at the offices of McCarthy Tétrault LLP, Suite 5300, TD Bank Tower, Toronto, Ontario M5K 1E6 at 10:00 a.m. (Toronto time) on June 30, 2022 or at any adjournments or postponements thereof for the purposes set forth in the Notice of Annual General Meeting of Shareholders (the "**Notice of Meeting**") accompanying this Information Circular. Information contained herein is given as of May 20, 2022, unless otherwise specifically stated.

The Company will use the Notice-and-Access Provisions (as defined below) to conduct the solicitation of proxies in connection with this Information Circular. Proxies may also be solicited by telephone, facsimile, email or in person by directors, officers and employees of the Company who will not be additionally compensated therefor. Brokers, nominees or other persons holding Common Shares in their names for others shall be reimbursed for their reasonable charges and expenses in forwarding proxies and proxy material to the beneficial owners of such Common Shares. The costs of soliciting proxies will be borne by the Company.

NOTICE-AND-ACCESS

The Company has elected to deliver the materials in respect of the Meeting pursuant to the notice-and-access provisions ("**Notice-and-Access Provisions**") concerning the delivery of proxy-related materials to shareholders found in section 9.1.1 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("**NI 51-102**"), in the case of registered shareholders, and section 2.7.1 of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), in the case of beneficial shareholders. The Notice-and-Access Provisions are a set of rules that reduce the volume of proxy-related materials that must be physically mailed to shareholders by allowing issuers to deliver meeting materials to shareholders electronically by providing shareholders with access to these materials online.

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Company. In order for the Company to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting the Information Circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Company must send a notice to Shareholders, including Beneficial Shareholders, indicating

that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Company.

In accordance with the Notice-and-Access Provisions, a notice and a form of proxy or voting instruction form has been sent to all Shareholders informing them that this Information Circular is available online and explaining how this Information Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. This Information Circular has been posted in full on the Company's website at <https://auxly.com/investors/#events> and under the Company's SEDAR profile at www.sedar.com.

The Company does not intend to pay for the Intermediary to deliver to objecting Beneficial Shareholders the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of NI 54-101.

Any Shareholder who wishes to receive a paper copy of this Information Circular must contact the Company's transfer agent, Computershare Investor Services Inc. at Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, toll-free within North America at 1-866-962-0498, or direct from outside North America at 514-982-8716, up to the date of the Meeting or any adjournment thereof, or thereafter by contacting the Company at 1-833-695-2414. In order to ensure that a paper copy of the Information Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Information Circular and return a form of proxy or voting instruction form prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than June 20, 2022.

All Shareholders may call 1-866-964-0492 in order to obtain additional information regarding the Notice-and-Access Provisions or to obtain a paper copy of the Information Circular, up to and including the date of the Meeting, including any adjournment thereof.

APPOINTMENT AND REVOCATION OF PROXIES

The information in this section applies to Shareholders who hold their own Common Shares in their own name and have a share certificate or direct registration system (DRS) statement (a "Registered Shareholder"). As a Registered Shareholder, you are identified on the share register maintained by the Company's register and transfer agent, Computershare Investor Services Inc., as being a Shareholder.

Registered Shareholders will receive a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or officers of the Company. **A Registered Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent such Registered Shareholder at the Meeting other than the persons designated in the enclosed form of proxy by inserting the name of the chosen nominee in the space provided for that purpose on the form of proxy and by striking out the printed names.**

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is signed by the Registered Shareholder or by the Registered Shareholder's attorney authorized in writing or, if the Registered Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be dated, completed, signed and deposited with the Company's transfer agent, Computershare Investor Services Inc.: (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (ii) by facsimile to 1-866-249-7775; or (iii) by telephone at 1-866-732-8683, by no later than 10:00 a.m. (Toronto time) on June 28, 2022, or two business days preceding the date of any adjournment or postponement of the Meeting. As an alternative to completing and submitting a proxy for use at the Meeting, a Shareholder may vote electronically on the internet at www.investorvote.com.

Votes cast electronically are in all respects equivalent to, and will be treated in the same manner as, votes cast via a paper form of proxy. Shareholders who wish to vote using internet or by telephone should follow the instructions provided in the form of proxy.

A Registered Shareholder who has given a proxy may revoke it prior to its use, in any manner permitted by law, including by an instrument in writing executed by the Registered Shareholder or by his, her or its attorney authorized in writing or, if the Registered Shareholder is a corporation, executed by a duly authorized officer or attorney thereof and deposited at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the proxy is to be used or with the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to in this Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name in the Company's records. Such Common Shares will more likely be registered under the names of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the broker's clients. **Therefore, Beneficial Shareholders should contact their broker or other intermediary as soon as practicable to ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

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

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his, her or its broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for a Registered Shareholder and vote the Common

Shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their Common Shares as proxyholder for a Registered Shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted on any matter that may be called for and, where a choice with respect to any matter to be acted upon has been specified in the accompanying form of proxy, the Common Shares represented by the proxy will be voted or withheld from voting in accordance with such instructions. **In the absence of any such instructions, the persons whose names appear on the printed form of proxy will vote in favour of all the matters set out thereon.**

The form of proxy confers discretionary authority upon the persons named therein. If any other business or amendments or variations to matters identified in the Notice of Meeting properly comes before the Meeting, then discretionary authority is conferred upon the person appointed in the proxy to vote in the manner they see fit, in accordance with their best judgment.

At the time of the printing of this Information Circular, management of the Company knew of no such amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED ON

Except as disclosed in this Information Circular, management of the Company is not aware of any material interest of any director or executive officer or any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The board of directors of the Company (the "**Board**") has fixed May 18, 2022 as the record date for the meeting (the "**Record Date**"). Shareholders at the close of business on the Record Date are entitled to receive notice of the Meeting and to vote thereat or at any adjournments or postponements thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a Registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date; and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it owns the Common Shares and demands, not later than 10 days before the Meeting, that his, her or its name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting. The transfer books will not be closed.

The authorized capital of the Company consists of an unlimited number of Common Shares. As of the Record Date, there were 895,431,172 Common Shares outstanding. The Shareholders are entitled to one vote per Common Share at all meetings of the Shareholders either in person or by proxy. The Shareholders are also entitled to dividends, if and when declared by the directors of the Company, and the distribution of the residual assets of the Company in the event of a liquidation, dissolution or winding up of the Company.

On July 25, 2019, the Company entered into a subscription agreement (the "**Subscription Agreement**") with 1213509 B.C. Ltd. ("**Imperial**"), an indirect wholly-owned subsidiary of Imperial Brands plc, pursuant to which Imperial agreed to purchase a 4.00% senior unsecured convertible debenture (the "**Debenture**") in an aggregate principal amount of \$122,851,094.58 (the "**Transaction**"). The Transaction closed on September 25, 2019. At the closing of the Transaction, the Company and Imperial also entered

into an investor rights agreement (the “**Investor Rights Agreement**”), pursuant to which Imperial was granted certain rights with respect to the beneficial ownership of the Debenture upon the completion of the Transaction. On July 6, 2021, the Company and Imperial amended certain provisions of the Debenture and Investor Rights Agreement to, among other things, extend the maturity date of the Debenture by 24 months from September 25, 2022 to September 25, 2024, and reinstate of certain approval rights of Imperial Brands under the Investor Rights Agreement. The Investor Rights Agreement provides, among other things, that for so long as Imperial holds a partially diluted percentage of outstanding Common Shares of not less than 15%, to nominate for election as a director of the Company at any meeting of shareholders at which directors are to be elected, one individual designated by Imperial. Murray McGowan is Imperial’s director nominee (“**Mr. McGowan**” or the “**Imperial Nominee**”).

To the knowledge of the Company, no person beneficially owns, controls, or directs, indirectly or directly, more than 10% of the issued and outstanding Common Shares as of the date of this Information Circular.

BUSINESS TO BE TRANSACTED AT THE MEETING

The following business will be transacted at the Meeting:

Receive the Financial Statements

The audited financial statements of the Company for the period ended December 31, 2021 and the report of the auditors thereon will be received at the Meeting. The audited financial statements of the Company and the report of the auditors are available under the Company’s profile on SEDAR at www.sedar.com.

Election of Directors

At the Meeting, a board of six directors will be proposed for election. Management has been informed that each of the proposed nominees listed below is willing to serve as a director if elected.

The term of office for each director is from the date of the Meeting at which he or she is elected until the next following annual meeting or until his or her successor is elected or appointed.

As part of its ongoing review of corporate governance practices and in accordance with the provisions of the TSX Company Manual, the Board has adopted a majority voting policy providing that in an uncontested election of directors, any nominee who receives a greater number of votes “withheld” than votes “for” shall, subject to certain exceptions, tender his or her resignation to the chair of the Board promptly following the Meeting. A copy of the majority voting policy is available on the Company’s website at <https://auxly.com/investors/#governance>.

The following table sets forth certain information regarding the nominees, their respective positions with the Company, principal occupations or employment during the last five years, the dates on which they became directors of the Company and the approximate number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of the Record Date.

Name and Residence	Position held with the Company	Director Since	Principal Occupation for the Previous Five Years	Common Shares Beneficially Owned Directly or Indirectly
Hugo Alves Toronto, Ontario	Director and CEO	August 10, 2017	Chief Executive Officer of the Company since August 27, 2019; President of the Company from August 10, 2017 – August 27, 2019. Formerly senior corporate and commercial Partner at Bennett Jones LLP where he founded and led the firm’s cannabis group, September 2014 – July 2017.	30,227,051 ⁽¹⁾
Genevieve Young ⁽²⁾⁽⁵⁾ Ottawa, Ontario	Director	December 27, 2018	President and Chief Operating Officer of Global Public Affairs since January 2017, and Chief Operating Officer of Global Public Affairs since January 2015.	Nil.
Troy Grant ⁽³⁾⁽⁵⁾ Bedford, Nova Scotia	Director	December 21, 2016	Founder and Chief Executive Officer of Elcora Advanced Materials Corp., a TSXV listed graphene materials company, since June 2011.	11,250
Conrad Tate ⁽³⁾⁽⁴⁾ Bristol, UK	Director	September 25, 2019	Corporate Development Director at Imperial Brands PLC from 2010 to 2021.	Nil.
Vikram Bawa ⁽⁵⁾ Mississauga, Ontario	Director	October 1, 2020	Managing Partner at Terrene Ltd. since August 2020; VP Marketing, Asia Pacific & EMEA at Logitech S.A. from November 2016 – June 2020.	Nil.
Murray McGowan ⁽³⁾ London, UK	Director	November 1, 2021	Chief Strategy and Development Officer at Imperial Brands PLC since July 2020; General Manager, UK at CloudKitchens from April 2019 – February 2020; and Managing Director at The Restaurant Group from June 2017 – February 2019.	Nil.

Notes:

- (1) Includes 12,000,000 Common Shares held through Grandville Asset Management Limited, a private company wholly owned by Mr. Alves.
- (2) Chair of the Audit Committee.
- (3) Member of the Audit Committee.
- (4) Chair of the Compensation Committee.
- (5) Member of the Compensation Committee.

Corporate Cease Trade Orders or Bankruptcies

No director or executive officer of the Company is, or has been, within the past 10 years before the date hereof, a director or executive officer of any issuer that, while that person was acting in that capacity: (i) was the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation for a period of more than 30 consecutive days; or (ii) was subject to an event that resulted, after the person ceased to be a director or executive officer, in the issuer being the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation for a period of more than 30 consecutive days.

No director or executive officer of the Company is, or has been, within the past 10 years before the date hereof, a director or executive officer of any issuer that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Personal Bankruptcies

No director of the Company has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Penalties or Sanctions

No director of the Company has: (i) 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, other than penalties for late filing of insider reports; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable Shareholder in deciding whether to vote for a proposed director.

It is the intention of the persons named in the enclosed form of proxy, if not expressly directed to the contrary in such form of proxy, to vote such proxies FOR the election of each of the nominees specified above as directors of the Company. If, prior to the Meeting, any vacancies occur in the proposed nominees herein submitted, the persons named in the enclosed form of proxy intend to vote FOR the election of any substitute nominee or nominees recommended by management of the Company and FOR each of the remaining proposed nominees.

Reappointment of Auditors

On June 28, 2021, Ernst & Young LLP (“E&Y”) was reappointed as auditor of the Company, having first been appointed on November 28, 2019. At the Meeting, Shareholders will be requested to re-appoint E&Y as auditor of the Company, to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix the auditors’ remuneration.

Absent contrary instructions, proxies given pursuant to this solicitation by the management of the Company will be voted FOR the appointment of E&Y as the auditor of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed and the authorization of the directors to fix the remuneration of the auditor.

STATEMENT OF EXECUTIVE COMPENSATION

The purpose of this Statement of Executive Compensation is to provide information about the Company's philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation provided to each of the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the three next most highly compensated executive officers of the Company, each of whose individual total compensation was more than \$150,000 for the fiscal year ended December 31, 2021 (collectively, the "Named Executive Officers" or "NEOs"), and the directors of the Company. During the fiscal year ended December 31, 2021, the Named Executive Officers of the Company were: (i) Hugo Alves, CEO, (ii) Brian Schmitt, CFO, (iii) Michael Lickver, President, (iv) Ronald Fichter, General Counsel and Corporate Secretary and (v) Andrew MacMillan, Senior Vice President, Commercial.

Compensation Discussion and Analysis

Compensation Philosophy and Objectives

The Company's compensation policies and programs are designed to be competitive with industry peers and to recognize and reward executive performance consistent with the success of the Company's business. These policies and programs are intended to motivate, attract and retain capable and experienced individuals who will contribute to the success of the Company. The Board, with input from the Compensation Committee, and from compensation consultants from time to time, reviews the adequacy of remuneration for its senior executives by evaluating their performance in light of the Company's goals and objectives, and by comparing with other reporting issuers in the Comparator Group.

The Board considers a variety of factors when determining both compensation policies and programs and individual compensation levels. These factors include the long-range interests of the Company and Shareholders, overall financial and operating performance of the Company and the Board's assessment of each executive's individual performance and contribution toward meeting the Company's corporate objectives. The Board and the Compensation Committee do not specifically consider the risks associated with the Company's compensation policies and practices and believes that, given the relatively small size of the Company's management team, the Company's stage of development and the nature of its business, that such risks can be adequately monitored as part of the Board and Compensation Committee's ongoing oversight activities.

Determination of Compensation

Compensation Committee

The Company has established a Compensation Committee, which is appointed by the Board to assist in fulfilling the Board's executive compensation oversight responsibilities. The Compensation Committee is comprised of four independent directors, being Mr. Conrad Tate (Chair), Ms. Genevieve Young, Mr. Troy Grant and Mr. Vikram Bawa. Each member of the Compensation Committee has the relevant competence and skills to make informed decisions on the suitability of the Company's compensation policies and practices. In addition, the Compensation Committee members' diverse backgrounds bring to the Compensation Committee a wide variety of perspectives in executing the Company's philosophy and objectives with respect to compensation.

The Compensation Committee is responsible for reviewing and making recommendations to the Board regarding the compensation for the Chief Executive Officer and other senior executive officers of the Company. The Compensation Committee seeks to ensure that the Company's compensation goals and objectives, as applied to the actual compensation paid to the Company's executive officers, are aligned with

the Company's overall business objectives and Shareholder interests. The Compensation Committee is also responsible for reviewing the executive compensation disclosure before the Company discloses this information publicly.

The Compensation Committee is tasked with establishing an executive compensation program, which includes any share-based awards, option-based awards or the establishment of any non-equity incentive plans. The terms of any proposed compensation for the directors of the Company who are not also officers of the Company (including any options to be granted) is determined by the Compensation Committee with the use of third party advisors as needed.

Compensation Consultants

The Compensation Committee's charter grants the committee the authority to engage compensation consultants and other advisors as it determines necessary to assist with the execution of its duties and responsibilities, and to set the compensation and oversee the work of any such advisors. In November 2020, the Compensation Committee engaged Willis Towers Watson ("WTW") as its independent compensation consultant to assess and provide recommendations regarding compensation of the Company's NEOs and independent directors of the Board and to assist the Compensation Committee in developing a comparator group of public companies with similar attributes to the Company for the purpose of benchmarking its compensation policies and plans. Following receipt of the WTW's report by the Company, the employment agreements with certain of the NEOs were amended, effective December 2020, in order to implement recommendations from WTW regarding executive compensation of NEOs, including changes to base salary, and short-term and long-term incentive compensation. With the approval of the Compensation Committee, WTW was reengaged by the Company in March 2021 to assist the Company with its job evaluation, compensation structure design, and performance management system for all employees, excluding executives. The fees for such engagement are reflected in "All Other Fees" in the table below. For the fiscal years ended December 31, 2021 and 2020, WTW billed the Company the following fees:

Advisor	Executive Compensation-Related Fees		All Other Fees	
	2021	2020	2021	2020
WTW	\$34,259	-	\$39,000	-

As part of the executive compensation review and design process conducted by WTW in November 2020, the Compensation Committee, with support of WTW, established a peer group (the "**Comparator Group**") to benchmark compensation of its NEOs and directors. The companies forming part of the Comparator Group have similar attributes to the Company and a complexity of operations and technologies comparable to the Company. The Comparator Group consists of 18 publicly traded companies (12 cannabis companies and 6 non-cannabis companies). The Comparator Group will be reviewed regularly to ensure the criteria and constituents remain appropriate. The companies forming part of the Comparator Group are listed below:

Tilray, Inc.
 HEXO Corp.
 The Valens Company Inc.
 Aurora Cannabis Inc.
 Village Farms International, Inc.
 MediPharm Labs Corp.
 Charlotte's Web Holdings, Inc.
 Jushi Holdings Inc.
 The Supreme Cannabis Company, Inc.

Organigram Holdings Inc.
 Acreage Holdings, Inc.
 Indus Holdings, Inc.
 SunOpta Inc.
 Clearwater Seafoods Incorporated
 LifeVantage Corporation
 Jamieson Wellness Inc.
 High Liner Foods Incorporated
 Corby Spirit and Wine Limited

The Company's policy is to provide target total compensation that is generally competitive with the median of the Comparator Group but will reevaluate these targets as the Company continues to grow. Although market data is used to inform compensation decisions, the Company ultimately relies on its own experience, information, and deliberations to determine individual compensation arrangements.

Elements of Executive Compensation

The executive compensation program of the Company consists of three principal components: fixed compensation, short-term incentive compensation and long-term incentive compensation.

Fixed Compensation

Fixed compensation in the form of annual base salary is designed to provide income certainty and to attract and retain executives and is therefore based on the assessment of a number of factors such as current competitive market conditions, compensation levels within similarly situated companies to the Company and the Comparator Group, and factors particular to the executive, including experience level, individual contribution and performance, the scope of the executive's role with the Company, and retention considerations.

Short-Term Incentive Compensation

In addition to base salary, the Company may award executives with short term incentive awards in the form of an annual cash bonus or Stock Awards which are intended to provide them with short-term incentives and to reward them for their yearly individual contribution and performance of personal objectives in the context of overall annual corporate performance. Typically, the amount is not pre-established and is at the discretion of the Compensation Committee and executives have a target compensation range which is calculated as a percentage of salary. Payouts may be determined based on the achievement of corporate and individual performance goals, where applicable. For 2021, short-term incentive compensation provided to executives was divided between the payment of annual cash bonuses and vested RSU Awards.

Long-Term Incentive Compensation

Long-term incentive compensation may be provided through the grant of Stock Awards pursuant to the Company's Amended and Restated 2021 Omnibus Incentive Plan (the "**2021 Equity Incentive Plan**"), and previously, the Predecessor Plan. The Company has the 2021 Equity Incentive Plan in place to provide effective incentives to directors, officers, senior management personnel and employees of the Company and to enable the Company to attract and retain experienced and qualified individuals in those positions by permitting such individuals to directly participate in an increase in per share value created for the Shareholders. Consideration is given to distributing Stock Awards amongst the various organizational levels including directors, officers, employees and consultants.

The size of Stock Award grants to Named Executive Officers is dependent on each NEO's level of responsibility, authority and importance to the Company and the degree to which such NEO's long-term contribution to the Company will be crucial to its long-term success.

Neither Named Executive Officers nor directors are permitted to purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds) that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Named Executive Officer or director.

Summary Compensation Table

Compensation of the Named Executive Officers for the fiscal years ended December 31, 2021, 2020, and 2019 is presented in the following table.

<u>Name and principal position</u>	<u>Year</u>	<u>Salary</u> (C\$)	<u>Share-based awards</u> (C\$)	<u>Option-based awards</u> (C\$) ⁽²⁾	<u>Non-equity incentive plan compensation</u> (C\$)		<u>All Other Compensation</u> (C\$) ⁽⁴⁾	<u>Total Compensation</u> (C\$)
					<u>Annual Incentive Plans</u> ⁽³⁾	<u>Long-term Incentive Plans</u>		
Hugo Alves ⁽⁵⁾ Chief Executive Officer and Director	2021	500,000	2,150,000 ⁽¹⁾	-	150,000	-	38,000	2,838,000
	2020	420,000 ⁽⁶⁾	-	210,575 ⁽⁷⁾	50,000	-	38,000	718,575
	2019	420,000	-	-	105,000 ⁽⁸⁾	-	38,000	563,000
Brian Schmitt Chief Financial Officer	2021	300,000	745,000 ⁽¹⁾	-	80,000	-	16,500	1,141,500
	2020	300,000	-	140,384 ⁽⁷⁾	50,000	-	16,500	506,884
	2019	220,000 ⁽⁹⁾	-	586,621 ⁽¹⁰⁾	10,652	-	15,000	832,273
Michael Lickver President ⁽¹¹⁾	2021	300,000	725,000 ⁽¹⁾	-	100,000	-	16,500	1,141,500
	2020	248,750 ⁽¹²⁾	-	116,986 ⁽⁷⁾	50,000	-	21,500	437,236
	2019	240,000	-	52,576 ⁽¹³⁾	12,000	-	21,500	326,076
Ron Fichter General Counsel & Corporate Secretary	2021	220,000	346,000 ⁽¹⁾	-	50,000	-	14,200	630,200
	2020	220,000	331,250 ⁽¹⁴⁾	52,644 ⁽⁷⁾	50,000	-	16,200	670,094
	2019	205,000	1,112,500 ⁽¹⁴⁾	52,576 ⁽¹³⁾	10,250	-	16,200	1,396,526
Andrew MacMillan Senior Vice President, Commercial	2021	220,000	346,000 ⁽¹⁾	115,000 ⁽¹⁶⁾	50,000	-	16,500	747,500
	2020	187,420	-	102,504 ⁽¹⁷⁾	50,000	-	12,000	351,924
	2019	96,058 ⁽¹⁵⁾	-	132,834 ⁽¹⁷⁾	7,261	-	6,500 ⁽¹⁵⁾	242,653

Notes:

- (1) Represents the value of share-based awards earned for the year which will be granted as RSU Awards on a date to be determined by the Board, at the volume weighted average trading price of Common Shares for the five trading days immediately preceding such date.
- (2) These amounts represent the fair value of the Options at the date of grant. Option-based awards are valued using the Black-Scholes stock option valuation methodology, consistent with the values used in the Company's financial statements.
- (3) Annual cash bonus earned for the year and paid subsequent to year end.
- (4) Includes available and earned perquisites of a car allowance, technology allowance, health allowance and club dues, which perquisites vary by NEO. Most perquisites offered to NEOs are available yearly and expire if unused, however, in certain instances some have been earned and voluntarily deferred by the applicable NEO.

- (5) Mr. Alves was appointed CEO of the Company on August 27, 2019, prior to which he served as President of the Company. No compensation was paid to Mr. Alves for his role as Director.
- (6) Mr. Alves deferred 18.75% of his annual base salary for the financial year ended December 31, 2020, which deferred amount was paid to Mr. Alves in June 2021.
- (7) Represents Options earned in respect of services for 2020 and issued in June 2021.
- (8) Reflects an agreed minimum bonus earned but not yet paid in respect of services for 2019. Payment of such bonus was voluntarily deferred by Mr. Alves. Mr. Alves also voluntarily deferred his agreed minimum bonus of the same amount in respect of services for 2018 which bonus has not yet been paid.
- (9) Mr. Schmitt was appointed CFO of the Company on February 11, 2019. Reflects salary paid from February to December 31, 2019.
- (10) Represents Options earned and issued in 2019 in connection with Mr. Schmitt's appointment as CFO and Options earned in respect of services for 2019 and issued in June 2020.
- (11) Mr. Lickver was appointed President of the Company on October 1, 2020, prior to which he served as Senior Vice President, Strategy of the Company.
- (12) Reflects an annual base salary of \$275,000 per annum from October 1, 2020 until December 31, 2020.
- (13) Represents Options earned in respect of services for 2019 and issued in June 2020.
- (14) 2020: Represents RSU Awards granted at \$0.265 in June 2021 for services performed in 2020. 2019: Represents Restricted Stock Awards granted under the Predecessor Plan at \$0.89 in September 2019.
- (15) Mr. MacMillan was appointed Senior Vice President, Commercial on December 1, 2020, prior to which he served as Vice President, Commercial Business Development of the Company since June 2019. Reflects salary and perquisites paid from June to December 31, 2019.
- (16) Represents the value of Option-based awards earned for the year which Options will be granted on a date to be determined by the Board, at the volume weighted average trading price of Common Shares for the five trading days immediately preceding such date.
- (17) 2020: Represents Options earned and issued in 2020 in connection with Mr. MacMillan's appointment as Senior Vice President, Commercial and Options earned in respect of services for 2020 and issued in June 2021. 2019: Represents Options earned and issued in 2019 and Options earned in respect of services for 2019 and issued in June 2020.

Performance Graph

The following performance graph shows the cumulative total return on a \$100 investment in the Common Shares made over the period starting from May 8, 2017, the date the Company started trading on the TSXV, to December 31, 2021, compared with the cumulative total return of the S&P/TSX Composite Index for the same period, assuming reinvestment of all distributions. The Company voluntarily delisted the Common Shares from the TSXV and listed the Common Shares on the TSX effective April 20, 2021.



Notes:

- (1) At May 8, 2017, the Company was trading on the TSXV under the symbol "CBW".
- (2) Effective June 8, 2018, the Company began trading on the TSXV under its new symbol "XLY".
- (3) Effective April 20, 2021, the Company began trading on the TSX under the symbol "XLY".

The trend shown by the above performance graph does not directly correlate to the compensation received by the Company's NEOs. The Company's cumulative Shareholder return performance reflects both operational and financial performance within the Company's control as well as the impact of economic, industry, and market factors that are beyond the Company's control. The Compensation Committee and the Board generally evaluate performance by reference to the achievement of corporate objectives, overall financial and operating performance of the Company and the Board's assessment of each executive's individual performance, rather than by short-term changes in the market price of the Common Shares.

Incentive Plan Awards

Outstanding Share-Based Awards and Options Based Awards

The following table summarizes, for each of the Named Executive Officers, the number of option-based and share-based awards which were outstanding as of December 31, 2021.

Name	Option-Based Awards				Restricted Share Unit-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (C\$) ⁽¹⁾	Number of Securities That Have Not Vested (#)	Market or Payout Value of Awards That Have Not Vested (\$)	Market or Payout Value of Vested Awards Not Paid Out or Distributed (\$)
Hugo Alves Chief Executive Officer and Director	1,800,000 150,000 100,000	\$0.27 \$1.80 \$1.00	June 30, 2026 March 27, 2028 December 1, 2027	nil nil nil	nil	2,150,000 ⁽¹⁾	nil
Brian Schmitt Chief Financial Officer	1,200,000 450,000 1,000,000	\$0.27 \$0.30 \$0.84	June 30, 2026 June 29, 2025 February 12, 2024	nil nil nil	nil	745,000 ⁽²⁾	nil
Michael Lickver President	1,000,000 260,000 150,000 100,000	\$0.27 \$0.30 \$1.80 \$1.00	June 30, 2026 June 29, 2025 March 27, 2028 December 1, 2027	nil nil nil nil	nil	725,000 ⁽³⁾	nil
Ron Fichter General Counsel & Corporate Secretary	450,000 260,000 100,000 1,000,000	\$0.27 \$0.30 \$1.80 \$1.00	June 30, 2026 June 29, 2025 March 27, 2028 December 1, 2027	nil nil nil nil	nil	346,000 ⁽⁴⁾	nil
Andrew MacMillan Senior Vice President, Commercial	300,000 105,000 400,000 200,000	\$0.27 \$0.30 \$0.33 \$1.00	June 30, 2026 June 29, 2025 December 21, 2025 July 30, 2024	nil nil nil nil	nil	346,000 ⁽⁵⁾	nil

Notes:

- (1) Represents the value of share-based awards earned for the year. \$750,000 will be fully vested when granted as RSU Awards as short-term incentive compensation, and \$1,400,000 will be unvested when granted as RSU Awards as long-term incentive compensation. All such RSU Awards are to be granted on a date to be determined by the Board, at the volume weighted average trading price of Common Shares for the five trading days immediately preceding such date.
- (2) Represents the value of share-based awards earned for the year. \$190,000 will be fully vested when granted as RSU Awards as short-term incentive compensation, and \$555,000 will be unvested when granted as RSU Awards as long-term incentive compensation. All such RSU Awards are to be granted on a date to be determined by the Board, at the volume weighted average trading price of Common Shares for the five trading days immediately preceding such date.
- (3) Represents the value of share-based awards earned for the year. \$170,000 will be fully vested when granted as RSU Awards as short-term incentive compensation, and \$555,000 will be unvested when granted as RSU Awards as long-term incentive compensation. All such RSU Awards are to be granted on a date to be determined by the Board, at the volume weighted average trading price of Common Shares for the five trading days immediately preceding such date.
- (4) Represents the value of share-based awards earned for the year. \$148,000 will be fully vested when granted as RSU Awards as short-term incentive compensation, and \$198,000 will be unvested when granted as RSU Awards as long-term incentive compensation. All such RSU Awards are to be granted on a date to be determined by the Board, at the volume weighted average trading price of Common Shares for the five trading days immediately preceding such date.
- (5) Represents the value of share-based awards earned for the year. \$148,000 will be fully vested when granted as RSU Awards as short-term incentive compensation, and \$198,000 will be unvested when granted as RSU Awards as long-term incentive compensation. All such RSU Awards are to be granted on a date to be determined by the Board, at the volume weighted average trading price of Common Shares for the five trading days immediately preceding such date.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table presents the value of incentive plan awards that vested or were earned for each NEO for the fiscal year ended December 31, 2021.

Name	Option-Based Awards – Value Vested During the Year (C\$)	Restricted Share Unit-Based Awards – Value Vested During the Year (C\$) ⁽¹⁾	Non-Equity Incentive Plan Compensation – Value Earned During the Year (C\$) ⁽²⁾
Hugo Alves Chief Executive Officer and Director	-	750,000	150,000
Brian Schmitt Chief Financial Officer	-	190,000	80,000
Michael Lickver President	-	170,000	100,000
Ron Fichter General Counsel & Corporate Secretary	-	148,000	50,000
Andrew MacMillan Senior Vice President, Commercial	-	143,000	50,000

Notes:

- (1) Represents the value of share-based awards earned for the year which will be granted as RSU Awards on a date to be determined by the Board, at the volume weighted average trading price of Common Shares for the five trading days immediately preceding such date, that will vest immediately on issuance.
- (2) Represents annual cash bonus earned in respect of 2021 and paid in May 2022.

Exercise of Options by NEOs

The table below sets out the details of exercises of vested options by NEOs for the fiscal year ended December 31, 2021.

Name	Number of underlying securities issued upon exercise of outstanding options (#)	Exercise price (\$)	Date of exercise	Closing price on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Hugo Alves	2,917,149	0.025	December 7, 2021	0.215	0.19	554,258.31
Michael Lickver	1,093,929	0.025	December 6, 2021	0.21	0.185	202,376.87

Equity Incentive Plans

2021 Equity Incentive Plan

The 2021 Equity Incentive Plan was adopted in 2021 following its approval by the Shareholders. The full text of the 2021 Equity Incentive Plan is attached as Schedule "A" of the Company's Management Information Circular for the annual and special meeting of shareholders held on June 28, 2021. The following summary of the 2021 Equity Incentive Plan is qualified in its entirety by the full text of the 2021 Equity Incentive Plan. Unless otherwise defined in this Information Circular, all defined terms contained in the below summary have the meaning ascribed to them in the 2021 Equity Incentive Plan.

Overview and Purpose

Employees, Officers Directors and Consultants of the Company and its Affiliates are eligible to participate in the 2021 Equity Incentive Plan (the "**Participants**"). The purpose of the 2021 Equity Incentive Plan is to attract, secure, retain, incentivize and reward the services of Participants who are expected to contribute significantly to the success of the Company and its Shareholders and, in general, to further the best interests of the Company, the Participants and its Shareholders.

Material Terms

Administration

The Board or a committee authorized by the Board is responsible for administering the 2021 Equity Incentive Plan. The Board has full and exclusive discretionary power to interpret the terms and the intent of the 2021 Equity Incentive Plan and any Stock Award Agreement or other agreement in connection with the 2021 Equity Incentive Plan, to determine eligibility for Stock Awards, and to adopt such rules, regulations and guidelines for administering the 2021 Equity Incentive Plan as the Board may deem necessary.

Common Shares Issuable

The number of Common Shares reserved for issuance to Participants under the 2021 Equity Incentive Plan and all other security-based compensation arrangements of the Company (including the Predecessor Plan) will not in the aggregate at any time exceed 10% of the aggregate number of issued and outstanding Common Shares on the grant date (the "**Share Reserve**"), representing a total of 89,543,117 Common Shares as at the Record Date. The 2021 Equity Incentive Plan is considered an "evergreen" plan, since the Common Shares covered by Stock Awards which have been exercised, settled or terminated shall be available for subsequent grants under the 2021 Equity Incentive Plan and the number of Stock Awards available to grant increases as the number of issued and outstanding Common Shares increases from time to time.

Insider Participation Limits

The number of securities issuable to insiders, at any time, under all security-based compensation arrangements cannot exceed 10% of the issued and outstanding Common Shares from time to time determined on a non-diluted basis. Within any one-year period: (a) the number of Common Shares and Stock Awards issued to insiders pursuant to 2021 Equity Incentive Plan and all other security-based compensation arrangements of the Company shall not exceed 10% of the aggregate outstanding Common Shares from time to time determined on a non-diluted basis; and (b) the number Common Shares and Stock Awards that may be issued to any one insider (and such insider's associates and affiliates) under the 2021 Equity Incentive Plan and any other share-based compensation arrangement adopted by the Company shall not exceed 5% of the number of Common Shares issued and outstanding. Such limitations in (a) and (b) being the "Insider Participation Limits".

Types of Awards

The 2021 Equity Incentive Plan permits the Board to grant Options, Restricted Stock Awards and RSU Awards (each, a "**Stock Award**") to eligible Participants.

Options

An Option entitles the holder thereof to acquire on exercise a designated number of Common Shares from treasury at a stated exercise price for a specified period of time subject to the terms and conditions of the 2021 Equity Incentive Plan and the applicable Stock Award Agreement, provided that such Option has not expired or terminated prior to being exercised.

The Board may grant Options to any Participant at any time, in such number and on such terms as will be determined by the Board. The exercise price for any Option granted pursuant to the 2021 Equity Incentive Plan will be determined by the Board and specified in the Stock Award Agreement. The minimum exercise price of an Option will not be less than the "Market Price" defined as at any date when the market value of Common Shares is to be determined, being either: (i) the closing price of the Common Shares on the trading day prior to such date on the TSX; or (ii) the five-day volume weighted average trading price of the Common Shares as calculated by dividing the total value by the total volume of Common Shares traded for the relevant period; as determined by the Board. The Board may impose such restrictions on Common Shares acquired pursuant to an Option granted under the 2021 Equity Incentive Plan as it deems advisable.

Except as otherwise specifically provided the 2021 Equity Incentive Plan or in any Stock Award Agreement, Options may be exercised by the Participant in whole at any time, or in part from time to time (in each case to the nearest full Common Share), during the applicable Option Period only in accordance with the vesting schedule, if any, determined by the Board, which vesting schedule may include Performance Criteria or acceleration of vesting in certain circumstances and may be amended or changed by the Board from time to time. Options may not be exercised until they have vested. Options will expire at such time as the Board determines at the time of grant. However, no Option will be exercisable later than the tenth anniversary of the date of its grant.

Participants may elect to undertake a: (i) "cashless exercise" pursuant to which the Company or its designee (including third-party administrators) may deliver a copy of irrevocable instructions to a broker engaged for such purposes by the Company to sell the Common Shares otherwise deliverable upon the exercise of the Options and to deliver promptly to the Company an amount equal to the Exercise Price and all applicable required withholding obligations against delivery of the Common Shares to settle the applicable trade; or (ii) "net exercise" of their Options effected by withholding the minimum number of Common Shares otherwise deliverable in respect of an Option that are needed to pay for the Exercise Price and all applicable

required withholding obligations, in each case, subject to the requirements of the 2021 Equity Incentive Plan.

Restricted Stock Awards

A Restricted Stock Award, upon vesting, entitles the Participant to receive a Common Share issued from treasury or purchased on the open market pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant. The Board may grant Restricted Stock Award to any Participant at any time, in such number and on such terms as determined by the Board.

Subject to the provisions of the 2021 Equity Incentive Plan or in any Stock Award Agreement, the holder of Restricted Stock Award is entitled to receive Common Shares as a function of the extent to which the corresponding vesting criteria, including Performance Criteria, if any, have been achieved. Unless otherwise determined by the Board, all Restricted Stock Awards in respect of which the vesting criteria have not been achieved, shall automatically be forfeited and be cancelled on the applicable determination dates as set forth in the applicable Stock Award Agreement.

A Stock Award Agreement for Restricted Stock Awards may provide that any dividends paid on Common Shares subject to the Restricted Stock Award will be subject to the same vesting and forfeiture restrictions as apply to the Common Shares subject to the Restricted Stock Award to which they relate.

RSU Awards

Each RSU Award granted to a Participant will entitle the Participant to receive: (i) a Common Share (issued from treasury or purchased on the open market); (ii) the Cash Equivalent or (iii) a combination thereof, as the case may be, all pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant.

The Board will: (i) designate the Participants who may receive RSU Awards under the 2021 Equity Incentive Plan; (ii) fix the number or dollar amount of RSU Awards, if any, to be granted to each Participant and the date or dates on which such RSU Awards will be granted; and (iii) determine the relevant terms, conditions and vesting provisions, the whole subject to the terms of the 2021 Equity Incentive Plan and in the applicable Stock Award Agreement.

Subject to the provisions of the 2021 Equity Incentive Plan or in any Stock Award Agreement, the holder of RSU Award shall be entitled to receive payout on the value and number of RSU Awards, determined by the Board as a function of the extent to which the corresponding vesting criteria, including Performance Criteria, if any, have been achieved. Unless otherwise determined by the Board, all RSU Awards in respect of which the vesting criteria have not been achieved, shall automatically be forfeited and be cancelled on the applicable determination dates as set forth in the applicable Stock Award Agreement.

The Board, in its sole discretion, may settle vested RSU Awards by providing a Participant with: (i) in the case of settlement of RSU Awards for their Cash Equivalent, delivery of a cheque or any other form of payment deemed acceptable by the Board to the Participant representing the Cash Equivalent; (ii) in the case of settlement of RSU Awards for Common Shares, delivery of Common Shares issued from treasury or purchased on the Participant's behalf on the open market; in the case of settlement of the RSU Awards for a combination of Common Shares and the Cash Equivalent, a combination of (i) and (ii).

Dividend equivalents equal to and in lieu of the amount of cash dividends paid by the Company to holders of Common Shares may be credited in respect of Common Shares covered by a RSU Award, as determined by the Board and contained in the Stock Award Agreement. At the sole discretion of the Board, such

dividend equivalents may be converted into additional Common Shares covered by the RSU Award in such manner as determined by the Board. Any additional Common Shares covered by the RSU Award credited by reason of such dividend equivalents will be subject to all of the same terms and conditions of the underlying Stock Award Agreement to which they relate and will be subject to all applicable required withholding obligations.

Assignability

Except as provided in a Participant's Stock Award Agreement, Stock Awards will be non-transferable and non-assignable.

Cessation of Stock Awards

Termination with Notice or Resignation

Except provided otherwise in a Participant's Stock Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates as a result of the Company or an Affiliate terminating the Participant for any reason other than for Death, Disability or Cause or the Participant resigns and thereby terminates their own Continuous Service, then: (i) all unvested Stock Awards shall immediately and automatically terminate on the date the Participant is provided notice of such termination by the Company or on the date the Participant provides notice of resignation to the Company and Participant will be prohibited from exercising any unvested Stock Awards at such time; and (ii) the Participant may exercise any vested Options (otherwise subject to the terms of the Stock Award Agreement) within the period of time ending on the earlier of: (A) the date that is 90 days following the date the Participant is provided notice of such termination or on the date the Participant provides notice of resignation to the Company, and (B) the expiration of the Option Period as set forth in the Stock Award Agreement. If the Participant does not exercise its vested Options within the applicable time frame, any vested Options will expire, and the Participant shall have no further entitlement to their Options.

Termination for Cause

Except provided otherwise in a Participant's Stock Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated by the Company or an Affiliate for Cause, then any Stock Awards granted to such Participant, whether vested or unvested, will immediately and automatically terminate upon the date the Participant is provided notice of such termination for Cause and the Participant will be prohibited from exercising his or her Stock Awards the moment immediately after the Participant is provided notice of such termination.

Disability of Participant

Except as otherwise provided in the applicable Stock Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates on notice from the Company or the Participant as a result of the Participant's Disability, (i) all rights, title and interest in Stock Awards granted to such Participant under the Plan, which are unvested on the date the Company provides notice of the Continuous Service termination for Disability ("**Disability Termination Date**"), will continue to vest in accordance with the terms of this Plan and the Participant's Stock Award Agreement for a period of up to 12 months, subject to the underlying Stock Awards expiry date and if any Restricted Stock Awards or RSU Awards vest during such time they shall be settled by the Company in accordance with the terms of the applicable Stock Award Agreement; and (ii) any vested Options (including such Options that vest during the period following the Disability Termination Date) will remain exercisable until the earlier

of (A) 12 months after the Disability Termination Date and (B) the expiration of the Option Period as set forth in the Stock Award Agreement, after which time all Options will automatically expire.

Death of Participant

Except as otherwise provided in the applicable Stock Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if (i) a Participant's Continuous Service terminates as a result of the Participant's death, or (ii) the Participant dies within the period (if any) specified in the Stock Award Agreement for exercisability after the termination of the Participant's Continuous Service (for a reason other than death), then: (A) all rights, title and interest in Stock Awards granted to such Participant under the Plan, which are unvested on the date of the Participant's death will continue to vest in accordance with the terms of this Plan and the Stock Award Agreement for a period of up to 12 months, subject to the underlying Stock Awards' expiry date and if any Restricted Stock Awards or RSU Awards vest during such time they shall be settled by the Company in accordance with the terms of the applicable Stock Award Agreement; and (B) vested Options (including such Options that vest during the period following the date of the Participant's death) will remain exercisable until the earlier of (X) 12 months after the date of the Participant's death and (Y) the expiration of the Option Period as set forth in the Stock Award Agreement, after which time all Options will automatically expire.

Retirement of Participant

Except as otherwise provided in the applicable Stock Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates because of the Participant's voluntary retirement, (i) all rights, title and interest in Stock Awards granted to such Participant under the Plan, which are unvested on the Participant's last day of service with the Company ("**Retirement Date**"), will continue to vest in accordance with the terms of this Plan and the Participant's Stock Award Agreement for a period of up to 12 months, subject to the underlying Stock Awards' expiry date and if any Restricted Stock Awards or RSU Awards vest during such time they shall be settled by the Company in accordance with the terms of the applicable Stock Award Agreement; and (ii) vested Options (including such Options that vest during the period following the Retirement Date) will remain exercisable until the earlier of (A) 12 months after the Retirement Date and (B) the expiration of the Option Period as set forth in the Stock Award Agreement, after which time all Options will automatically expire.

Change of Control

In the event of a Change in Control, the Board has the right, among other things: (a) to arrange for the surviving or acquiring corporation to assume or continue the Stock Award or to substitute a similar Stock Award; (b) arrange for the assignment or reacquisition or repurchase rights held by the Company in respect of Common Shares issued pursuant to a Stock Award to the surviving corporation or acquiring corporation; (c) accelerate the vesting, in whole or in part, of the Stock Award to a date prior to the effective time of the Change in Control, with such Stock Award terminating if not exercised; (d) arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by the Company with respect to the Stock Award; (e) cancel or arrange for the cancellation of the Stock Award, to the extent not vested or not exercised prior to the effective time of the Change in Control, in exchange for such cash consideration (including no consideration) as the Board, in its sole discretion, may consider appropriate; and (f) make a payment, in such form as may be determined by the Board to be equal to the excess of the value of the property the Participant would have received upon the exercise of the Stock Award immediately prior to the effective time of the Change in Control over any exercise price payable by such Participant in connection with such exercise.

Blackout Periods

Notwithstanding any other provision of the 2021 Equity Incentive Plan, if a Blackout Period is in effect: (i) the Company may not grant Stock Awards to eligible Participants, (ii) no Participant shall exercise any Stock Awards during such Blackout Period; and (iii) no Participant shall buy or sell Common Shares during such Blackout Period; unless otherwise determined by the Board and with the approval of the Exchange. Where any Stock Awards expire within a Blackout Period, the Board may, in its sole discretion, extend the end the exercise period for such Stock Award by 10 Business Days following the end of the Blackout Period.

Procedures for Amendments

Except as set out below, and as otherwise provided by law or stock exchange rules, the 2021 Equity Incentive Plan may be amended, altered modified, suspended or terminated by the Board at any time, without notice or approval from Shareholders, including but not limited to:

- (i) any amendments to the vesting provisions, if applicable, or assignability provisions of any Stock Award;
- (ii) any amendment to the expiration date of a Stock Award that does not extend the terms of the Stock Award past the original date of expiration of such Stock Award;
- (iii) any amendment regarding the effect of termination of a Participant's employment or engagement;
- (iv) any amendment which accelerates the date on which any Option may be exercised under the 2021 Equity Incentive Plan;
- (v) any amendment regarding the 2021 Equity Incentive Plan or any Stock Award as necessary to comply with applicable law or the requirements of the TSX or any other regulatory body having authority over the Company, the 2021 Equity Incentive Plan or the Shareholders;
- (vi) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the 2021 Equity Incentive Plan, correcting or supplementing any provision of the 2021 Equity Incentive Plan that is inconsistent with any other provision of the 2021 Equity Incentive Plan, correcting any grammatical or typographical errors or amending the definitions in the 2021 Equity Incentive Plan regarding administration of the 2021 Equity Incentive Plan;
- (vii) any amendment relating to the administration of the 2021 Equity Incentive Plan; and
- (viii) any other amendment that does not require the approval of Shareholders under the 2021 Equity Incentive Plan.

Certain amendments will however require the prior approval of the Shareholders (subject to the level of vote required under the TSX Company Manual or any other applicable requirements of the TSX) including for the following amendments:

- (i) any amendment which reduces the Exercise Price of an Option or any cancellation of an Option and replacement of such Option with an Option with a lower Exercise Price, to the extent such reduction or replacement benefits an Insider;

- (ii) any amendment which extends the maximum term or expiry date of any Stock Award to the extent such amendment benefits an Insider, except in case of an extension due to a Blackout Period;
- (iii) any amendment which increases or removes the Insider Participation Limits;
- (iv) any increase to the maximum number of Common Shares issuable under the 2021 Equity Incentive Plan; and
- (v) any amendment to the amendment provisions of the 2021 Equity Incentive Plan.

Other than expressly provided for in a Stock Award Agreement, the 2021 Equity Incentive Plan or upon a Change of Control, the Board will not alter or impair any rights or increase any obligations with respect to an Stock Award previously granted under the 2021 Equity Incentive Plan without the consent of the Participant.

The Board may suspend or terminate the 2021 Equity Incentive Plan at any time, provided that such suspension or termination will (a) not adversely alter or impair the rights or tax treatment of any Participant, without the consent of such Participant except as permitted by the provisions of the 2021 Equity Incentive Plan; and (b) be in compliance with applicable law and with the prior approval, if Company, of the Shareholders, the TSX and/or any other regulatory body having authority over the Company.

Predecessor Plan

The 2021 Equity Incentive Plan replaced the Predecessor Plan upon its approval, and no further awards will be issued under the Predecessor Plan. The following is a summary of certain provisions of the Predecessor Plan.

	Predecessor Plan
<i>Eligibility</i>	The Predecessor Plan is a rolling option plan that provides for the grant of incentive stock awards, including incentive stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards and other awards based on Common Shares (collectively, the " Stock Awards "). Subject to the terms and conditions of the Predecessor Plan, Stock Awards are available to directors, officers, employees, consultants and persons conducting Investor Relations Activities for the Company (collectively, " Eligible Persons "). A " Participant " is an Eligible Person to whom a Stock Award has been granted under the Predecessor Plan.
<i>Shares Reserved</i>	Subject to the terms and conditions of the Predecessor Plan, the maximum number of Common Shares which may be reserved and set aside for issuance upon the grant or exercise of Stock Awards under the Predecessor Plan is 10% of the Company's issued and outstanding share capital at the time of any grant. The Predecessor Plan is a "rolling" maximum option plan, and any increase or decrease or reduction in the number of outstanding Common Shares will result in an increase or decrease, respectively, in the number of Common Shares that are available to be issued under the Predecessor Plan.

<i>Insider participation limits</i>	<p>The maximum number of Common Shares reserved for issue pursuant to Stock Awards granted to Participants who are insiders of the Company in any 12-month period may not exceed, in the aggregate, 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received in accordance with the policies of the TSXV. The maximum number of Common Shares reserved for issue to any one Participant upon the exercise of Options (as defined below) in any 12-month period may not exceed 5% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the TSXV.</p>
<i>Maximum issuable to one person</i>	<p>The maximum number of Common Shares reserved for issue to any one Participant upon the exercise of Options (as defined below) in any 12-month period may not exceed 5% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the TSXV.</p> <p>Notwithstanding the foregoing, the maximum number of Common Shares reserved for issue to any one consultant upon the exercise of Options in any 12-month period shall not exceed 2% of the number of Common Shares then outstanding. The maximum number of Common Shares reserved for issue to all persons conducting Investor Relations Activities (as such term is defined in the policies of the TSXV) upon the exercise of Stock Awards in any 12-month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding.</p>
<i>Securities Issuable</i>	<p>Pursuant to and subject the terms of the Predecessor Plan, the Board may grant the following securities to Eligible Persons:</p> <p><u>Options</u></p> <p>The Board is authorized to grant stock options ("Options") to Eligible Persons, subject to the terms of the Predecessor Plan. The exercise price per Common Share for Options shall not be less than the Discounted Market Price (as defined in the policies of the TSXV), or such other price as permitted pursuant to a waiver obtained from the TSXV, of the Common Shares on the effective date of grant of the Option. The term of each Option shall be fixed by the Board, provided that in no circumstances shall the term of any Option granted exceed 10 years from the date the Option is granted.</p> <p><u>Stock Appreciation Rights</u></p> <p>The Board is authorized to grant stock appreciation rights ("SARs") to Eligible Persons, subject to the terms and conditions of the TSXV, including, in particular, that for so long as the Company's securities are listed on the TSXV, the Company shall only be permitted to grant SARs if the Company satisfies the requirements of, and is listed as, a "Tier 1 Issuer" (as such term is defined in the TSXV Corporate Finance Manual).</p> <p>For SARs that may be granted under the Predecessor Plan, the Participant, upon exercise of the SAR, will have the right to receive, as determined by the Board, cash or a number of Common Shares equal to the excess of: (i) the fair market</p>

value of one Common Share on the date of exercise (or, if the Board so determines at any time during a specified period before or after the date of exercise); and (ii) the grant price of the SAR as determined by the Board, which grant price cannot be less than the Discounted Market Price of one Common Share on the date of grant of the SAR. The term of each SAR shall be fixed by the Board, provided that in no circumstances shall the term of any SAR granted exceed 10 years from the date the SAR is granted.

Restricted Stock

The Board is authorized to grant restricted stock, in the form of Common Shares, to Eligible Persons subject to the terms and conditions of the Predecessor Plan ("**Restricted Stock**"). The Restricted Stock will be subject to such restrictions as the Board may impose and which comply with the requirements of the TSXV, which restrictions may lapse separately or in combination at such time or times, in such instalments or otherwise as the Board determines.

Subject to any restrictions imposed by the TSXV, holders of Restricted Stock shall have all rights of a shareholder of record with respect to such Common Shares (including the right to vote and receive dividends) upon the issuance of the certificate, certificates or written acknowledgment for the Common Shares of Restricted Stock. The Common Shares of Restricted Stock shall vest in the holder thereof when all vesting restrictions and vesting contingencies lapse, including the lapse of any rights of forfeiture. Until such time, the Board may require that such Common Shares be held by the Company together with a stock power duly endorsed in blank by the holder. Except as otherwise determined by the Board, upon a Participant ceasing to be an Eligible Person during the applicable restriction period, all applicable Common Shares of Restricted Stock at such time subject to restriction shall be forfeited and reacquired by the Company.

Restricted Stock Units

The Board is authorized to grant restricted stock units ("**RSUs**"), in the form of Common Shares, to Eligible Persons, subject to the terms and conditions of the Predecessor Plan and any requirements of the TSXV. Each RSU issued under the Predecessor Plan confers on the holder the right to receive a Common Share (or cash payment equal to the fair market value of such Common Share if the Board so elects) at some future date, subject to the terms of an RSU award agreement as set by the Board and containing terms consistent with the provisions of the Predecessor Plan. The terms of an RSU award agreement will typically contain, among other things, provisions pertaining to vesting, settlement (including settlement price and manner of settlement), expiry and dividend equivalency rights. The Board may also, in its discretion, issue RSUs to a Participant in circumstances where such award is subject to one or more conditions subsequent or other criteria which must be satisfied before the actual number of RSUs remaining available for vesting or settlement to the benefit of such Participant can be determined and then "granted" to the Participant.

An RSU will also entitle the Participant to receive, commencing from such date as is specified by the Board in the RSU award agreement, a payment in cash or

	<p>property equal to any dividend paid on the security underlying the RSU. Any amount so paid does not have to be repaid by the Participant if the RSU is terminated or cancelled.</p> <p><u>Other Stock Awards</u></p> <p>The Board is authorized to grant to an Eligible Person, subject to the terms of the Predecessor Plan and any requirements of the TSXV, such other awards that are denominated or payable in, valued in whole or in part by reference to, or otherwise based on or related to, Common Shares (including, without limitation, securities convertible into Common Shares) or other securities, as are deemed by the Board to be consistent with the purpose of the Predecessor Plan.</p>
<i>Vesting</i>	<p>All employee Stock Awards will be governed by an agreement and vest in accordance with the vesting schedule set forth in such agreement. If Stock Awards are issued to persons performing Investor Relations Activities, then such Stock Award must vest in stages over no less than a 12-month period with no more than one-quarter of the Common Shares subject to such Stock Award vesting in each three-month period.</p>
<i>Cessation</i>	<p>In the event that a Participant's service with the Company is terminated or interrupted in the manner set out in the Predecessor Plan, except as set out in the Participant's applicable Stock Award agreement or other written agreement between a Participant and the Company:</p> <ul style="list-style-type: none">(i) in the case of Options or SARs awarded to a Participant, the Participant may exercise the Options or SARs until the period ending on the earlier of: (i) the date that is 90 days following the termination of the Participant's continuous service (or such longer period specified in the Stock Award agreement, provided such period is no longer than 12 months), and (ii) the expiration of the term of the Options or SARs under the Stock Award agreement;(ii) in the case of Restricted Stock, the Company may receive through a forfeiture condition or a repurchase right any or all of the Common Shares held by the Participant that have not vested as of the date of such termination under the terms of the Restricted Stock award agreement; and(iii) in the case of RSUs, any RSUs that have not vested as of the date of termination will be forfeited. <p>In the event that a Participant is terminated for cause, any Options or SARs granted to the Participant will terminate immediately. In the event of the death or disability of a Participant, Options or SARs must be exercised by a Participant or his or her respective estate, as applicable, on the earlier of (a) the date that is 12 months following the date of death or disability of the Participant; and (b) the expiration of the term of the Option or SAR.</p>

<i>Assignability</i>	All Stock Awards are non-assignable and non-transferable (other than by will or laws of descent and distribution). The Predecessor Plan provides that, during the lifetime of a Participant, an Option or SAR shall be exercisable only by a Participant or a Participant's guardian or legal representative.
<i>Amendment</i>	The Board may, at any time, amend, suspend or terminate the Predecessor Plan. To the extent required under the rules of any securities exchange or market system on which the Common Shares are listed, amendments to the Predecessor Plan shall be subject to approval by the Shareholders entitled to vote at a meeting of Shareholders.

Pension Plan Benefits

The Company does not have a defined benefits pension plan or a defined contribution pension plan.

Benefits and Perquisites

While NEOs may receive a car allowance, and some receive technology, health and club dues allowances, the costs of these perquisites constitute only a small and immaterial portion of each NEO's total compensation and are commensurate with benefits offered by companies in the Comparator Group.

Termination and Change of Control Benefits

The Company has employment agreements in place with the Named Executive Officers that provide for, among other things, the continuation of the employment for an indefinite term, subject to termination as provided for in the employment agreements. The following are brief descriptions of certain relevant provisions of the employment contracts of the NEOs.

Hugo Alves, CEO

Pursuant to an employment agreement effective as of August 10, 2017 (the "**Alves Agreement**"), Mr. Alves was originally retained as the Company's President. On August 27, 2019, Mr. Alves became the Company's Chief Executive Officer. On December 18, 2020, the Alves Agreement was amended by the Compensation Committee consistent with recommendations provided by WTW.

As of January 1, 2021, Mr. Alves is entitled to an annual base salary of \$500,000. Further, Mr. Alves is entitled to short-term incentive compensation with a target compensation range of 100% to 200% of Mr. Alves' annual base salary at the discretion of, or upon satisfaction of certain targets set by, the Compensation Committee. Mr. Alves is also entitled to receive long-term incentive compensation with a target compensation range of 200% to 300% of Mr. Alves' annual base salary at the discretion of, or upon satisfaction of targets set by, the Compensation Committee. How such short-term and long-term compensation is settled (e.g. annual cash bonus, Stock Awards etc.) is at the discretion of the Compensation Committee.

If Mr. Alves is terminated by the Company without cause, then Mr. Alves will be entitled to:

- (i) a payment equal to 24 months of annual base salary in effect on the date of notice of such termination plus an additional 1 month for each year of service with the Company up to a maximum of 36 months of annual base salary;

- (ii) a payment equal to any earned short-term and long-term incentive compensation for time worked with the Company (including any pro-rata portion for any partial year worked with the Company) if such compensation has not been paid prior to the date of termination;
- (iii) a payment equal to: (A) any short-term incentive compensation and the cash value (at the date of the grant) of any long-term incentive compensation paid, granted or earned in the financial year immediately preceding the date of the termination multiplied by three; or (B) where no such compensation was paid granted or earned, an additional 12 months of annual base salary in effect on the date of notice of such termination; and
- (iv) have all: (A) Options granted to Mr. Alves under any incentive plan immediately vest and be exercisable in accordance with the terms therein for the greater of the applicable severance period or until the end of the calendar year following the year of termination and (B) Stock Awards immediately vest and be deemed earned in full and payable for the entirety of the severance period and paid and/or settled at same times as such incentives are paid and/or settled to other executives for such periods.

If Mr. Alves is terminated or resigns for ‘good reason’ (as defined in the Alves Agreement) within 12 months of a change of control (as defined in the Alves Agreement) or voluntarily elects to resign for any reason within 90 days of a change of control, Mr. Alves will be entitled to receive a payment equal to 30 months of Mr. Alves annual base salary plus an additional 1 month for each year of service with the Company up to a maximum of 36 months of annual base salary. All Stock Awards shall immediately vest and be deemed earned in full and payable for the entirety of the applicable plan period and/or term of the Stock Award and paid and/or settled within 30 days of such termination or resignation. In addition, the Company shall also provide Mr. Alves with the same additional compensation owing upon a termination without cause as outlined above.

Brian Schmitt, CFO

Pursuant to an employment agreement dated February 7, 2019 (the “**Schmitt Agreement**”), Mr. Schmitt was retained as the Company's Chief Financial Officer. On December 18, 2020, the Schmitt Agreement was amended by the Compensation Committee consistent with recommendations provided by WTW.

Mr. Schmitt is entitled to an annual base salary of \$300,000. Further, Mr. Schmitt is entitled to short-term incentive compensation with a target compensation range of 50% to 100% of Mr. Schmitt’s annual base salary at the discretion of, or upon satisfaction of certain targets set by, the Compensation Committee. Mr. Schmitt is also entitled to receive long-term incentive compensation with a target compensation range of 125% to 200% of Mr. Schmitt’s annual base salary at the discretion of, or upon satisfaction of targets set by, the Compensation Committee. How such short-term and long-term compensation is settled (e.g. annual cash bonus, Stock Awards etc.) is at the discretion of the Compensation Committee. If Mr. Schmitt is terminated by the Company without cause, then Mr. Schmitt will be entitled to:

- (i) a payment equal to the aggregate of 12 months of annual base salary in effect on the date of notice of such termination plus an additional 1 month for each year of service with the Company up to a maximum of 24 months of annual base salary;
- (ii) a payment equal to any earned short-term and long-term incentive compensation for time worked with the Company (including any pro-rata portion for any partial year worked with the Company) if such compensation has not been paid prior to the date of termination;

- (iii) a payment equal to: (A) any short-term incentive compensation and the cash value (at the date of the grant) of any long-term incentive compensation paid granted or earned in the financial year immediately preceding the date of the termination; or (B) where no such compensation was paid granted or earned, an additional 3 months of annual base salary in effect on the date of notice of such termination; and
- (iv) have all: (A) Options granted to Mr. Schmitt under any incentive plan immediately vest and be exercisable in accordance with the terms therein for the greater of the applicable severance period or the end of the calendar year following the year of termination and (B) Stock Awards immediately vest and be deemed earned in full and payable for the entirety of the severance period and paid and/or settled at same times as such incentives are paid and/or settled to other executives for such periods.

If Mr. Schmitt is terminated or resigns for ‘good reason’ (as defined in the Schmitt Agreement) within 12 months of a change of control (as defined in the Schmitt Agreement), Mr. Schmitt shall be entitled to receive a payment equal to 18 months of Mr. Schmitt’s annual base salary plus an additional 1 month for each year of service with the Company up to a maximum of 24 months of annual base salary. All Stock Awards shall immediately vest and be deemed earned in full and payable for the entirety of the applicable plan period and/or term of the Stock Award and paid and/or settled within 30 days of such termination or resignation. In addition, the Company shall also provide Mr. Schmitt with the same additional compensation owing upon a termination without cause as outlined above.

Michael Lickver, President

Pursuant to an employment agreement dated August 15, 2017, Mr. Lickver was retained as the Company’s Senior Vice President, Strategy (the “**Lickver Agreement**”). On October 1, 2020, Mr. Lickver became the Company’s President. On December 18, 2020, the Lickver Agreement was amended by the Compensation Committee consistent with recommendations provided by WTW.

As of January 1, 2021, Mr. Lickver is entitled to an annual base salary of \$300,000. Further, Mr. Lickver is entitled to short-term incentive compensation with a target compensation range of 50% to 100% of Mr. Lickver’s annual base salary at the discretion of, or upon satisfaction of certain targets set by, the Compensation Committee. Mr. Lickver is also entitled to receive long-term incentive compensation with a target compensation range of 125% to 200% of Mr. Lickver’s annual base salary at the discretion of, or upon satisfaction of targets to be set by, the Compensation Committee. How such short-term and long-term compensation is settled (e.g. annual cash bonus, Stock Awards etc.) is at the discretion of the Compensation Committee.

If Mr. Lickver is terminated by the Company without cause, then Mr. Lickver will be entitled to:

- (i) a payment equal to the aggregate of 12 months of annual base salary in effect on the date of notice of such termination plus an additional 1 month for each year of service with the Company up to a maximum of 24 months of annual base salary;
- (ii) a payment equal to any earned short-term and long-term incentive compensation for time worked with the Company (including any pro-rata portion for any partial year worked with the Company) if such compensation has not been paid prior to the date of termination;
- (iii) a payment equal to: (A) any short-term incentive compensation and the cash value (at the date of the grant) of any long-term incentive compensation paid granted or earned in the financial year immediately preceding the date of the termination; or (B) where no such compensation

was paid granted or earned, an additional 3 months of annual base salary in effect on the date of notice of such termination; and

- (iv) have all: (A) Options granted to Mr. Lickver under any incentive plan immediately vest and be exercisable in accordance with the terms therein for the greater of the applicable severance period or the end of the calendar year following the year of termination and (B) Stock Awards immediately vest and be deemed earned in full and payable for the entirety of the severance period and paid and/or settled at same times as such incentives are paid and/or settled to other executives for such periods.

If Mr. Lickver is terminated or resigns for ‘good reason’ (as defined in the Lickver Agreement) within 12 months of a change of control (as defined in the Lickver Agreement), Mr. Lickver shall be entitled to receive a payment equal to 18 months of Mr. Lickver’s annual base salary plus an additional 1 month for each year of service with the Company, where the total amount for any such change of control payment may not exceed the total of 24 months of annual base salary. All Stock Awards shall immediately vest and be deemed earned in full and payable for the entirety of the applicable plan period and/or term of the Stock Award and paid and/or settled within 30 days of such termination or resignation. In addition, the Company shall also provide Mr. Lickver with the same additional compensation owing upon a termination without cause as outlined above.

Ronald Fichter, General Counsel

Pursuant to an employment agreement dated August 15, 2017 (the “**Fichter Agreement**”), Mr. Fichter was retained as the Company's General Counsel and Corporate Secretary. In 2021, the Fichter Agreement was amended by the Compensation Committee consistent with recommendations provided by WTW.

Mr. Fichter is entitled to an annual base salary of \$220,000. Further, Mr. Fichter is entitled to short-term incentive compensation with a target compensation range of 50% to 100% of Mr. Fichter’s annual base salary at the discretion of, or upon satisfaction of certain targets set by, the Compensation Committee. Mr. Fichter is also entitled to receive long-term incentive compensation with a target compensation range of 50% to 100% of Mr. Fichter’s annual base salary depending on the discretion of or satisfaction of targets to be set by the Compensation Committee. How such short-term and long-term compensation is settled (e.g. annual cash bonus, Stock Awards etc.) is at the discretion of the Compensation Committee.

If Mr. Fichter is terminated by the Company without cause, then Mr. Fichter will be entitled to:

- (i) a payment equal to an aggregate of 6 months of annual base salary in effect on the date of notice of such termination plus an additional 1 month for each year of service with the Company, where the total amount for any such termination payment may not exceed the total of 24 months of annual base salary;
- (ii) a payment equal to any earned short-term and long-term incentive compensation for time worked with the Company (including any pro-rata portion for any partial year worked with the Company) if such compensation has not been paid prior to the date of termination; and
- (iii) have all: (A) Options granted to Mr. Fichter under any incentive plan continue to vest and be exercisable in accordance with the terms therein for the greater of the applicable severance period or the end of the calendar year following the year of termination and (B) Stock Awards immediately vest and be deemed earned in full and payable for the entirety of the severance period and paid and/or settled at same times as such incentives are paid and/or settled to other executives for such periods.

If Mr. Fichter is terminated or resigns for ‘good reason’ (as defined in the Fichter Agreement) within 12 months of a change of control (as defined in the Fichter Agreement), Mr. Fichter shall be entitled to:

- (i) a payment equal to an aggregate of 12 months of annual base salary in effect on the date of notice of such termination plus an additional 1 month for each year of service with the Company, where the total amount for any such termination payment may not exceed the total of 24 months of annual base salary;
- (ii) a payment equal to any earned short-term and long-term incentive compensation for time worked with the Company (including any pro-rata portion for any partial year worked with the Company) if such compensation has not been paid prior to the date of termination;
- (iii) a payment equal to: (A) any short-term incentive compensation and the cash value (at the date of the grant) of any long-term incentive compensation paid granted or earned in the financial year immediately preceding the date of the termination; or (B) where no such compensation was paid granted or earned, an additional 3 months of annual base salary in effect on the date of notice of such termination; and
- (iv) have all: (A) Options granted to Mr. Fichter under any incentive plan immediately vest and be exercisable in accordance with the terms therein for the greater of the applicable change of control severance period or the end of the calendar year following the year of termination and (B) Stock Awards immediately vest and be deemed earned in full and payable for the entirety of the applicable plan period and/or term of the Stock Award and paid and/or settled within 30 days of such termination or resignation.

Andrew MacMillan, Senior Vice President, Commercial

Pursuant to an employment agreement dated May 31, 2019, Mr. MacMillan was retained as the Company’s Vice President, Commercial Business Development (the “**MacMillan Agreement**”). On December 1, 2020, Mr. MacMillan became the Company’s Senior Vice President, Commercial. In December 2021, the MacMillan Agreement was amended by the Compensation Committee consistent with recommendations provided by WTW.

Mr. MacMillan is entitled to an annual base salary of \$220,000. Further, Mr. MacMillan is entitled to short-term incentive compensation with a target compensation range of 50% to 100% of Mr. MacMillan’s annual base salary at the discretion of, or satisfaction of certain targets set by, the Compensation Committee. Mr. MacMillan is also entitled to receive long-term incentive compensation with a target compensation range of 50% to 100% of Mr. MacMillan’s annual base salary at the discretion of, or satisfaction of targets to be set by, the Compensation Committee. How such short-term and long-term compensation is settled (e.g. annual cash bonus, Stock Awards etc.) is at the discretion of the Compensation Committee.

If Mr. MacMillan is terminated by the Company without cause, then Mr. MacMillan will be entitled to:

- (i) a payment equal to an aggregate of 6 months of annual base salary in effect on the date of notice of such termination plus an additional 1 month for each year of service with the Company, where the total amount for any such termination payment may not exceed the total of 24 months of annual base salary;
- (ii) a payment equal to any earned short-term and long-term incentive compensation for time worked with the Company (including any pro-rata portion for any partial year worked with the Company) if such compensation has not been paid prior to the date of termination; and

- (iii) have all: (A) Options granted to Mr. MacMillan under any incentive plan continue to vest and be exercisable in accordance with the terms therein for the greater of the applicable severance period or the end of the calendar year following the year of termination and (B) Stock Awards immediately vest and be deemed earned in full and payable for the entirety of the severance period and paid and/or settled at same times as such incentives are paid and/or settled to other executives for such periods.

If Mr. MacMillan is terminated or resigns for ‘good reason’ (as defined in the employment Agreement) within 12 months of a change of control (as defined in the employment Agreement), Mr. MacMillan will be entitled to:

- (i) a payment equal to an aggregate of 12 months of annual base salary in effect on the date of notice of such termination plus an additional 1 month for each year of service with the Company, where the total amount for any such termination payment may not exceed the total of 24 months of annual base salary;
- (ii) a payment equal to any earned short-term and long-term incentive compensation for time worked with the Company (including any pro-rata portion for any partial year worked with the Company) if such compensation has not been paid prior to the date of termination;
- (iii) a payment equal to: (A) any short-term incentive compensation and the cash value (at the date of the grant) of any long-term incentive compensation paid granted or earned in the financial year immediately preceding the date of the termination; or (B) where no such compensation was paid granted or earned, an additional 3 months of annual base salary in effect on the date of notice of such termination; and
- (iv) have all: (A) Options granted to Mr. MacMillan under any incentive plan continue to vest and be exercisable in accordance with the terms therein for the greater of the applicable change of control severance period or the end of the calendar year following the year of termination and (B) Stock Awards immediately vest and be deemed earned in full and payable for the entirety of the change of control notice period of the Stock Award and paid and/or settled at same times as such incentives are paid and/or settled to other executives for such periods.

Director Compensation

The Company’s director compensation practices are overseen by the Compensation Committee, as well as by the Board as a whole. The Compensation Committee also relies on third party advisors, such as WTW, as required to assist it in determining its director compensation practices.

The Compensation Committee considers many factors, including whether compensation fairly reflects the responsibilities and risks involved. The review of the Company’s director compensation includes benchmarking against the Comparator Group, as described above in “*Determination of Compensation - Compensation Consultants*” in this Information Circular. Annual retainers have been intended to provide an appropriate level of fixed compensation that will assist in director retention and recruitment.

Elements of 2021 Director Compensation

For the fiscal year ended December 31, 2021, the Company’s directors were provided the following compensation for their services as directors of the Board and members of committees.

Applicable Role	Amount ⁽¹⁾
Chair of the Board	\$70,000 cash and \$100,000 in the form of Options
Board Member	\$50,000 cash and \$85,000 in the form of Options
Audit Committee Chair	\$12,500 cash
Compensation Committee Chair	\$10,000 cash
Audit Committee Member	\$6,000 cash
Compensation Committee Member	\$4,500 cash

Notes:

- (1) Represents compensation provided per year to each non-NEO and non-Imperial Nominee director, inclusive of all service as a member or chair of the Board or a committee.

Director Compensation Table

The following table below sets forth information concerning compensation provided to the Company's non-executive directors in the fiscal year ended December 31, 2021 under the compensation arrangements described above.

Mr. Hugo Alves, the Chief Executive Officer, is currently a director of the Company. The compensation received by Mr. Alves in respect of the fiscal year ended December 31, 2021 is described above in "Summary Compensation Table".

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Genevieve Young	87,000	-	100,000	-	-	-	187,000
Troy Grant	60,500	-	85,000	-	-	-	145,500
Conrad Tate	11,000 ⁽²⁾	-	14,167 ⁽²⁾	-	-	-	25,167
Vikram Bawa	54,500	-	85,000	-	-	-	139,500
Murray McGowan ⁽³⁾	-	-	-	-	-	-	-

Notes:

- (1) Represents the value of Option-based awards earned for the year which Options will be granted on a date to be determined by the Board, at the volume weighted average trading price of Common Shares for the five trading days immediately preceding such date.
- (2) Represents fees earned from November 1, 2021 to December 31, 2021, prior to which time Mr. Tate was the Imperial Nominee and was not entitled to compensation from the Company for his service.
- (3) Mr. McGowan was appointed as a director on November 1, 2021. As the Imperial Nominee, he is not entitled to compensation from the Company for his service.

Outstanding Share-Based Awards and Options Based Awards

The following table summarizes, for each director of the Company, the number of option-based and share-based awards which were outstanding as of December 31, 2021.

Mr. Hugo Alves, the Chief Executive Officer, is currently a director of the Company. The compensation received by Mr. Alves in respect of the fiscal year ended December 31, 2021 is described above in “*Summary Compensation Table*”.

Name	Option-Based Awards				Restricted Share Unit-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (C\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (C\$)	Number of Securities That Have Not Vested (#)	Market or Payout Value of Awards That Have Not Vested (\$)	Market or Payout Value of Vested Awards Not Paid Out or Distributed (\$)
Genevieve Young	263,000 ⁽¹⁾	\$0.27	June 30, 2026	nil	nil	nil	nil
	75,000	\$0.84	February 12, 2024	nil			
Troy Grant	207,000 ⁽¹⁾	\$0.27	June 30, 2026	nil	nil	nil	nil
	90,000	\$1.80	March 27, 2028	nil			
	200,000	\$1.00	December 1, 2027	nil			
Conrad Tate	nil	-	-	nil	nil	nil	nil
Vikram Bawa	50,000 ⁽¹⁾	\$0.27	June 30, 2026	nil	nil	nil	nil
Murray McGowan ⁽¹⁾	nil	-	-	nil	nil	nil	nil

Notes:

- (1) Represents Options earned in respect of services for 2020 and issued in June 2021.
- (2) Mr. Murray McGowan was appointed as a director on November 1, 2021. As the Imperial Nominee, he is not entitled to compensation from the Company for his service.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth the number of Common Shares to be issued upon exercise of outstanding Options, the weighted-average exercise price of such outstanding Options and the number of Common Shares remaining available for future issuance under equity compensation plans as at December 31, 2021.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding Options	Weighted-average exercise price of outstanding Options	Number of Common Shares remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by Shareholders	28,920,509	\$0.801	56,152,708 ⁽¹⁾
Equity compensation plans not approved by Shareholders	Nil.	N/A	Nil.
Total	28,920,509	\$0.801	56,152,708 ⁽¹⁾

Note:

(1) Options remaining as at December 31, 2021, based on issued number of Common Shares of 850,732,172.

Annual Burn Rate

The following table sets forth the annual burn rate, calculated in accordance with the rules of the TSX, in respect of each of the 2021 Equity Incentive Plan and the Predecessor Plan for each of the three most recently completed financial years:

	Fiscal 2021	Fiscal 2020	Fiscal 2019
Annual Burn Rate⁽¹⁾	1.38%	1.06%	1.96%

Notes:

(1) The burn rate for the year is calculated as the number of Options and RSUs issued in the applicable fiscal year, divided by the weighted average number of Common Shares outstanding for such year.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

Set out below is a description of the Company's current corporate governance practices and other information relating to the Board, per National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and related disclosure requirements.

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. Listed below is a brief discussion of the Company's approach to corporate governance.

Board of Directors

The Board facilitates its exercise of independent supervision over management through the participation of directors. Currently, the Board has six directors of whom five are independent within the meaning of National Instrument 52-110 – *Audit Committees*. The Board members are Genevieve Young, Hugo Alves, Troy Grant, Vikram Bawa, Conrad Tate and Murray McGowan.

Genevieve Young, Troy Grant, Vikram Bawa, Conrad Tate and Murray McGowan are independent directors in that they do not have a direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of the director's independent judgment. Hugo Alves is not considered independent as he is the Chief Executive Officer of the Company.

Genevieve Young, an independent director, is the Chair of the Board. Her role and responsibilities include, but are not limited to: (i) providing leadership to the Board; (ii) chairing Board meetings; (iii) ensuring the duties and responsibilities of the Board's committees are carried out in accordance with the charters of such committees; and (iv) working with senior executives of the Company to discharge the duties of the Board.

Directorships

The following directors are presently directors of other reporting issuers:

<u>Director</u>	<u>Name of Other Reporting Issuer</u>	<u>Stock Exchange</u>
Troy Grant	Elcora Advanced Materials Corp.	TSXV
	Interactive Games Technologies Inc.	CSE

Meetings of Independent Directors

The Board believes that given its size and structure, it is able to facilitate independent judgment in carrying out its responsibilities. The Chair of the Board is an independent director and the committees of the Board are each comprised entirely of independent directors. To facilitate open and candid discussions, independent directors of the Board may hold *in camera* meetings as required from time to time before or after and meeting of the Board.

Director Attendance

Directors are expected to attend all Board meetings and meetings of the committees on which they serve. The following table shows meeting attendance records for all directors during the year ended December 31, 2021.

<u>Name of Director</u>	<u>Board Meetings</u>	<u>Audit Committee Meetings</u>	<u>Compensation Committee Meetings</u>
Genevieve Young	9 of 9	4 of 4	3 of 3
Hugo Alves	9 of 9	n/a	n/a
Troy Grant	9 of 9	4 of 4	3 of 3
Conrad Tate	9 of 9	4 of 4	3 of 3
Vikram Bawa	9 of 9	n/a	3 of 3
Murray McGowan ⁽¹⁾	3 of 4	0 of 1	n/a

Notes:

(1) Mr. Murray McGowan was appointed as a director and member of the Audit Committee on November 1, 2021.

Board Mandate

The Board is responsible for supervising the management of the business and affairs of the Company and is expected to focus on guidance and strategic oversight with a view to increasing shareholder value. The Board Mandate is attached to this Information Circular as Schedule “A”.

Position Descriptions

The Board has developed position descriptions for each of the Chair of the Board and the Chief Executive Officer. The Board has not developed position descriptions for the Chair of each committee of the Board. However, the Board has developed a charter for each of these committees, and the Chair of each committee is responsible for ensuring that each charter is followed.

Orientation and Continuing Education

Due to the size of the Company’s Board, no formal program currently exists for the orientation of new directors, but new directors have orientation on an informal and ad hoc basis that includes meetings with management on business directions, operational issues and financial aspects of the Company. The Chair also meets with new directors to review and explain the role of the Board, its committees, and the expectations of each individual in their role as a director.

Management updates the Board on a regular basis regarding the business and activities of the Company to ensure that the directors have the necessary knowledge to meet their obligations as directors. No formal continuing education program currently exists for the directors of the Company; however, the Company encourages directors to attend, enroll or participate in courses and/or seminars dealing with financial literacy, corporate governance and related matters. Each director of the Company has the responsibility for ensuring that they maintain the skill and knowledge necessary to meet their obligations as a director. Directors are encouraged to communicate with management, the auditors and the Company's legal counsel to keep themselves current with the Company's business. Directors are also provided with full access to the Company's records.

Ethical Business Conduct

All Board members and employees are committed to maintaining the highest standards of integrity and ethical business conduct in the management of the Company and their interaction with all key securityholders. These standards can only be achieved by the Company adhering to the values and principles of conduct. The Board has adopted a Code of Business Conduct and Ethics (the “Code”) which applies to every director, officer and employee of the Company and its wholly-owned subsidiaries. The Board monitors compliance with the Code by requiring that all employees and executive officers of the Corporation certify that they have read, understood and agreed to be bound by the Code. The Board also relies on management to report any conduct that is contrary to the Code to the Chair of the Audit Committee.

The Company expects all Board members, executive officers and employees to conduct themselves in an ethical and law-abiding manner, in all areas, including but not limited to conflicts of interest and the protection and proper use of corporate assets, information and opportunities.

Conflicts of Interest

When faced with a conflict, it is required that business judgment of responsible persons, uninfluenced by considerations other than the best interests of the Company, will be exercised. Pursuant to the *Business Corporations Act* (Ontario), any officer or director of the Company with a conflict of interest must disclose

the nature and extent of such conflict to the Board and recuse themselves from a matter that materially conflicts with that individual's duty as a director or senior officer of the Company.

Protection and Proper Use of Corporate Assets, Information and Opportunities

Confidential information is not to be used for any purposes other than those of the Company. This requirement of confidentiality extends beyond the duty not to discuss private information, whether about the Company and/or its management and also applies to any asset of the Company, including trade secrets, customer lists, business plans, computer software, company records and other proprietary information.

In the situation of contracts with third parties such as suppliers and service providers, management is to share only that information which is needed to satisfy the conditions of the contract and only to those individuals who need to know.

The duty of confidentiality applies to all Board members and employees even after leaving the Company regardless of the reason for departing.

Compliance with Laws, Rules and Regulations

It is required that the Company is in compliance with all legislation applicable to the Company's business operations, including but not restricted to the *Cannabis Act* (Canada), the laws of the Province of Ontario, all Canadian provincial laws and legislation, and any other similar legislation in jurisdictions where the Company operates.

All Board members and employees have a duty to know, understand and comply with any specific legislation pertaining to the business of the Company and any legislation applicable to their duties and responsibilities.

Nomination of Directors

At present, the Company does not have a Nominating Committee. The Board, however, reviews periodically the appropriate size of the Board and if necessary, identifies new candidates with qualified skills, appropriate experience and background, and necessary competencies that are consistent with the Company's goals and objectives.

Compensation Committee

The Company has a Compensation Committee composed of entirely independent directors. The Compensation Committee is responsible for determining the compensation for the directors and the executive officers. The Compensation Committee seeks to ensure that the Company's compensation goals and objectives, as applied to the actual compensation paid to the Company's executive officers, are aligned with the Company's overall business objectives and Shareholder interests. For more details on the Compensation Committee, please see "*Statement of Executive Compensation – Compensation Committee*" in this Information Circular.

Other Committees

The Audit Committee and the Compensation Committee are the only standing committees of the Company. As the Company grows, and its operations and management structure become more complex, the Board anticipates that it will constitute additional formal standing committees.

Audit Committee

The Audit Committee of the Board consists of Genevieve Young (Chair), Troy Grant, Conrad Tate and Murray McGowan each of whom are independent within the meaning of National Instrument 52-110 – *Audit Committees*. Additional information on the Audit Committee (under the heading “*Audit Committee Information*”) and the full text of the Audit Committee’s charter can be found in the Company’s annual information form for the year ended December 31, 2021 dated March 30, 2022 (the “AIF”). The AIF is available on the Company’s profile on SEDAR at www.sedar.com.

Assessments

To date, no formal evaluation process has been put in place to evaluate the effectiveness and contribution of the directors. This task is the responsibility of the Board, who periodically reviews its effectiveness as well as its directors’ roles, and its members are encouraged to give feedback regarding the effectiveness of the Board as a whole, its practices and individual directors will, when necessary, make recommendations to the Board. The Board works closely with management and, accordingly, is in a position to assess individual directors’ performance on an ongoing basis. The Board continuously assesses the existing strengths of the Board as well as the changing needs of the Company, to determine which individuals possess the competencies and skills it should seek in new Board members to add value to the Company.

Director Term Limits and Other Mechanisms of Board Renewal

The Board has not adopted a formal policy relating to term limits or other mechanisms of board renewal because it has not felt that such mechanisms are appropriate given the Company’s size and stage of development. The Board is of the opinion that term limits may disadvantage the Corporation through the loss of beneficial contributions of its directors.

Diversity

The Board has not adopted a formal policy regarding the identification and nomination of women directors. The Company recognizes the benefits of diversity within its Board, at the senior management level and all levels of the organization, but at this stage, does not believe that a formal policy would enhance the representation of women on the board beyond the current recruitment and selection process.

The Company evaluates the necessary competencies, skills, experience and other qualifications of each candidate as a whole and considers the representation of women as one of many factors in the recruitment and selection of candidates for Board and senior management positions. The Company seeks to maintain a Board and senior management comprised of talented and dedicated individuals with a diverse mix of expertise, experience, skills and backgrounds.

The Board has determined that, while it is committed to fostering diversity among Board members and executives, it will not at this time set specific targets regarding the representation of women on the Board and in executive officer positions because it is supported through the Company’s current policies and procedures for the recruitment and selection process.

Currently, one director of the Company is a woman (16.67% of the Board), and one (12.5%) of the executive officers of the Company is a woman.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Information Circular, neither the Company, nor any director or officer of the Company, nor any proposed nominee for election as a director of the Company, nor any other insider of the Company, nor any associate or affiliate of any one of them has or has had, at any time since the beginning of the year ended December 31, 2021, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Company.

OTHER BUSINESS

Management of the Company is not aware of any other business to come before the Meeting other than as set forth in the Notice of Meeting. If any other business properly comes before the Meeting, it is the intention of the persons named in the form of proxy to vote the Common Shares represented thereby in accordance with their best judgment on such matter.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com. Financial information is contained in the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2021 and the Company's annual information form for the year ended December 31, 2021 dated March 30, 2022. In addition, a Shareholder may obtain copies of the Company's financial statements and management's discussion and analysis, by contacting the Company by mail at 777 Richmond St. W., Unit 002, Toronto, ON M6J 0C2 or by telephone at 1-833-695-2414.

APPROVAL BY BOARD OF DIRECTORS

The Board has approved the contents and sending of this Management Information Circular.

DATED at Toronto, this 20th day of May, 2022.

By Order of the Board of Directors

“Genevieve Young” _____

Chair of the Board

SCHEDULE "A"

AUXLY CANNABIS GROUP INC.

MANDATE OF THE BOARD OF DIRECTORS

1. Introduction

The board of directors (the "**Board**") of Auxly Cannabis Group Inc. ("**Auxly**" or the "**Company**") is elected by the shareholders of Auxly and is responsible for the stewardship of the Company. The purpose of this mandate is to describe the principal duties and responsibilities of the Board, as well as some of the policies and procedures that apply to the Board in discharging its duties and responsibilities.

2. Chair of the Board

The Chair of the Board ("**Chair**") shall be appointed by the Board.

3. Independence

The Board will be comprised of at least a majority of independent directors. A director of the Board shall be considered independent if he or she would be considered independent for the purposes of National Instrument 52-110 – *Audit Committees*. If the Chair is not an independent director, the Board shall also appoint a lead director who must be an independent director.

4. Role and Responsibilities of the Board

The role of the Board is to represent the shareholders of Auxly, enhance and maximize shareholder value and conduct the business and affairs of the Company ethically and in accordance with the highest standards of corporate governance. The Board is ultimately accountable and responsible for providing independent, effective leadership in supervising the management of the business and affairs of Auxly. Each director, in discharging his or her duties, must act honestly and in good faith, with a view to the best interests of the Company. Each director must also exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Meetings of the Board will be held at least quarterly, with additional meetings to be held depending on the state of the Company's affairs and in light of opportunities or risks which the Company faces.

Minutes of meetings of the Board must accurately reflect the significant discussions and the decisions of the Board. Minutes of Committee meetings shall be recorded and maintained by the secretary of the meeting, and subsequently presented to the Board for approval.

The Board will delegate responsibility for the day-to-day management of the Company's business and affairs to Auxly's senior officers and will supervise such senior officers appropriately.

The Board may delegate certain matters it is responsible for to Board committees, presently consisting of the Audit Committee and the Compensation Committee. The Board will, however, retain its oversight function and ultimate responsibility for these matters and all delegated responsibilities.

5. Strategic Planning Process and Risk Management

The Board will adopt a strategic planning process to establish objectives and goals for Auxly's business and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of Auxly's business and affairs.

The Board, in conjunction with management, will identify the principal risks of Auxly's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

6. ESG (Environmental, Social and Governance), Ethics and Integrity

The Board will provide leadership to Auxly in support of its commitment to developing an ESG strategy, set the ethical tone for Auxly and its management and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer and management and satisfy itself that the Chief Executive Officer and management create a culture of integrity throughout the organization.

7. Succession Planning, Appointment and Supervision of Management

The Board will approve the succession plan for Auxly, including the selection, appointment, supervision and evaluation of the Chief Executive Officer and the other senior officers of Auxly, and will also approve the compensation of the Chief Executive Officer and the other senior officers of Auxly.

8. Delegations and Approval Authorities

The Board will delegate to the Chief Executive Officer and senior management authority over the day-to-day management of the business and affairs of Auxly. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

9. Monitoring of Financial Reporting and Management

The Board will approve all regulatory filings, including the annual audited financial statements, interim financial statements, the financial notes and management discussion and analysis accompanying such financial statements, quarterly and annual reports (as applicable), management proxy circulars, annual information forms, prospectuses, and all capital investments as deemed necessary, equity financings, borrowings and all annual operating plans and budgets.

The Board will adopt procedures that seek to: ensure the integrity of internal controls and management information systems; ensure compliance with all applicable laws, rules and regulations; and prevent violations of applicable laws, rules and regulations relating to financial reporting and disclosure, violation of Auxly's Code of Business Conduct and Ethics and fraud against shareholders.

10. Corporate Disclosure and Communications

The Board will seek to ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the Company's securities

are listed. In addition, the Board will adopt procedures that seek to ensure the Board receives feedback from security holders on material issues.

11. Corporate Policies

The Board will adopt and periodically review policies and procedures designed to ensure that Auxly, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Company's business ethically and with honesty and integrity.

12. Review of Mandate

The Board may review and recommend changes to the Board Mandate from time to time and the Compensation Committee may periodically review and assess the adequacy of this mandate and recommend any proposed changes to the Board for consideration.

The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability on the part of Auxly or its directors or officers to shareholders, security holders, customers, suppliers, partners, competitors, employees or other persons, or to any other liability whatsoever on their part.

Dated: Adopted on May 19, 2021, and last reviewed and approved on May 13, 2022

Approved by: Board of Directors of the Company

