



AUXLY CANNABIS GROUP INC.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR THE

**ANNUAL GENERAL AND SPECIAL MEETING
OF SHAREHOLDERS**

TO BE HELD ON

JUNE 28, 2024

DATED AS OF MAY 23, 2024

AUXLY CANNABIS GROUP INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special 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 28, 2024, for the following purposes:

1. to receive the audited financial statements of the Company for the year ended December 31, 2023 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;
4. to re-approve the 2021 Equity Incentive Plan previously approved by the Shareholders on June 28, 2021, as more particularly described in the accompanying Information Circular;
5. to consider and, if deemed advisable, pass, with or without variation, a special resolution, the full text of which is set out in the Information Circular, authorizing and approving an amendment to the articles of the Company to effect a consolidation of the issued and outstanding Common Shares on the basis of a consolidation ratio selected by the board of directors of the Company (the "**Board**") of up to fifty (50) pre-consolidation Common Shares for one (1) post-consolidation Common Share, and authorizing the Board to determine the final consolidation ratio in its sole discretion, as more particularly described in the Information Circular; and
6. 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+ profile at <https://www.sedarplus.ca/>, 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.

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://app.webinar.net/ODEL7laxNGg> starting at 10:00 a.m. (Toronto time) on June 28, 2024. 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 <https://www.sedarplus.ca/>. All Shareholders of record as of May 15, 2024, 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 16, 2024. 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 23rd day of May, 2024.

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 AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON JUNE 28, 2024

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 and special 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 28, 2024 or at any adjournments or postponements thereof for the purposes set forth in the Notice of Annual General and Special Meeting of Shareholders (the "**Notice of Meeting**") accompanying this Information Circular. Information contained herein is given as of May 23, 2024, 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 <https://www.sedarplus.ca/>.

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 19, 2024.

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 26, 2024, 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 15, 2024 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 1,252,945,718 Common Shares issued and 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. In August 2023, the Company and Imperial further amended certain provisions of the Debenture in order to extend the maturity date of the Debenture by 24 months from September 25, 2024 to September 26, 2026. In March 2024, Imperial converted \$121,851,094.50 of the principal amount of the Debenture into 150,433,450 Common Shares and converted a portion of the accrued and unpaid interest on the Debenture in the amount of \$1,564,663 into 90,882,667 Common Shares (the “Conversion”). Following the Conversion, a principal amount of \$1,000,000 remains outstanding under the Debenture. In connection with the Conversion, the Company and Imperial also amended the Investor Rights Agreement to, among other things, remove the existing requirement that Imperial will use the Company as its exclusive cannabis partner. 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, Imperial’s director nominee (“**Mr. McGowan**” or the “**Imperial Nominee**”) resigned as a director on July 26, 2023, and there is currently no Imperial Nominee nominated for election to the Board, although Imperial retains its right to designate an Imperial Nominee pursuant to the Investor Rights Agreement.

Principal Holders of Voting Shares

To the knowledge of the Company, the following table shows the names of the person or companies who beneficially own, control, or direct, indirectly or directly, more than 10% of the issued and outstanding Common Shares as of the date of this Information Circular.

<u>Name of Shareholder</u>	<u>Number of Common Shares Owned</u>	<u>Percentage of Outstanding Shares</u>
1213509 B.C. Ltd.	247,631,691	19.76%

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, 2023 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+ profile at <https://www.sedarplus.ca/>.

Election of Directors

At the Meeting, a board of five 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.	30,767,051 ⁽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	Independent Consultant since January 2022; and 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.

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.

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

Hugo Alves, Chief Executive Officer and Director. Mr. Alves co-founded Auxly in 2017 and has been its Chief Executive Officer since August 2019 and a member of its Board of Directors since inception. Driven by a passionate belief that cannabis can help people live happier lives, he is responsible for overseeing all aspects of the Company's strategy, operations and culture. Under his leadership, Auxly has developed and commercialized a portfolio of consumer-favourite cannabis products and award-winning brands and has grown from a start-up to one of the largest cannabis companies in Canada, being recognized by O'Cannabiz as Licensed Producer of the Year in 2022. Prior to assuming the role of Chief Executive Officer, Mr. Alves served as Auxly's President where he was responsible for strategically positioning the company to be a dominant first mover into the 2.0 segment of the cannabis market, which includes vapes, edibles and other derivative products; launching the #1 portfolio of branded cannabis 2.0 products in Canada, and securing a transformational \$120M strategic investment from Imperial Brands plc, one of the worlds largest tobacco companies. A seasoned strategist and dealmaker, Mr. Alves has over 20 years of experience in highly regulated, fast-moving emerging industries and has been at the vanguard of the regulated cannabis industry in Canada for over a decade. A sought-after speaker and thought leader on regulated cannabis, he has been a Lift Lifetime Achievement Award nominee, and was recognized by High Times as one of the 100 most influential people in global cannabis. Mr. Alves also acts as the Chair of the Cannabis Industry Forum, the cannabis industry economic advisory panel to the Canadian federal government that is managed by the Canadian Ministry of Innovation, Science and Economic Development. Prior to Auxly, Mr. Alves was a senior partner at Bennett Jones LLP, a leading international law firm where he helped establish the firm's climate change and cannabis practices and build them into global leaders. As one of the world's leading advisors in each industry, he played a key role in some of those industries' most foundational and significant transactions. Mr. Alves earned his BA from Carleton University and a law degree (J.D.) from the University of Toronto Faculty of Law.

Genevieve Young, Chair of the Board and Chair of the Audit Committee. Ms. Genevieve Young is the President and Chief Operating Officer of Global Public Affairs, Canada's leading privately held public affairs firm. Ms. Young has two decades of experience in public affairs and represents organizations primarily in the innovation space. Ms. Young holds a Bachelor of Arts in Canadian Politics; an MBA from the Smith School of Business at Queen's University; and holds certifications in ESG, Climate and AI from Competent Boards and MIT Sloan School of Management respectively. She is an active member of YPO (Young Presidents Organization) which she joined in 2018 and has served on its executive. She is an Independent Director of the Board of Directors for the Canadian Pharmacists Association; and a Mentor and Advisory Board Member for the University of Toronto, Faculty of Applied Science and Engineering, Hatchery Program, a start-up incubator.

Conrad Tate, Director and Chair of the Compensation Committee. Mr. Conrad Tate is currently an independent consultant, providing consulting services to companies across a variety of industries. Previously, Mr. Tate held a number of senior legal and commercial roles in Imperial Brands plc over 20+ years and most recently acted as Imperial Brands' Corporate Development Director from 2010 to 2021. Mr. Tate played a leading role in most of Imperial Brands' significant transactions over the years, including the acquisition of Altadis, Commonwealth Brands, assets purchased by Imperial Brands as part of the Reynolds American takeover of Lorillard and Nerudia. He led Imperial Brands' long term strategy work and as part of that, Imperial Brands' investigation, analysis, and entry into the legal cannabis sector. Prior to his decision to leave Imperial Brands, he led the £1bn sale of Imperial Brands' premium cigars business.

Vikram Bawa, Director. Mr. Vikram Bawa is a senior global marketing leader with an extensive record of delivering results with first-hand experience in both mature and emerging markets with a single-minded focus on the consumer. He has lived and worked across North America, Asia and Europe with top-tier fast-moving consumer goods, electronics and advertising companies. Mr. Bawa has led multifunctional and diverse organizations across categories (Health and Beauty, Food and Consumer Electronics) and has developed long term business strategy at both the local and global levels, helping execute with excellence.

Mr. Bawa brings decades of experience in consumer insights, brand building and marketing to Auxly's Board, having served most recently as the Vice President and Head of Marketing – Asia Pacific, Europe, Middle East and Africa (EAMEA) for Logitech S.A. (based out of China and Switzerland). Prior to that, Mr. Bawa was Vice President Marketing at McCain Foods Canada, where he was responsible for all marketing functions including Retail, Food Service, Innovation and Consumer Insights. He has also held senior roles with Nestle (Switzerland and Canada), Wrigley USA and Colgate Palmolive (Canada, USA and Philippines).

Troy Grant, Director. Mr. Troy Grant is currently the Chief Executive Officer and Director of Elcora Advanced Materials Corp., a TSXV-listed graphene materials company. Since 2000, Mr. Grant has held senior positions in the financial service sector, including head of corporate finance at Citadel Securities, focusing on the resource sector, and more recently as head of institutional European sales. He has also been instrumental in venture formation, financing and development of a number of resource, technology and agriculture companies operating globally. Troy holds a BBA, economics, from Saint Francis Xavier University.

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 29, 2023, 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.

Re-Approval of the 2021 Equity Incentive Plan

The Company’s amended and restated omnibus equity incentive plan (the “**2021 Equity Incentive Plan**”) was initially approved by the Board on May 19, 2021, and by the Shareholders at the Company’s annual general and special meeting held on June 28, 2021. Under the rules of the Toronto Stock Exchange (the “TSX”), shareholder approval is required every three years for all unallocated equity-based incentive awards under incentive plans such as the 2021 Equity Incentive Plan, which does not have a fixed maximum limit of securities issuable thereunder.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to pass with or without variation, an ordinary resolution (the “**Equity Incentive Plan Resolution**”), the full text of which is set out below, re-approving the 2021 Equity Incentive Plan and authorizing and approving the unallocated awards, rights, and other entitlements thereunder, for a period of three years following the date of the Meeting. If the 2021 Equity Incentive Plan is not re-approved by the Shareholders at the Meeting, then all unallocated awards, rights and other entitlements will be cancelled, and the Company will not be permitted to make further grants until shareholder approval is obtained; however all allocated awards under the 2021 Equity Incentive Plan currently outstanding under the 2021 Equity Incentive Plan will continue to be unaffected.

A summary of certain key terms of the 2021 Equity Incentive Plan can be found herein at “*Statement of Executive Compensation – Equity Incentive Plans – 2021 Equity Incentive Plan*”. The full text of the 2021 Equity Incentive Plan is attached to this Information Circular as Schedule “A”.

Shareholders will be asked at the Meeting to approve with or without variation the Equity Incentive Plan Resolution as follows:

" BE IT RESOLVED THAT:

1. The 2021 Equity Incentive Plan of the Company, as adopted by the Board of the Company on May 19, 2021 and ratified by the Shareholders on June 28, 2021, in the form attached as Schedule "A" to this Information Circular, is hereby confirmed, ratified and approved and the Company has the ability to grant awards under the 2021 Equity Incentive Plan until June 28, 2027, which is the date that is three years from the date of this Meeting.
2. The unallocated awards, rights and other entitlements under the 2021 Equity Incentive Plan are hereby approved and authorized.

3. The Board is hereby authorized to make such amendments to the 2021 Equity Incentive Plan from time to time, as may be required by the TSX, or as may be considered appropriate by the Board in its sole discretion, provided always that such amendments be subject to the approval of the TSX, if applicable, and in certain cases, in accordance with the terms of the 2021 Equity Incentive Plan, the approval of the Shareholders.
4. Any director or officer of the Company be and is hereby authorized, for and on behalf of the Company to execute and deliver all documents and instruments and take such other actions, including making all necessary filings with applicable regulatory bodies and stock exchanges, as such director or officer may determine to be necessary or desirable to implement this ordinary resolution and the matter authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument and the taking of any such action."

In order to be passed, the Equity Incentive Plan Resolution requires the approval of a majority of the votes cast thereon by the Registered Shareholders present in person or represented by proxy at the Meeting.

The Board UNANIMOUSLY recommends that Shareholders vote "FOR" the Equity Incentive Plan Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Equity Incentive Plan Resolution.

Approval of Share Consolidation

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass a special resolution (the "**Share Consolidation Resolution**") authorizing and approving an amendment to the articles of the Company to consolidate (or reverse split) the Company's issued and outstanding Common Shares into a lesser number of issued and outstanding Common Shares (the "**Consolidation**"), and authorizing the Board to select a Consolidation ratio of up to fifty (50) pre-Consolidation Common Shares for one (1) post-Consolidation Common Share (the "**Consolidation Ratio**") in its sole discretion. The Board may in its sole discretion, determine to use a Consolidation Ratio which may be less than fifty-to-one, and subject always to the Company continuing to meet the distribution requirements of the TSX. Subject to the approval of the TSX, approval of the special resolution by the Shareholders of the Company would give the Board authority to implement the Consolidation at a time to be determined by the Board. Notwithstanding approval of the proposed Consolidation by the Shareholders, the Board, in its sole discretion, may revoke the special resolution and abandon the Consolidation without further approval or action by or prior notice to the Shareholders.

Background to and Reasons for the Consolidation

The Board believes that it is in the best interests of the Company to provide the Board with the flexibility to elect to reduce the number of outstanding Common Shares by way of a Consolidation. The Company believes that there are potential benefits of the Consolidation including increased investor interest and reduced volatility. The current share structure of the Company may make it more difficult for the Company to attract additional equity financing that may be required or desirable to maintain the existing business of the Company or to further develop its operations. A Consolidation may have the effect of raising, on a proportionate basis, the price of the Common Shares, which could heighten the interest of the analyst and financial community in the Company and potentially broaden the pool of potential investors in the Common Shares, including certain institutional investors. In addition, the higher anticipated price of the post-consolidation Common Shares may result in less volatility as a result of small changes in the share price of

the Common Shares. For example, a nominal price movement will result in a less significant change (in percentage terms) in the market capitalization of the Company.

The Company believes that providing the Board with the authority to select the final Consolidation Ratio, provided such ratio will not be greater than fifty-to-one, provides the flexibility to implement the Consolidation in a manner intended to maximize the anticipated benefits of a Consolidation for the Company and the Shareholders.

The Consolidation is subject to certain conditions, including the approval of the Shareholders at the Meeting and the approval of the TSX. If the requisite approvals are obtained and the Board decides to proceed with the Consolidation, the Consolidation will take place at a time to be determined by the Board, and subject to the Company filing the of articles of amendment under the OBCA ("**Articles of Amendment**") giving effect to the Consolidation. A particular consolidation will become effective on the date shown in the certificate of amendment issued by the director under the OBCA in connection with such consolidation or such other date indicated in the Articles of Amendment. No further action on the part of the Shareholders would be required in order for the Board to implement the Consolidation.

In the event the Consolidation becomes effective, Shareholders will be notified of the Consolidation, and Registered Shareholders will receive a letter of transmittal (the "**Letter of Transmittal**") containing instructions for exchange of their share certificate(s) in connection with the Consolidation.

Effects of the Consolidation

General

If the Consolidation is implemented, its principal effect will be to proportionately decrease the number of issued and outstanding Common Shares by a factor equal to the Consolidation Ratio selected by the Board. As of the date of this Information Circular, the Company had 1,252,945,718 Common Shares issued and outstanding. For illustrative purposes only, the following table sets out, based on the number of issued and outstanding Common Shares as of the date of this Information Circular, without giving effect to the cancellation of fractional Common Shares, following the implementation of the Consolidation, at various consolidation ratios:

Consolidation Ratio	Common Shares Outstanding
10 pre-consolidation Common Shares for one (1) post-Consolidation Common Share	125,294,571
30 pre-consolidation Common Shares for one (1) post-Consolidation Common Share	41,764,857
50 pre-consolidation Common Shares for one (1) post-Consolidation Common Share	25,058,914

It is expected that the Consolidation will result in an increase in the price per Common Share that is approximately proportionate to the reduction in the number of Common Shares outstanding.

The implementation of the Consolidation is unlikely to have a material effect on the actual or intrinsic value of the business of the Company or the Common Shares and will not change a shareholder's proportionate interest in the Company, except to the extent that the Consolidation results in the elimination of fractional Common Shares. The Common Shares will have the same attributes following the Consolidation as they did prior to the Consolidation.

The Consolidation will not affect the listing of the Common Shares on the TSX. Following the Consolidation, it is expected that the Common Shares will continue to be listed on the TSX under the symbol "XLY". Following the Consolidation, the Common Shares will have a new CUSIP number and a new ISIN number.

Voting rights and other rights of the holders of Common Shares prior to the implementation of the Consolidation will not be affected by the Consolidation, other than as a result of the creation and disposition of fractional Common Shares as described below. For example, a holder of 2% of the voting power attached to the outstanding Common Shares immediately prior to the implementation of any consolidation will generally continue to hold 2% of the voting power attached to the Common Shares immediately after the implementation of such consolidation. The number of Registered Shareholders is not expected to be affected by the Consolidation.

Effect on Non-Registered Shareholders

Non-Registered Shareholders (i.e. beneficial Shareholders) holding Common Shares through an Intermediary (i.e., a securities broker, dealer, bank or financial institution) should be aware that the Intermediary may have different procedures for processing the Consolidation than those that will be put in place by the Company for Registered Shareholders. If Shareholders hold their Common Shares through an Intermediary and they have questions in this regard, they are encouraged to contact their Intermediary.

Effect on Convertible Securities

The exercise or conversion price and/or the number of Common Shares issuable under any of the Company's existing convertible securities, including outstanding Options, RSU Awards, warrants, convertible debentures, and any other similar securities will be proportionately adjusted upon the implementation of any Consolidation, in accordance with the terms of such convertible securities, based on the Consolidation Ratio. Where required, the Company or its agent will send notices to holders of outstanding convertible securities in accordance with the terms and conditions thereof notifying the holders of the Consolidation.

Effect on Share Certificates

If the Consolidation is approved by Shareholders and subsequently implemented, those Registered Shareholders who will hold at least one (1) post-Consolidation Common Share will be required to exchange their share certificates representing pre-Consolidation Common Shares for new share certificates representing post-Consolidation Common Shares or, alternatively, a Direct Registration System (“DRS”) Advice/Statement representing the number of post-Consolidation Common Shares they hold following the Consolidation. The DRS is an electronic registration system which allows Shareholders to hold Common Shares in their name in book-based form, as evidenced by a DRS Advice/Statement, rather than a physical share certificate.

If a Consolidation is implemented, the Company (or the Transfer Agent) will mail a Letter of Transmittal to each Registered Shareholder. Each Registered Shareholder must complete and sign a Letter of Transmittal after a consolidation takes effect. The Letter of Transmittal will contain instructions on how to surrender to the Transfer Agent the certificate(s) representing the Registered Shareholder's pre-Consolidation Common Shares. The Transfer Agent will send to each Registered Shareholder who follows the instructions provided in the Letter of Transmittal a new share certificate representing the number of post-Consolidation Common Shares to which the Registered Shareholder is entitled rounded down to the nearest whole number or, alternatively, a DRS Advice/Statement representing the number of post-Consolidation Common Shares the Registered Shareholder holds following the Consolidation. Non-Registered Shareholders (i.e. beneficial Shareholders) who hold their Common Shares through an Intermediary (e.g. securities brokers, dealers, banks, financial institutions, etc.) and who have questions regarding how the Consolidation will be processed should contact their Intermediary with respect to the Consolidation. See “*Effect on Non-Registered Shareholders*” above.

Until surrendered to the Transfer Agent, each share certificate representing pre-Consolidation Common Shares will be deemed for all purposes to represent the number of post-Consolidation Common Shares to which the Registered Shareholder is entitled as a result of the Consolidation. Until Registered Shareholders have returned their properly completed and duly executed Letter of Transmittal and surrendered their old share certificate(s) for exchange, Registered Shareholders will not be entitled to receive distributions, if any, that may be declared and payable to holders of record following the Consolidation.

Any Registered Shareholder whose old certificate(s) have been lost, destroyed or stolen will be entitled to a replacement share certificate only after complying with the requirements that the Company and the Transfer Agent customarily apply in connection with lost, stolen or destroyed certificates.

The method chosen for delivery of share certificates and letters of transmittal to the Transfer Agent is the responsibility of the Registered Shareholder and neither the Transfer Agent nor the Company will have any liability in respect of share certificates and/or letters of transmittal which are not actually received by the Transfer Agent.

REGISTERED SHAREHOLDERS SHOULD NEITHER DESTROY NOR SUBMIT ANY SHARE CERTIFICATE UNTIL HAVING RECEIVED A LETTER OF TRANSMITTAL.

No Fractional Shares

No fractional Common Shares will be issued in connection with any consolidation and no cash will be paid in lieu of fractional post-consolidation Common Shares. In the event that a Shareholder would otherwise be entitled to receive a fractional Common Share upon the occurrence of a consolidation, such fraction will be rounded down to the nearest whole number.

No Dissent Rights

Shareholders are not entitled to exercise any statutory dissent rights with respect to any proposed consolidation.

Accounting Consequences

If the Consolidation is implemented, net income or loss per Common Share, and other per Common Share amounts, will be increased because there will be fewer Common Shares issued and outstanding. In future financial statements, net income or loss per Common Share and other per Common Share amounts for periods ending before a consolidation took place would be recast to give retroactive effect to such consolidation.

Risks Associated with the Consolidation

Reducing the number of issued and outstanding Common Shares through the Consolidation is intended, absent other factors, to increase the per share market price of the Common Shares. However, the market price of the Common Shares will also be affected by the Company's financial and operational results, its financial position, including its liquidity and capital resources, the development of its operations, industry conditions, the market's perception of the Company's business and other factors, which are unrelated to the number of Common Shares outstanding.

The market price of the Common Shares immediately following the implementation of any consolidation is expected to be approximately equal to the market price of the Common Shares prior to the implementation of such consolidation multiplied by the applicable Consolidation Ratio but there is no assurance that the

anticipated market price immediately following the implementation of the Consolidation will be realized or, if realized, will be sustained or will increase. There is a risk that the total market capitalization of the Common Shares (the market price of the Common Shares multiplied by the number of Common Shares outstanding) after the implementation of the Consolidation may be lower than the total market capitalization of the Common Shares prior to the implementation of the Consolidation.

Although the Company believes that establishing a higher market price for the Common Shares could increase investment interest for the Common Shares in equity capital markets by potentially broadening the pool of investors that may consider investing in the Company, including investors whose internal investment policies prohibit or discourage them from purchasing stocks trading below a certain minimum price, there is no assurance that implementing the Consolidation will achieve this result.

If the Consolidation is implemented and the market price of the Common Shares (adjusted to reflect the Consolidation Ratio) declines, the percentage decline as an absolute number and as a percentage of the Company's overall market capitalization may be greater than would have occurred if the Consolidation had not been implemented. Both the total market capitalization of the Company and the adjusted market price of the Common Shares following the Consolidation may be lower than they were before the Consolidation took effect. The reduced number of Common Shares that would be outstanding after any consolidation is implemented could adversely affect the liquidity of the Common Shares.

Any consolidation may result in some Shareholders owning "odd lots" of fewer than 100 Common Shares on a post-consolidation basis. Odd lot Common Shares may be more difficult to sell, or may attract greater transaction costs per Common Share to sell, and brokerage commissions and other costs of transactions in odd lots may be higher than the costs of transactions in "round lots" of even multiples of 100 Common Shares.

Tax Considerations

SHAREHOLDERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF A CONSOLIDATION TO THEM, INCLUDING THE EFFECTS OF ANY CANADIAN OR U.S. FEDERAL, PROVINCIAL, STATE, LOCAL, FOREIGN AND/OR OTHER TAX LAWS.

Share Consolidation Resolution

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve, with or without variation, the Share Consolidation Resolution authorizing the Board to elect, in its discretion, to file Articles of Amendment in order to give effect to the Consolidation. The full text of the Share Consolidation Resolution is as follows:

“BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

1. The articles of Auxly Cannabis Group Inc. (the “**Company**”) be amended to change the number of issued and outstanding common shares of the Company (the “**Common Shares**”) by consolidating the issued and outstanding Common Shares on the basis of a ratio to be selected by the board of directors of the Company (the “**Board**”), in its sole discretion, of up to fifty (50) pre-consolidation Common Shares for one (1) post-Consolidation Common Share (the “**Consolidation**”), such amendment to become effective at a date in the future to be determined by the Board in its sole discretion if and when the Board considers it to be in the best interests of the Company to implement the Consolidation, all as more fully described in the management information circular

of the Company dated May 23, 2024 (the “**Circular**”), and subject to all necessary stock exchange approvals;

2. notwithstanding the passing of this resolution by the shareholders of the Company (the “**Shareholders**”), the Board is hereby authorized and empowered without further notice to or approval of the Shareholders not to proceed with the Consolidation or to revoke this resolution at any time prior to the Consolidation becoming effective without further approval of the Shareholders;
3. the amendment to the articles of the Company giving effect to the Consolidation will provide that no fractional Common Shares will be issued in connection with the Consolidation and the number of post-Consolidation Common Shares to be received by a Shareholder will be rounded down to the nearest whole number of Common Shares in the event that such Shareholder would otherwise be entitled to receive a fractional Common Share;
4. any director or officer of the Company be, and each of them is, hereby authorized and directed for and in the name of and on behalf of the Company to execute and deliver or cause to be executed and delivered Articles of Amendment of the Company to the Director under the *Business Corporations Act* (Ontario) and to execute and deliver or cause to be executed and delivered all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this special resolution; and
5. any one director or officer of the Company be, and each of them is, hereby authorized and directed for and in the name of and on behalf of the Company, to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

For the reasons outlined above, the Board believes that obtaining Shareholder approval at the Meeting to authorize the Consolidation is in the best interests of the Company and the Shareholders. **Accordingly, the Board unanimously recommends that the Shareholders vote their Common Shares FOR the Share Consolidation Resolution.**

The Share Consolidation Resolution is a special resolution and, as such, requires approval by not less than two-thirds (66 2/3%) of the votes cast by the Shareholders present, or represented by proxy, at the Meeting. **Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Share Consolidation Resolution.**

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, 2023 (collectively, the “**Named Executive Officers**” or “**NEOs**”), and the directors of the Company. During the fiscal year ended December 31, 2023, the Named Executive Officers of the Company were: (i) Hugo Alves, CEO, (ii) Travis Wong, the Company’s current CFO, (iii) Brian Schmitt, the Company’s former CFO, (iv) Michael Lickver, President, (v) Andrew MacMillan, Senior Vice President, Commercial, and (vi) Ronald Fichter, General Counsel and Corporate Secretary.

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, 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, 2023 and 2022, WTW billed the Company the following fees:

Advisor	Executive Compensation-Related Fees		All Other Fees	
	2023	2022	2023	2022
WTW	Nil.	Nil.	Nil.	\$40,400

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. | Organigram Holdings Inc. |
| HEXO Corp. | Acreage Holdings, Inc. |
| The Valens Company Inc. | Indus Holdings, Inc. |
| Aurora Cannabis Inc. | SunOpta Inc. |
| Village Farms International, Inc. | Clearwater Seafoods Incorporated |
| MediPharm Labs Corp. | LifeVantage Corporation |
| Charlotte's Web Holdings, Inc. | Jamieson Wellness Inc. |
| Jushi Holdings Inc. | High Liner Foods Incorporated |
| The Supreme Cannabis Company, Inc. | 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 2023, short-term incentive compensation provided to executives was divided between the payment of annual cash bonuses and unvested RSU Awards (each a “**2023 STI RSU Award**”) which will vest in one year from the grant date.

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.

For 2023, long-term incentive compensation provided to executives will be in the form of unvested RSU Awards (each a “**2023 LTI RSU Award**”) which will vest in three years from the grant date.

Summary Compensation Table

Compensation of the Named Executive Officers for the fiscal years ended December 31, 2023, 2022, and 2021 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\$) ⁽¹⁾	<u>Option-based awards</u> (C\$) ⁽²⁾	<u>Non-equity incentive plan compensation</u> (C\$)		<u>All Other Compensation</u> on (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	2023	500,000	1,575,000	-	100,000	-	38,000	2,213,000
	2022	500,000	1,225,000	-	30,000	-	38,000	1,793,000
	2021	500,000	2,150,000	-	150,000	-	38,000	2,838,000
Travis Wong ⁽⁶⁾ Chief Financial Officer	2023	225,705 ⁽⁷⁾	261,600	-	60,000	-	12,700	560,005
	2022	204,528	33,346	-	20,596	-	12,700	271,170
	2021	197,417	52,000	-	30,000	-	12,700	292,117
Brian Schmitt ⁽⁸⁾ Former Chief Financial Officer	2023	171,730	55,050 ⁽⁹⁾	-	-	-	6,869	233,649
	2022	300,000	420,000	-	30,000	-	16,500	766,500
	2021	300,000	745,000	-	80,000	-	16,500	1,141,500
Michael Lickver President	2023	300,000	528,000	-	75,000	-	16,500	919,500
	2022	300,000	420,000	-	30,000	-	16,500	766,500
	2021	300,000	725,000	-	100,000	-	16,500	1,141,500
Andrew MacMillan Senior Vice President, Commercial	2023	240,000	261,600	-	60,000	-	16,500	578,100
	2022	231,667 ⁽¹⁰⁾	216,000	-	24,000	-	16,500	488,167
	2021	220,000	346,000	115,000 ⁽¹¹⁾	50,000	-	16,500	747,500
Ron Fichter General Counsel & Corporate Secretary	2023	235,000	261,600	-	60,000	-	14,200	570,800
	2022	228,750 ⁽¹²⁾	211,500	-	23,500	-	14,200	477,950
	2021	220,000	346,000	-	50,000	-	14,200	630,200

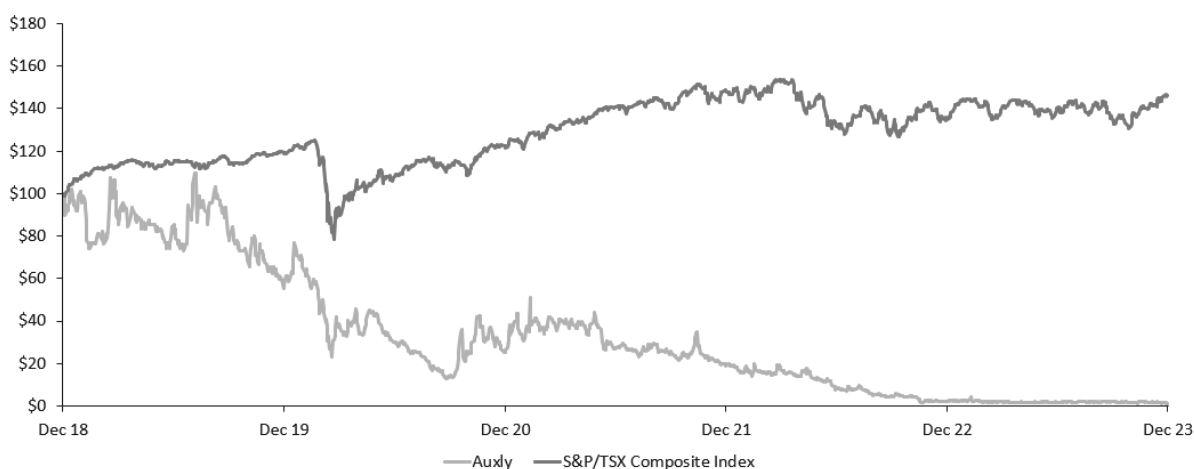
Notes:

- (1) 2023: Represents the value of share-based awards earned for the year which will be granted as 2023 STI RSU Awards and 2023 LTI 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 or on such date. 2022: Represents RSU Awards granted at \$0.0176 in June 2023 for services performed in 2022, to be settled by the Company in cash subject to a maximum value of two times the value of such RSU Award on the grant date; these amounts represent the fair value of the RSU Awards at the date of grant, where the grant price represents the 5-day volume weighted average trading price of Common Shares on the grant date. 2021: Represents RSU Awards granted at \$0.0908 in June 2022 for services performed in 2021; these amounts represent the fair value of the RSU Awards at the date of grant, where the grant price represents the 5-day volume weighted average trading price of Common Shares on the grant 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) All compensation for Mr. Alves relates solely to his role as CEO of the Company. No compensation was paid to Mr. Alves for his role as Director.
- (6) Mr. Wong was appointed CFO of the Company on January 1, 2024, prior to which he served as: Interim CFO of the Company from July 26 to December 31, 2023; Senior Vice President, Finance of the Company from July 2022 to July 2023; and Vice President, Finance of the Company from May 2017 to June 2022.
- (7) Reflects an annual base salary of \$240,000 per annum from August 1, 2023 to December 21, 2023.
- (8) Mr. Schmitt resigned from the Company as CFO effective as of July 26, 2023.
- (9) Represents the value of 4,129,956 vested RSU Awards earned by Mr. Schmitt prior to 2023 as of the dates such vested RSU Awards were issued as Common Shares to Mr. Schmitt following his resignation, in accordance with the Schmitt Agreement.
- (10) Reflects an annual base salary of \$240,000 per annum from June 1, 2022 until December 31, 2022.
- (11) Represents the value of Options earned in respect of services for 2021 and issued in August 2023.
- (12) Reflects an annual base salary of \$235,000 per annum from June 1, 2022 until December 31, 2022.

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 January 1, 2019 to December 31, 2023, compared with the cumulative total return of the S&P/TSX Composite Index for the same period, assuming reinvestment of all distributions. The Company started trading on the TSXV on May 8, 2017, and voluntarily delisted the Common Shares from the TSXV and listed the Common Shares on the TSX effective April 20, 2021.



Notes:

- (1) 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, 2023.

Name	<u>Option-Based Awards</u>				<u>Restricted Share Unit-Based Awards</u>		
	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 (\$) ⁽¹⁾
Hugo Alves Chief Executive Officer and Director	1,800,000	\$0.27	June 30, 2026	nil	74,457,682	2,319,577 ⁽²⁾	185,389
	150,000	\$1.80	March 27, 2028	nil			
	100,000	\$1.00	December 1, 2027	nil			
Travis Wong Chief Financial Officer	190,000	\$0.30	June 30, 2025	nil	2,085,555	282,455 ⁽³⁾	3,818
	750,000	\$1.00	April 1, 2024	nil			
	150,000	\$1.80	March 27, 2028	nil			
	500,000	\$1.00	December 1, 2027	nil			
Brian Schmitt⁽⁴⁾ Former Chief Financial Officer	-	-	-	-	-	-	-
Michael Lickver President	1,000,000	\$0.27	June 30, 2026	nil	25,901,082	787,011 ⁽⁵⁾	59,471
	260,000	\$0.30	June 29, 2025	nil			
	150,000	\$1.80	March 27, 2028	nil			
	100,000	\$1.00	December 1, 2027	nil			
Andrew MacMillan Senior Vice President, Commercial	396,551	\$0.0908	August 11, 2028	nil	12,999,599	391,596 ⁽⁶⁾	30,837
	300,000	\$0.27	June 30, 2026	nil			
	400,000	\$0.33	December 21, 2025	nil			
	105,000	\$0.30	June 29, 2025	nil			
	200,000	\$1.00	July 30, 2024	nil			
Ron Fichter General Counsel & Corporate Secretary	450,000	\$0.27	June 30, 2026	nil	12,743,917	389,039 ⁽⁷⁾	30,837
	260,000	\$0.30	June 29, 2025	nil			
	100,000	\$1.80	March 27, 2028	nil			
	1,000,000	\$1.00	December 1, 2027	nil			

Notes:

- (1) Based on the closing price of the Company's Common Shares on the TSX of \$0.01 on December 29, 2023.
- (2) Includes the values of: (a) 74,457,682 unvested RSU Awards based on the closing price of the Company's Common Shares on the TSX of \$0.01 on December 29, 2023; and (b) share-based awards earned but not yet granted being: (i) \$570,000 2023 STI RSU Awards, and (ii) \$1,005,000 2023 LTI RSU Awards. All such earned but not granted 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 or on such date.
- (3) Includes the values of: (a) 2,085,555 unvested RSU Awards based on the closing price of the Company's Common Shares on the TSX of \$0.01 on December 29, 2023; and (b) share-based awards earned but not yet granted being: (i) \$100,800 unvested 2023 STI RSU Awards, and (ii) \$160,800 unvested 2023 LTI RSU Awards. All such earned but not granted 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 or on such date.
- (4) Mr. Schmitt resigned from the Company as CFO effective as of July 26, 2023, therefore none of Mr. Schmitt's Option-Based Awards or Restricted Share Unit-Based Awards were outstanding as of December 31, 2023.
- (5) Includes the values of: (a) 25,901,082 unvested RSU Awards based on the closing price of the Company's Common Shares on the TSX of \$0.01 on December 29, 2023; and (b) share-based awards earned but not yet granted being: (i) \$126,000 unvested 2023 STI RSU Awards, and (ii) \$402,000 unvested 2023 LTI RSU Awards. All such earned but not granted 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 or on such date.
- (6) Includes the values of: (a) 12,999,599 unvested RSU Awards based on the closing price of the Company's Common Shares on the TSX of \$0.01 on December 29, 2023; and (b) share-based awards earned but not yet granted being: (i) \$100,800 unvested 2023 STI RSU Awards, and (ii) \$160,800 unvested 2023 LTI RSU Awards. All such earned but not granted 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 or on such date.
- (7) Includes the values of: (a) 12,743,917 unvested RSU Awards based on the closing price of the Company's Common Shares on the TSX of \$0.01 on December 29, 2023; and (b) share-based awards earned but not yet granted being: (i) \$100,800 unvested 2023 STI RSU Awards, and (ii) \$160,800 unvested 2023 LTI RSU Awards. All such earned but not granted 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 or on 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, 2023.

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	-	51,395	100,000
Travis Wong Chief Financial Officer	-	1,909	60,000
Brian Schmitt⁽³⁾ Former Chief Financial Officer	-	Nil.	Nil.
Michael Lickver President	-	20,374	75,000
Andrew MacMillan Senior Vice President, Commercial	-	7,269	60,000
Ron Fichter General Counsel & Corporate Secretary	-	7,269	60,000

Notes:

- (1) Based on the closing of the Company's Common Shares on the TSX of \$0.01 on December 29, 2023.
- (2) Represents annual cash bonus earned in respect of 2023 and to be paid at the end of May 2024.
- (3) Mr. Schmitt resigned from the Company as CFO effective as of July 26, 2023, therefore none of Mr. Schmitt's RSU Awards vested during the year and Mr. Schmitt was not eligible for an annual cash bonus for 2023.

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 this Circular. 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 125,294,571 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 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>	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.
<i>Maximum issuable to one person</i>	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,

	<p>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 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.</p> <p><u>Restricted Stock</u></p> <p>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.</p>

	<p>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.</p> <p><u>Restricted Stock Units</u></p> <p>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.</p> <p>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 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>
<p><i>Vesting</i></p>	<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>

<p><i>Cessation</i></p>	<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>
<p><i>Assignability</i></p>	<p>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.</p>
<p><i>Amendment</i></p>	<p>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.</p>

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.

Travis Wong, CFO

Pursuant to an employment agreement dated January 23, 2024 (the “**Wong Agreement**”), Mr. Wong was retained as the Company's Chief Financial Officer.

Mr. Wong is entitled to an annual base salary of \$275,000. Further, Mr. Wong is entitled to short-term incentive compensation with a target compensation range of 50% to 100% of Mr. Wong's annual base salary at the discretion of, or upon satisfaction of certain targets set by, the Compensation Committee. Mr. Wong is also entitled to receive long-term incentive compensation with a target compensation range of 100% to 150% of Mr. Wong'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. Wong is terminated by the Company without cause, then Mr. Wong will be entitled to:

- (i) a payment equal to the 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 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; and
- (iii) have all: (A) Options granted to Mr. Wong 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. Wong 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. Wong 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. Wong 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 notice 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.

Brian Schmitt, Former 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 resigned from the Company as CFO effective as of July 26, 2023, and was replaced by Mr. Wong.

Mr. Schmitt was entitled to an annual base salary of \$300,000. Further, Mr. Schmitt was 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 was 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.) was at the discretion of the Compensation Committee. If Mr. Schmitt was terminated by the Company without cause, then Mr. Schmitt would have been entitled to:

- (iv) 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;
- (v) 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;
- (vi) 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
- (vii) 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 was terminated or resigned 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 would have been 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 would have immediately vested and been 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 would have also provided 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.

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 \$240,000. 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:

- (v) 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;
- (vi) 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;

- (vii) 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
- (viii) 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 notice 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.

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 \$235,000. 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 notice 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.

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 2023 Director Compensation

For the fiscal year ended December 31, 2023, the Company’s directors were entitled to 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 2023 LTI RSU Awards
Board Member	\$50,000 cash and \$85,000 in the form of 2023 LTI RSU Awards
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. The Company’s directors voluntarily waived the payment of their cash compensation for the year ended December 31, 2023.

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, 2023 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, 2023 is described above in “*Summary Compensation Table*”.

Name	Fees earned (\$) ⁽¹⁾	Share-based awards (\$) ⁽²⁾	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Genevieve Young	-	100,000	-	-	-	-	100,000
Troy Grant	-	85,000	-	-	-	-	85,000
Conrad Tate	-	85,000	-	-	-	-	85,000
Vikram Bawa	-	85,000	-	-	-	-	85,000
Murray McGowan ⁽³⁾	-	-	-	-	-	-	-

Notes:

- (1) The Company’s directors voluntarily waived the payment of their cash compensation beginning December 1, 2022 until the end of 2023.
- (2) Represents the value of share-based awards earned for the year which will be granted as unvested 2023 LTI 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 or on such date.
- (3) Mr. McGowan was appointed as a director on November 1, 2021 and resigned as a director effective July 26, 2023. As the Imperial Nominee, he was 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, 2023.

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, 2023 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	344,828 ⁽¹⁾ 263,000 75,000	\$0.0908 \$0.27 \$0.84	August 11, 2028 June 30, 2026 February 12, 2024	nil nil nil	5,681,818	156,818 ⁽²⁾	nil
Troy Grant	293,103 ⁽¹⁾ 207,000 90,000 200,000	\$0.0908 \$0.27 \$1.80 \$1.00	August 11, 2028 June 30, 2026 March 27, 2028 December 1, 2027	nil nil nil	4,829,545	133,295 ⁽³⁾	nil
Conrad Tate	86,782 ⁽¹⁾	\$0.0908	August 11, 2028	nil	4,829,545	133,295 ⁽³⁾	nil
Vikram Bawa	293,103 ⁽¹⁾ 50,000	\$0.0908 \$0.27	August 11, 2028 June 30, 2026	nil	4,829,545	133,295 ⁽³⁾	nil
Murray McGowan ⁽⁴⁾	nil	-	-	nil	nil	nil	nil

Notes:

- (1) Represents Options earned in respect of services for 2021 and issued in August 2023.
- (2) Includes the values of: (a) 5,681,818 unvested RSU Awards based on the closing price of the Company's Common Shares on the TSX of \$0.01 on December 29, 2023; and (b) share-based awards earned for the year but not yet granted being \$100,000 2023 LTI RSU Awards, 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 or on such date.
- (3) Includes the values of (a) 4,829,545 unvested RSU Awards based on the closing price of the Company's Common Shares on the TSX of \$0.01 on December 29, 2023; and (b) share-based awards earned for the year but not yet granted being \$85,000 2023 LTI RSU Awards, 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 or on such date.
- (4) Mr. Murray McGowan was appointed as a director on November 1, 2021 and resigned as a director effective July 26, 2023. As the Imperial Nominee, he was 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 securities or rights under equity compensation plans of the Company, the weighted-average exercise price of such outstanding securities or rights and the number of Common Shares remaining available for future issuance under such equity compensation plans as at December 31, 2023.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights ⁽¹⁾	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by Shareholders	71,008,524 ⁽²⁾	\$0.713	30,305,321
Equity compensation plans not approved by Shareholders	Nil.	N/A	Nil.
Total	71,008,524	\$0.713	30,305,321⁽²⁾

Note:

- (1) Excludes RSU Awards because they have no exercise price.
- (2) Consists of 19,721,837 Options and 51,286,687 RSU Awards outstanding as at December 31, 2023.
- (3) Securities remaining for issuance as at December 31, 2023, based on 1,013,138,454 Common Shares issued.

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 2023	Fiscal 2022	Fiscal 2021
Annual Burn Rate⁽¹⁾	0.14%	7.07%	1.38%

Notes:

- (1) The burn rate for the year is calculated as the number of Options and RSU Awards 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 five directors of whom four are independent within the meaning of National Instrument 52-110 – *Audit Committees*. The Board members are Genevieve Young, Hugo Alves, Troy Grant, Vikram Bawa and Conrad Tate.

Genevieve Young, Troy Grant, Vikram Bawa and Conrad Tate 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
	Midwest Energy Emissions Corp.	TSXV

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, 2023.

<u>Name of Director</u>	<u>Board Meetings</u>	<u>Audit Committee Meetings</u>	<u>Compensation Committee Meetings</u>
Genevieve Young	6 of 6	4 of 4	4 of 4
Hugo Alves	6 of 6	n/a	n/a
Troy Grant	6 of 6	4 of 4	4 of 4

Conrad Tate	6 of 6	4 of 4	4 of 4
Vikram Bawa	6 of 6	n/a	4 of 4
Murray McGowan ⁽¹⁾	4 of 4	2 of 2	n/a

Note:

- (1) Mr. McGowan resigned from the Board effective July 26, 2023, attendance includes only the meetings which occurred up until the date of his resignation.

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 “B”.

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 Company 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 and Conrad Tate 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, 2023 dated March 24, 2024 (the “**AIF**”). The AIF is available on the Company’s profile on SEDAR+ profile at <https://www.sedarplus.ca/>.

Assessments

To date, no formal evaluation process has been put in place to evaluate the effectiveness an 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 Company 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 (20% of the Board), and none 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, 2023, 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+ profile at <https://www.sedarplus.ca/>. Financial information is contained in the Company's consolidated financial statements and management's discussion and analysis for the year ended December 31, 2023 and the Company's annual information form for the year ended December 31, 2023 dated March 24, 2024. 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 23rd day of May, 2024.

By Order of the Board of Directors

"Genevieve Young"
Chair of the Board

SCHEDULE "A"

AUXLY CANNABIS GROUP INC.

AMENDED AND RESTATED 2021 OMNIBUS INCENTIVE PLAN

1. GENERAL.

- (a) **Eligibility.** Participants are eligible to receive Stock Awards.
- (b) **Available Stock Awards.** The Plan provides for the grant of the following types of Stock Awards: (i) Stock Options, (ii) Restricted Stock Awards and (iii) RSU Awards.
- (c) **Purpose.** The purpose of the Plan is to attract, secure, retain and reward the services of Participants who are expected to contribute significantly to the success of the Company; incentivize Participants to exert maximum efforts for the success of the Company; strengthen the mutuality of interests between such Participants and the Company and shareholders; and, in general, to further the best interests of the Company and its shareholders.
- (d) **Definitions.** All capitalized terms used and not otherwise defined herein shall have the meanings ascribed thereto in Section 14 of this Plan.
- (e) **Amended Plan.** This Plan shall amend and restate the Company's previous Equity Incentive Plan which was adopted by the Board on June 1, 2018 (the "**Predecessor Plan**"), and no further awards shall be made under the Predecessor Plan from and after the Effective Date of this Plan. Each Stock Award granted under the Predecessor Plan shall continue to be governed by the terms and conditions of such Predecessor Plan or the applicable Stock Award Agreement.
- (f) **Effective Date.** This Plan will become effective on the Effective Date.

2. ADMINISTRATION.

- (a) **Administration by the Board.** The Board will interpret and administer the Plan in accordance with the provisions herein and may delegate administration of the Plan in the following manner:
 - (i) **Delegation to Committee.** The Board may delegate some or all of the administration of the Plan to a Committee. If delegated to a Committee, such Committee will have the administration powers set by the Board. A Committee is permitted to delegate its administration powers to a subcommittee of the Committee (and references in this Plan to the Board will thereafter also be to the Committee or subcommittee, as applicable). Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board or Committee (as applicable). The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, revert in the Board some or all of the powers previously delegated.
 - (ii) **Delegation to an Officer.** The Board may delegate to one or more Officers the authority to: (A) grant Employees (who are not Officers) Stock Awards; (B) set the terms of such Stock Awards granted to such Employees; and/or (C) determine the number of Common

Shares to be subject to such Stock Awards granted to such Employees; provided that the Board resolution(s) regarding such delegation will specify the total number of Common Shares that may be subject to the Stock Awards granted by such Officer and that such Officer may not grant a Stock Award to himself or herself. Any delegation of administrative powers will be reflected in resolutions, not inconsistent with the provisions of the Plan, adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Officer and may, at any time, revert in the Board some or all of the powers previously delegated.

- (b) **Powers of the Board.** The Board shall have full and exclusive discretionary power to interpret the terms and the intent of the Plan and any Stock Award Agreement or other agreement ancillary to or in connection with the Plan, to determine eligibility for Stock Awards, and to adopt such rules, regulations and guidelines for administering the Plan as the Board may deem necessary or proper. Such authority shall include, but not be limited to, selecting Stock Award recipients, establishing all Stock Award terms and conditions, including grant, exercise price, issue price and vesting terms, determining Performance Criteria applicable to Stock Awards and whether such Performance Criteria have been achieved, making amendments or adjustments under Section 9, adopting modifications and amendments to any Stock Award and any Stock Award Agreement, including, without limitation, any that are necessary or appropriate to comply with the laws or compensation practices of the jurisdictions in which the Company and its Affiliates operate.
- (c) **Effect of Board's Decision.** All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES SUBJECT TO THE PLAN.

- (a) **Share Reserve.**
 - (i) Subject to adjustment as provided in Section 9(b), the total number of Common Shares hereby reserved for issuance to Participants under the Plan or under any other security-based compensation arrangements of the Company (including for greater certainty the Predecessor Plan) shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time (calculated on a non-diluted basis) (the “**Share Reserve**”), or such other number as may be approved by the Exchange and the shareholders of the Company from time to time.
 - (ii) The Company will at all times during the term of this Plan ensure that it is authorized to issue such number of Common Shares as are sufficient to satisfy the requirements of this Plan. For the purposes of this Section, in the event that the Company cancels or purchases to cancel any of its issued and outstanding Common Shares (“**Cancellation**”) and as a result of such Cancellation, the Company exceeds the limit set out in this Section, no approval of the Company’s shareholders will be required for the issuance of Common Shares on the exercise of any Stock Awards which were granted prior to such Cancellation.
 - (iii) This Plan is considered an “evergreen” plan, as the Common Shares covered by Stock Awards which have been exercised shall be available for subsequent grants under the 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. For certainty, if any Stock Award is terminated, cancelled, forfeited or has expired without being fully exercised, any unissued Common Shares which have been reserved to be issued upon the exercise of the

Stock Award will be returned to the Share Reserve and become available to be issued under Stock Awards subsequently granted under the Plan. For greater certainty, any issuance from treasury by the Company that is or was issued in reliance upon an exemption under applicable stock exchange rules applicable to security-based compensation arrangements used as an inducement to Persons not previously employed by and not previously an Insider of the Company shall not be included in determining the Share Reserve for grant and issuance under this Section.

- (b) **Stock Award Limits.** Subject to any amendments or adjustments in Section 9:
- (i) 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;
 - (ii) within any one-year period, the number of Common Shares and Stock Awards issued to Insiders pursuant to this 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
 - (iii) within any one-year period, the number Common Shares and Stock Awards that may be issued to any one Insider (and such Insider's associates and Affiliates) under this Plan and any other share-based compensation arrangement adopted by the Company shall not exceed 5% of the number of Common Shares outstanding.
- (c) **Source of Shares.** The Common Shares issuable under the Plan will be authorized but unissued or reacquired Common Shares, including shares repurchased by the Company on the open market or otherwise. All Common Shares issued from treasury pursuant to the exercise or the vesting of Stock Awards granted under this Plan shall, when the applicable exercise price, if any, is received by the Company in connection therewith, be so issued as fully paid and non-assessable Common Shares.

4. PROVISIONS RELATING TO OPTIONS.

Each Option will be in such form and will contain such terms and conditions as the Board deems appropriate. The provisions of separate Options need not be identical; provided, that each Stock Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Stock Award Agreement or otherwise) the substance of each of the following provisions:

- (a) **Term.** The Option Period for each Option shall be such period of time as determined by the Board (subject to any limited extension as set out in Section 12 provided that in no event shall an Option Period exceed ten years.
- (b) **Exercise Price.** The price at which any Common Share which is the subject of an Option may be purchased (the "**Exercise Price**") shall be determined by the Board at the time the Option is granted, provided that the Exercise Price shall not be less than the Market Price at the time of grant.
- (c) **Payment of Exercise Price.**
 - (i) The Exercise Price and all applicable required withholding obligations shall be payable by the Participant to the Company by cash, cheque, bank draft or money order payable to the Company or in any other form of legal consideration that may be acceptable to the Board

(and permissible under applicable laws and listing requirements). Following the receipt of settlement of any Options, the Options so settled shall be of no value whatsoever.

- (ii) A Participant may elect, in its sole discretion, to undertake: (i) a broker assisted "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) a "net exercise" procedure 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 all events of cashless or net exercise pursuant to this Section, the Participant shall comply (i) with all provisions of this Plan with regards to any applicable required withholding obligations; and (ii) with all such other procedures and policies as the Board may prescribe or determine to be necessary or advisable from time to time including prior written consent of the Board, in connection with such exercise.
- (d) **Transferability.** An Option will not be assignable or transferable except by will or by the laws of descent and distribution and in all cases the Options awarded under the Stock Award Agreement must remain subject to the terms of the Stock Award Agreement.
- (e) **Vesting.** Except as otherwise specifically provided herein 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 Option Period only in accordance with the vesting schedule, if any, determined by the Board, in its sole and absolute discretion, subject to the applicable requirements of the Stock Exchange, at the time of the grant of the Option, which vesting schedule may include Performance Criteria or acceleration of vesting in certain circumstances and which may be amended or changed by the Board from time to time with respect to a particular Option. Options may be subject to additional vesting conditions as may be determined by the Board at the time of grant, including any Performance Criteria. Options may not be exercised until they have vested.

5. PROVISIONS RELATING TO RESTRICTED STOCK AWARDS.

Each Restricted Stock Award will be in such form and will contain such terms and conditions as the Board deems appropriate. The provisions of separate Restricted Stock Award need not be identical; provided, that each Stock Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Stock Award Agreement or otherwise) the substance of each of the following provisions:

- (a) **Nature of Restricted Stock Awards.** A Restricted Stock Award is a Stock Award that, 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. Vesting conditions may be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria or other pre-established vesting conditions and objectives (including the passage of time and providing future or past services).
- (b) **Vesting.** Subject to the terms of this Plan and the applicable 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. Notwithstanding any provision to the contrary in this Plan or the applicable Stock Award

Agreement, the Board may, in its sole discretion, make adjustments to the calculation of any Restricted Stock Awards granted to Participants based on its assessment of the risk level, events that may impact the value of the Restricted Stock Awards or when calculations do not properly reflect all of the relevant considerations. 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.

- (c) **Form of Underlying Common Shares.** At the Board's election, Common Shares underlying a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until any restrictions relating to the Restricted Stock Award lapse; or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board.
- (d) **Transferability.** Rights to acquire the Restricted Stock Award or any Common Shares underlying the Restricted Stock Award will not be assignable or transferable except by will or by the laws of descent and distribution, and in all cases the Restricted Stock Awards awarded under the Stock Award Agreement must remain subject to the terms of the Stock Award Agreement.
- (e) **Dividends.** A Restricted Stock Award Agreement 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.

6. PROVISIONS RELATING TO RSU AWARDS.

Each RSU Award will be in such form and will contain such terms and conditions as the Board deems appropriate. The provisions of separate RSU Awards need not be identical; provided, that each Stock Award Agreement will conform to (through incorporation of provisions hereof by reference in the applicable Stock Award Agreement or otherwise) the substance of each of the following provisions:

- (a) **Nature of RSU Awards.** A RSU Award is a Stock Award that, upon vesting, entitles 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. Conditions may be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria or other pre-established vesting conditions and objectives (including the passage of time and providing future or past services).
- (b) **Granting RSU Awards.**
 - (i) Subject to the provisions herein set forth and any shareholder or regulatory approval which may be required, the Board shall, from time to time, in its sole discretion, (i) designate the Participants who may receive RSU Awards under the 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 shall be granted, and (iii) determine the relevant terms, conditions and vesting provisions (including the applicable Performance Criteria, if any), the whole subject to the terms and conditions prescribed in this Plan and in the applicable Stock Award Agreement.
 - (ii) RSU Awards shall be evidenced by a Stock Award Agreement, in such form not inconsistent with the Plan as the Board may from time to time determine. The Stock Award

Agreement shall contain such terms that may be considered necessary in order that the RSU Award will comply with any provisions respecting restricted share units in the Income Tax Act or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Company.

- (iii) At the time of the grant of a RSU Award, the Board, as it deems appropriate, may impose such restrictions or conditions that delay the delivery of the Common Shares (or their Cash Equivalent) subject to a RSU Award to a time after the vesting of such RSU Award.
- (c) **Vesting of Restricted Share Units.** Subject to the terms of this Plan and the applicable Stock Award Agreement, the holder of an 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. Notwithstanding any provision to the contrary in this Plan or the applicable Stock Award Agreement, the Board may, in its sole discretion, make adjustments to the calculation of any RSU Awards granted to Participants based on its assessment of the risk level, events that may impact the value of the RSU Awards or when calculations do not properly reflect all of the relevant considerations. 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 and, in any event, any RSU Award that has not vested, been settled or been forfeited on the applicable determination dates as set forth in the applicable Stock Award Agreement shall be forfeited without further consideration.
- (d) **Settlement of RSU Awards.** The Board, in its sole discretion, may settle vested RSU Awards by providing a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the 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 and all applicable required withholding obligations;
 - (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 net of all applicable required withholding obligations; and
 - (iii) 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) above, each equivalent in value to the vested RSU Awards less all applicable required withholding obligations.

Following the receipt of settlement of any RSU Awards, the RSU Awards so settled shall be of no value whatsoever.

- (e) **Dividend Equivalents.** 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.

- (f) **Transferability.** Rights to acquire the RSU Award or any rights thereunder will not be assignable or transferable except by will or by the laws of descent and distribution, and in all cases the Common Shares awarded under the Stock Award Agreement must remain subject to the terms of the Stock Award Agreement.

7. GENERAL CONDITIONS FOR STOCK AWARDS ON TERMINATION, RESIGNATION, DEATH, DISABILITY, AND RETIREMENT OF A PARTICIPANT.

- (a) **Termination with Notice or Resignation.** 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 as a result of the Company or an Affiliate terminating the Participant for any reason other than for Death, Disability or Cause (as further described below) 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 their vested Options within the applicable time frame, any vested Options will expire and the Participant shall have no further entitlement to such Options.

For purposes of this Section, any continuing compensation, severance, salary in lieu of notice, reasonable notice period or further compensatory payments otherwise owing, negotiated or legally mandated from the Company to the Participant shall be irrelevant and have no bearing on the dates and periods of exercise referenced for a Participant's Stock Awards in this Section.

- (b) **Termination for Cause.** Except as explicitly 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.
- (c) **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.

- (d) **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.
- (e) **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 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.

8. COVENANTS OF THE COMPANY.

- (a) **Availability of Shares.** The Company will keep available at all times the number of Common Shares reasonably required to satisfy then-outstanding Stock Awards.
- (b) **Securities Law Compliance.** The Company will seek to obtain from each regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Stock Awards and to issue and sell Common Shares upon exercise or settlement of the Stock Awards; provided that this undertaking will not require the Company to register under any applicable laws the Plan, any Stock Award or any Common Shares issued or issuable pursuant to any such Stock Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary for the lawful issuance and sale of Common Shares under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Shares upon exercise or settlement of such Stock

Awards unless and until such authority is obtained. A Participant will not be eligible for the grant of a Stock Award or the subsequent issuance of cash or Common Shares pursuant to the Stock Award if such grant or issuance would be in violation of any applicable laws.

- (c) **No Obligation to Notify or Minimize Taxes.** The Company will have no duty or obligation to any Participant to advise such holder as to the time or manner of exercising a Stock Award. Furthermore, the Company will have no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of a Stock Award or a possible period in which the Stock Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of a Stock Award to the holder of such Stock Award.
- (d) **Future Market Value of the Shares.** The Company makes no representation or warranty as to the future market value of the Common Shares or with respect to any income tax matters affecting any Participant resulting from the grant, vesting or settlement of a Stock Award, the exercise of an Option or resulting from any transactions in the Common Shares or any other event affecting the Stock Awards. With respect to any fluctuations in the market price of the Common Shares, neither the Company, nor any of its Directors, Officers, Employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Common Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Stock Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Common Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Company and its Affiliates do not assume responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (e) **No Right in the Company's Assets.** Participants (and their legal representatives and the liquidator, executor or administrator, as the case may be, of their respective estate) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Company or any of its Affiliates. No asset of the Company or any of its Affiliates shall be held in any way as collateral security for the fulfillment of the obligations of the Company or any of its Affiliates under this Plan. Unless otherwise determined by the Board, this Plan shall be an unfunded obligation of the Company and its Affiliates (as applicable). To the extent any Participant or his or her estate holds any rights by virtue of a grant of Stock Awards under this Plan, such rights (unless otherwise determined by the Board) shall be general unsecured obligations and shall not be greater than the rights of an unsecured creditor of the Company.
- (f) **No Financial Assistance.** Unless otherwise determined by the Board, the Company shall not offer financial assistance to any Participant in regards to the exercise of any Stock Award granted under this Plan.

9. AMENDMENTS, ADJUSTMENTS, TERMINATION AND SUSPENSION

- (a) **Amendments.**
 - (i) Subject to any applicable rules of the Exchange, the Board may from time to time, in its absolute discretion and without the approval of shareholders, make the following amendments to the Plan or any Stock Award:

- (1) any amendment regarding the vesting provisions, if applicable, or assignability provisions of any Stock Award;
 - (2) 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;
 - (3) any amendment regarding the effect of termination of a Participant's Continuous Service, employment or engagement;
 - (4) any amendment which accelerates the date on which any Option may be exercised under the Plan;
 - (5) any amendment regarding the Plan or any Stock Award as necessary to comply with applicable laws or the requirements of the Exchange or any other regulatory body having authority over the Company, the Plan or the shareholders;
 - (6) any amendment of a "housekeeping" nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding administration of the Plan;
 - (7) any amendment respecting the administration of the Plan; and
 - (8) any other amendment that does not require the approval of shareholders under the TSX Company Manual or applicable laws.
- (ii) Subject to the level of vote required under the TSX Company Manual or any other applicable requirements of the Exchange, shareholder approval is required for the following amendments to the Plan:
- (1) except in the case of an adjustment pursuant to Section 9(b), 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;
 - (2) any amendment which extends the maximum term or expiry date of any Stock Award to the extent such amendment benefits an Insider, except in the case of an extension due to a Blackout Period;
 - (3) any amendment which increases or removes the limitations set forth in Section 3(b) herein;
 - (4) any increase to the maximum number of Shares issuable under the Plan, except in the event of an adjustment pursuant to Section 9(b); and
 - (5) any amendment to the amendment provisions of the Plan.
- (iii) Other than as expressly provided in a Stock Award Agreement or as set out in Section 9(b) hereof or with respect to a Change of Control, the Board shall not alter or impair any rights

or increase any obligations with respect to an Stock Award previously granted under the Plan without the consent of the Participant.

- (b) **Adjustments.** At any time after the grant of an Stock Award to a Participant and prior to the expiration of the term of such Stock Award or the forfeiture or cancellation of such Stock Award, in the event of (i) any subdivision of the Common Shares into a greater number of Common Shares, (ii) any consolidation of Common Shares into a lesser number of Common Shares, (iii) any reclassification, reorganization or other change affecting the Common Shares, (iv) any merger, amalgamation or consolidation of the Company with or into another corporation, (v) any distribution to all holders of Common Shares or other securities in the capital of the Company, of cash, evidences of indebtedness or other assets of the Company (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Company or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit) or (vi) any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of the Exchange (if any), determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Stock Award in connection with such occurrence or change, including:
- (1) adjustments to the Exercise Price without any change in the total price applicable to the unexercised portion of any Options granted under the Plan;
 - (2) adjustments to the number of Common Shares to which the Participant is entitled upon exercise or settlement of such Stock Award;
 - (3) adjustments permitting the immediate exercise of any outstanding Stock Awards that are not otherwise exercisable; or
 - (4) adjustments to the number or kind of Common Shares reserved for issuance pursuant to the Plan.
- (c) **Termination and Suspension.** The Board may suspend or terminate the Plan at any time, provided that such suspension or termination shall:
- (i) 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 Plan; and
 - (ii) be in compliance with applicable laws and with the prior approval, if required, of the shareholders of the Company, the Exchange or any other regulatory body having authority over the Company.
- (d) **Awards Previously Granted.** No termination or suspension or modification of the Plan shall adversely affect in any material way any Stock Award previously granted under the Plan, without the written consent of the Participant holding such Stock Award except as permitted by the provisions of the Plan.

10. WITHHOLDING

- (a) **Tax Withholding and Deduction.**

- (i) Notwithstanding any other provision of this Plan, all distributions, delivery of Common Shares or payments (including, for greater certainty, payments of Cash Equivalent) to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of such Participant) under the Plan shall be made net of applicable taxes and social security and other source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Common Shares, then, the withholding obligation may be satisfied by (i) having the Participant elect to have the appropriate number of such Common Shares sold by the Company, the Company's transfer agent and registrar or any trustee appointed by the Company, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Company, which will in turn remit such amounts to the appropriate governmental authorities, or (ii) any other mechanism as may be required or appropriate to conform with local tax and other rules.
 - (ii) Participants will be responsible for (and will indemnify the Company and any Affiliate in respect of) all taxes, social security contributions (including, if the terms of a Stock Award Agreement so provide, and if lawful, employer social security contributions) and other liabilities arising out of or in connection with any Stock Award or the acquisition, holding or disposal of Common Shares. If the Company or any Affiliate or the trustee of any employee benefit trust has any liability to pay or account for any such tax or contribution, it may meet the liability by
 - (1) Selling Common Shares to which the Participant becomes entitled on his behalf and using the proceeds to meet the liability;
 - (2) deducting the amount of the liability from any cash payment due under this Plan;
 - (3) reducing the number of Common Shares to which the Participant would otherwise be entitled; and/or
 - (4) deducting the amount from any payment of salary, bonus or other payment due to the Participant.
 - (iii) A Canadian tax resident Participant shall not settle any tax or social security contributions, or other such liabilities, by the sale of Common Shares, acquired through a prior Stock Award, to the Company.
- (b) **Acknowledgement.** In any Stock Award Agreement, (i) the Participant shall acknowledge and agree that the ultimate liability for all taxes legally payable by Participant is and remains the Participant's responsibility and may exceed the amount actually withheld by the Company; (ii) the Participant shall further acknowledge and agree that it is the responsibility of the Participant to complete and file any tax returns that may be required under applicable laws within the periods specified in those laws as a result of the Participant's participation in the Plan or any Award; the Participant shall further acknowledge that the Company: (A) makes no representations or undertakings regarding the treatment of any taxes in connection with any aspect of this Plan; and (B) does not commit to and is under no obligation to structure the terms of this Plan to reduce or eliminate the Participant's liability for taxes or achieve any particular tax result, and (iii) further, if the Participant has become subject to tax in more than one jurisdiction, the Participant shall acknowledge that the Company may be required to withhold or account for taxes in more than one jurisdiction.

- (c) **Tax Treatment.** It is intended that the Plan and all Stock Awards will not be or become a “salary deferral arrangement” as defined in the Income Tax Act in respect of a Participant that is a Canadian tax resident. The Plan will be construed, administered, and governed in a manner that effects such intent, and the Company and any Affiliate will not take any action that would be inconsistent with such intent. Notwithstanding the generality of the foregoing or any provision to the contrary in the Plan, no amendment to the Plan will cause the Plan or any Stock Awards granted to a Canadian resident hereunder to be made without the consent of such Participant if the result of such amendment would be to cause any Stock Award to be or become a “salary deferral arrangement” under the Income Tax Act.
- (d) **Other Tax Matters.** Each Option granted to a Participant who is a Canadian taxpayer will be construed and administered such that, in the reasonable good-faith determination of the Board, the Participant qualifies for a deduction under paragraph 110(1)(d) of the Income Tax Act. Notwithstanding the foregoing, in no event will the Company, the Board or any Committee have any liability should the Participant not qualify for such a deduction.

11. DISSOLUTION, LIQUIDATION AND CHANGE OF CONTROL.

- (a) **Dissolution or Liquidation.** Except as otherwise provided in the applicable Stock Award Agreement or other written agreement between a Participant and the Company or an Affiliate, in the event of a dissolution or liquidation of the Company, all outstanding Stock Awards (other than Stock Awards consisting of vested and outstanding Common Shares not subject to a forfeiture condition or the Company’s right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the Common Shares subject to the Company’s repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Stock Award is providing Continuous Service; provided that the Board may, in its sole discretion, cause some or all Stock Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Stock Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.
- (b) **Change in Control.** The following provisions will apply to Stock Awards in the event of a Change in Control unless otherwise provided in the instrument evidencing the Stock Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of a Stock Award. In the event of a Change in Control, then, notwithstanding any other provision of the Plan, the Board may take one or more of the following actions with respect to Stock Awards, contingent upon the closing or completion of the Change in Control:
 - (i) arrange for the surviving corporation or acquiring corporation (or the surviving or acquiring corporation’s parent company) to assume or continue the Stock Award or to substitute a similar stock award for the Stock Award (including, but not limited to, an award to acquire the same consideration paid to the shareholders of the Company pursuant to the Change in Control);
 - (ii) arrange for the assignment of any reacquisition or repurchase rights held by the Company in respect of Common Shares issued pursuant to the Stock Award to the surviving corporation or acquiring corporation (or the surviving or acquiring corporation’s parent company);

- (iii) accelerate the vesting, in whole or in part, of the Stock Award (and, if applicable, the time at which the Stock Award may be exercised) to a date prior to the effective time of such Change in Control as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective date of the Change in Control), with such Stock Award terminating if not exercised (if applicable) at or prior to the effective time of the Change in Control; provided that the Board may require Participants to complete and deliver to the Company a notice of exercise before the effective date of a Change in Control, which exercise is contingent upon the effectiveness of such Change in Control;
- (iv) 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;
- (v) 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
- (vi) make a payment, in such form as may be determined by the Board equal to the excess, if any, of (A) 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 (B) any exercise price payable by such Participant in connection with such exercise. For clarity, this payment may be zero (\$0) if the value of the property is equal to or less than the exercise price. Payments under this provision may be delayed to the same extent that payment of consideration to the holders of Common Shares in connection with the Change in Control is delayed as a result of escrows, earn outs, holdbacks or any other contingencies.

The Board need not take the same action or actions with respect to all Stock Awards or portions thereof or with respect to all Participants. The Board may take different actions with respect to the vested and unvested portions of a Stock Award.

12. BLACKOUT PERIODS

- (a) Notwithstanding any other provision of this Plan, if a Blackout Period is in effect: (i) the Company may not grant or settle any 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.
- (b) Where any Stock Awards expire within a Blackout Period, the Board may, in its sole discretion, extend the end of the exercise period of such Stock Award by 10 Business Days following the end of the Blackout Period.

13. MISCELLANEOUS.

- (a) **Use of Proceeds from Sales of Common Shares.** Proceeds from the sale of Common Shares pursuant to Stock Awards will constitute general funds of the Company.
- (b) **Corporate Action Constituting Grant of Stock Awards.** Corporate action constituting a grant by the Company of a Stock Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Stock Award is communicated to, or actually received or

accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action constituting the grant contain terms (e.g., exercise price, vesting schedule or number of Common Shares) that are inconsistent with those in the Stock Award Agreement or related grant documents as a result of a clerical error in the papering of the Stock Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Stock Award Agreement or related grant documents.

- (c) **Shareholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any Common Shares subject to a Stock Award unless and until (i) such Participant has satisfied all requirements for exercise of, or the issuance of Common Shares under, the Stock Award pursuant to its terms, and (ii) the issuance of the Common Shares subject to the Stock Award has been entered into the books and records of the Company.
- (d) **No Employment or Other Service Rights.** Nothing in the Plan, any Stock Award Agreement or any other instrument executed thereunder or in connection with any Stock Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Stock Award was granted or will affect the right of the Company or an Affiliate to terminate (i) the employment of an Employee with or without notice and with or without Cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the jurisdiction in which the Company or the Affiliate is incorporated, as the case may be.
- (e) **Change in Time Commitment.** In the event a Participant's regular level of time commitment in the performance of his or her services for the Company or any Affiliate is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Stock Award to the Participant, the Board has the right in its sole discretion to (x) make a corresponding reduction in the number of shares subject to any portion of such Stock Award that is scheduled to vest or become payable after the date of such change in time commitment, and (y) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Stock Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Stock Award that is so reduced or extended.
- (f) **Investment Assurances.** The Company may require a Participant, as a condition of exercising or acquiring Common Shares under any Stock Award, (i) to give written assurances satisfactory to the Company as to the Participant's knowledge and experience in financial and business matters and/or to employ a purchaser representative reasonably satisfactory to the Company who is knowledgeable and experienced in financial and business matters and that the Participant is capable of evaluating, alone or together with the purchaser representative, the merits and risks of exercising the Stock Award; and (ii) to give written assurances satisfactory to the Company stating that the Participant is acquiring Common Shares subject to the Stock Award for the Participant's own account and not with any present intention of selling or otherwise distributing the Common Shares. The foregoing requirements, and any assurances given pursuant to such requirements, will be inoperative if (A) the issuance of the shares upon the exercise or acquisition of Common Shares under the Stock Award has been registered under a then currently effective registration statement under the Securities Act or any other applicable laws, or (B) as to any particular requirement, a determination is made by counsel for the Company that such requirement need not be met in the circumstances under the then applicable securities laws. The Company may, upon advice of counsel to the Company, place

legends on stock certificates issued under the Plan as such counsel deems necessary or appropriate in order to comply with applicable securities laws, including, but not limited to, legends restricting the transfer of the Common Shares.

- (g) **Electronic Delivery.** Any reference herein to a “written” agreement or document will include any agreement or document delivered electronically or posted on the Company’s intranet (or other shared electronic medium controlled by the Company to which the Participant has access).
- (h) **Deferrals.** To the extent permitted by applicable laws, the Board, in its sole discretion, may determine that the delivery of Common Shares or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Stock Award may be deferred and may establish programs and procedures for deferral elections to be made by Participants. The Board is authorized to make deferrals of Stock Awards and determine when, and in what annual percentages, Participants may receive payments, including lump sum payments, following the Participant’s termination of Continuous Service, and implement such other terms and conditions consistent with the provisions of the Plan and in accordance with applicable laws.
- (i) **Clawback/Recovery.** All Stock Awards will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any securities exchange or association on which the Company’s securities are listed or as is otherwise required by applicable laws. In addition, the Board may impose such other clawback, recovery or recoupment provisions in a Stock Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired Common Shares or other cash or property upon the occurrence of an event constituting Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for “good reason” or “constructive termination” (or similar term) under any agreement with the Company.
- (j) **Beneficiary.** In the event of a Participant’s death or Disability, all amounts due under the Plan shall be paid only to, and all rights of a Participant shall be exercised only by, the administrator, liquidator, executor of the Participant’s estate or, any person who legally acquired the right to exercise the Stock Award by bequest or inheritance.
- (k) **Legend.** The certificates for Common Shares may include any legend that the Board deems appropriate to reflect any restrictions on transfer of such Common Shares.
- (l) **No Fractional Shares.** No fractional Common Shares shall be issued or delivered pursuant to the Plan or any Stock Award Agreement. In such an instance, unless otherwise provided in the applicable Stock Award Agreement, fractional Common Shares shall be rounded down to the nearest whole number.
- (m) **No Trust or Fund Created.** Neither the Plan nor any Stock Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company or any Affiliate and a Participant or any other person. To the extent that any Person acquires a right to receive payments from the Company or any Affiliate pursuant to a Stock Award, such right shall be no greater than the right of any unsecured general creditor of the Company or any Affiliate.
- (n) **Termination of Continuous Service.** Notwithstanding any provision in this Plan to the contrary, for purposes of the Plan, a Participant’s Continuous Service shall not be extended by and shall not include any period during which the Participant is in receipt of, or is eligible to receive, any statutory, contractual or common law notice or compensation in lieu thereof or severance payments

following the date the Participant is provided notice of such termination by the Company or on the date the Participant provides notice to the Company of their resignation. The Board, in its sole discretion, shall determine the effect of all matters and questions relating to any Continuous Service. For purposes of the Plan, a Participant's employee-employer relationship or consultancy relationship shall be deemed to be terminated in the event that the Affiliate employing or contracting with such Participant ceases to remain an Affiliate following any merger, sale of shares or other corporate transaction or event (including, without limitation, a spin-off).

- (o) **Governing Law.** The laws of the Province of Ontario will govern all questions concerning the construction, validity and interpretation of this Plan, without regard to that province's conflict of laws rules.
- (p) **Severability.** In the event any provision of this Plan shall be held illegal or invalid for any reason, the illegality or invalidity shall not affect the remaining parts of the Plan, and the Plan shall be construed and enforced as if the illegal or invalid provision had not been included.
- (q) **Board Discretion or Authority.** Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion of the Board.
- (r) **Headings.** Headings are given to the sections and subsections of the Plan solely as a convenience to facilitate reference. Those headings will not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision of the Plan.
- (s) **Gender and Number.** Except where otherwise indicated by the context, any masculine term used herein also shall include the feminine, the plural shall include the singular, and the singular shall include the plural.
- (t) **Statutory References.** A reference to a statute includes all rules and regulations made pursuant to such statute and, unless expressly provided otherwise, the provisions of any statute, rule or regulation which amends, supplements or supersedes any such statute, rule or regulation.

14. DEFINITIONS. As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

- (a) "**Affiliate**" means any entity that is an "affiliate" for the purposes of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time.
- (b) "**Board**" means the Board of Directors of the Company.
- (c) "**Blackout Period**" means a period of time during which:
 - (i) the trading guidelines of the Company, as amended or replaced from time to time, restrict one or more Participants from trading in securities of the Company; or
 - (ii) the Company has determined that one or more Participants may not trade any securities of the Company.
- (d) "**Business Day**" means a day on which the Exchange is open for trading.

- (e) **“Cash Equivalent”** the amount of money equal to the Market Price per Share multiplied by the number of vested RSU Awards, as applicable, held by a Participant, net of any applicable taxes in accordance with the provisions of the Plan on the applicable settlement date.
- (f) **“Cause”** means:
- (i) if a Participant is guilty of wilful misconduct, disobedience or wilful neglect of duty that is not trivial and has not been condoned by the Company as per the relevant employment laws; or
 - (ii) if a Participant is terminated for any reason that constitutes just cause at common law but does not constitute cause under paragraph 14(f)(i) above
- (g) **“Change in Control”** means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events:
- (i) any individual, entity or group of individuals or entities acting jointly or in concert (other than the Company, its Affiliates or an employee benefit plan or trust maintained by the Company or its Affiliates, or any company owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of Shares of the Company) acquiring beneficial ownership, directly or indirectly, of more than 50% of the combined voting power of the Company's then outstanding securities (excluding any “person” who becomes such a beneficial owner in connection with a transaction described in clause (A) of paragraph (ii) below;
 - (ii) (an amalgamation, arrangement, consolidation, share exchange, take-over bid or other form of business combination of the Company with another person that results in the holders of voting securities of that other person holding, in the aggregate, more than 50% of all outstanding voting securities of the person resulting from the business combination;;
 - (iii) a sale, lease, exchange or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its Subsidiaries, other than (A) in the ordinary course of business of the Company or of an Affiliate of the Company or (B) to the Company or any one or more of its Affiliates;
 - (iv) a resolution is adopted to wind-up, dissolve or liquidate the Company;
 - (v) as a result of, or in connection, with: (A) a contested election of directors of the Company, or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisitions involving the Corporation or any of its Affiliates and another person, the nominees named in the most recent management proxy circular of the Company for election to the Board will not constitute a majority of the Board; or
 - (vi) any other transaction that is deemed to be a “Change in Control” for the purposes of this Plan by the Board in its sole and absolute discretion

Notwithstanding the foregoing definition or any other provision of this Plan, (A) the term Change in Control will not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant will supersede the foregoing definition with respect to Stock Awards subject to such

agreement; provided that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition will apply.

- (h) “**Committee**” means a committee of one or more Directors to whom authority has been delegated by the Board in accordance with this Plan.
- (i) “**Common Share**” means a common share of the Company.
- (j) “**Company**” means Auxly Cannabis Group Inc., a corporation formed under the laws of the Province of Ontario and any successor corporation.
- (k) “**Consultant**” means a Person (including an individual whose services are contracted for through another Person) with whom the Company or a Subsidiary has a written contract for services for an initial, renewable or extended period of twelve months or more.
- (l) “**Continuous Service**” means that the Participant’s service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant’s service with the Company or an Affiliate, will not terminate a Participant’s Continuous Service; provided that if the entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board in its sole discretion, such Participant’s Continuous Service will be considered to have terminated on the date such entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by applicable laws, the Board or the chief executive officer of the Company, in that party’s sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in a Stock Award only to such extent as may be provided in the Company’s leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by applicable laws.
- (m) “**Director**” means an Employee director or Non-Employee Director of the Company.
- (n) “**Disability**” means, with respect to a Participant, the inability of such Participant to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of not less than 12 months, which will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.
- (o) “**Effective Date**” means the date the Plan has been approved by (i) the Exchange and (ii) the shareholders of the Company.
- (p) “**Employee**” means:
 - (i) an individual who is considered an employee of the Company or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);

- (ii) an individual who works full-time for the Company or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source.
- (q) “**Exchange**” means Toronto Stock Exchange or, if the Common Shares are not then listed on the Toronto Stock Exchange, such other principal market on which the Common Shares are then traded as designated by the Board from time to time.
- (r) “**Income Tax Act**” means the *Income Tax Act* (Canada).
- (s) “**Insider**” means a “reporting insider” of the Company as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* and the TSX Company Manual in respect of the rules governing security-based compensation arrangements, each as amended from time to time.
- (t) “**Market Price**” means, at any date when the market value of Common Shares of the Company is to be determined, being either: (i) the closing price of the Common Shares on the trading day prior to such date on the Exchange; 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.
- (u) “**Non-Employee Director**” means a member of the Board who is not a current Employee or Officer of the Company or an Affiliate.
- (v) “**Officer**” means any person designated by the Company as an officer.
- (w) “**Option**” means a stock option to purchase Common Shares granted pursuant to the Plan.
- (x) “**Option Period**” means the period of time during which the particular Option may be exercised.
- (y) “**Participant**” means any Employee, Officer, Director, Consultant or a person to whom a Stock Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Stock Award.
- (z) “**Performance Criteria**” means specified criteria established by the Board and set forth in the applicable Stock Award Agreement, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of a Stock Award. Any criterion and/or any targets with respect thereto need not be based upon an increase, a positive or improved result or avoidance of loss.
- (aa) “**Person**” means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning.

- (bb) “**Plan**” means this Auxly Cannabis Group Inc. Amended and Restated 2021 Omnibus Incentive Plan.
- (cc) “**Restricted Stock Award**” means an award of Common Shares issued from treasury or purchased on the open market which is granted pursuant to the Plan.
- (dd) “**RSU Award**” means a restricted share unit that is granted by the Company from time to time to a Participant which upon vesting shall entitle the holder thereof to receive a payment in the form of Common Shares, the Cash Equivalent or a combination thereof, subject to the terms and conditions of this Plan.
- (ee) “**security-based compensation arrangement**” means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to Employees, Directors, Officers, Insiders, Consultants of the Company or an Affiliate.
- (ff) “**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to the Company.
- (gg) “**Stock Award**” means any right to receive Common Shares granted under the Plan, including an Option, a Restricted Stock Award or a RSU Award.
- (hh) “**Stock Award Agreement**” means a written agreement between the Company and a Participant evidencing the terms and conditions of a Stock Award grant (including, if applicable, an employment agreement, consulting agreement or an electronic award agreement posted on the Company’s intranet or shared electronic medium to which the Participant has access). Each Stock Award Agreement will be subject to the terms and conditions of the Plan.
- (ii) “**Subsidiary**” means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.
- (jj) “**TSX Company Manual**” means the company manual for the Toronto Stock Exchange.

SCHEDULE "B"

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 10, 2024

Approved by: Board of Directors of the Company

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