



AVICANNA™

AVICANNA INC.

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON WEDNESDAY, AUGUST 31, 2022
AND
MANAGEMENT INFORMATION CIRCULAR**

July 28, 2022

AVICANNA INC.

NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Avicanna Inc. (the “**Corporation**”) will be held virtually on Wednesday August 31, 2022 at 10:30 a.m. (Toronto time). Registered Shareholders (as defined in the accompanying information circular (the “**Information Circular**”) under the heading “*Voting at the Meeting*”) and duly appointed proxyholders can attend the Meeting online at <https://web.lumiagm.com/218662857> where they can participate, vote, or submit questions during the Meeting's live webcast.

The Meeting is being held for the following purposes:

- a) to receive and consider the financial statements of the Corporation for the years ended December 31, 2021 and 2020, and the auditors' report thereon, the audited financial statements of the Corporation for the years ended December 31, 2020 and 2019, and the auditors' report thereon, and the financial statements of the Corporation for the three months ended March 31, 2022 and 2021;
- b) to consider and, if deemed appropriate, pass, with or without variation, a special resolution fixing the number of directors for the ensuing year at five (5) and empowering the board of directors of the Corporation (the “**Board**”) to adjust such number between shareholder meetings by way of resolution of the Board in accordance with the Corporation's constating documents;
- c) to elect the directors of the Corporation for the ensuing year as described in the Information Circular;
- d) to reappoint Kingston Ross Pasnak LLP as the auditors of the Corporation for the ensuing year and to authorize the Board to fix their remuneration and terms of engagement;
- e) to consider and, if deemed appropriate, pass, with or without variation, an ordinary resolution, the full text of which is set forth in the Information Circular, to approve unallocated awards under the Corporation's omnibus long term incentive plan as more particularly described in the Information Circular; and
- f) to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

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

The record date for the determination of shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is July 27, 2022 (the “**Record Date**”). Shareholders of the Corporation whose names have been entered in the register of shareholders of the Corporation at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

The Corporation is holding the Meeting as a virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person.

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

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

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

Your proxy or voting instructions must be received in each case no later than 10:30 a.m. (Toronto Time) on August 29, 2022 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the beginning of any adjournment(s) or postponement(s) to the Meeting. The Corporation encourages Shareholders currently planning to participate in the Meeting to submit their votes or form of proxy in advance so that their votes will be counted in the event of technical difficulties.

Whether or not you plan to attend the Meeting via live webcast, we encourage you to read this proxy statement and promptly vote your Common Shares. For specific instructions on how to vote your Common Shares, please refer to the section of the Information Circular entitled "*General Proxy Information*".

DATED at Toronto, Ontario this 28th day of July, 2022.

**BY ORDER OF THE BOARD OF
DIRECTORS**

(signed) "*Aras Azadian*"

Chief Executive Officer and Director



AVICANNA™

AVICANNA INC.
(“Avicanna” or the “Corporation”)

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Information Circular**”) is dated July 28, 2022 and is furnished in connection with the solicitation of proxies by and on behalf of the management of the Corporation (“**Management**”) for use at the annual general and special meeting (the “**Meeting**”) of shareholders of the Corporation (the “**Shareholders**”) to be held virtually at <https://web.lumiagm.com/218662857> on Wednesday, August 31, 2022 at 10:30 a.m. (Toronto time) for the purposes set out in the notice of Meeting (the “**Notice**”) accompanying this Information Circular.

All dollar amounts herein are expressed in Canadian dollars unless otherwise indicated.

GENERAL PROXY INFORMATION

Solicitation of Proxies

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

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

Voting at the Meeting

A Registered Shareholder (as defined below), or a Non-registered Shareholder who has appointed themselves or a third party proxyholder to represent him, her or it at the Meeting, will appear on a list of Shareholders prepared by Odyssey Trust Company (“**Odyssey**”). Each Registered Shareholder or proxyholder will be required to enter the control number or username provided by Odyssey at <https://web.lumiagm.com/218662857> (password: “avicanna2022”) prior to the start of the Meeting to have his, her or its Common Shares voted at the Meeting. In order to vote, Non-registered Shareholders who appoint themselves as a proxyholder MUST register with Odyssey at appointee@odysseytrust.com after submitting their voting instruction form in order to receive a username (please see the information under “*Appointment of Proxyholders*” below for details).

Registered Shareholders and duly appointed proxyholders can attend the Meeting online by going <https://web.lumiagm.com/218662857>.

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

- Registered Shareholders – The 12-digit control number located on the Proxy or in the email notification received by such Shareholder is the username and the password is “avicanna2022” (case sensitive).
- Duly appointed proxyholders – Odyssey will provide the proxyholder with a control number after the voting deadline has passed. The password to the Meeting is “avicanna2022” (case sensitive).

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

Shareholders may appoint a third party proxyholder to represent them at the Meeting. Shareholders wishing to do so must submit their Proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted his, her or its Proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a username to participate in the Meeting. To register a proxyholder, shareholders MUST send an email to appointee@odysseytrust.com and provide Odyssey with their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email. **It is important to be connected to the internet at all times during the Meeting in order to vote when balloting commences.**

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

Non-registered Shareholders

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

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

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

Participating in the Meeting

The Meeting will be hosted online by way of a live audiocast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting is provided below. The Meeting will begin at 10:30 a.m. (Toronto time) on Wednesday August 31, 2022.

- Registered Shareholders that have a 12-digit control number, along with duly appointed proxyholders who were assigned a control number by Odyssey (see details under “*Appointment of Proxyholders*”), will be able to vote and submit questions during the Meeting. To do so, please go to <https://web.lumiagm.com/218662857> prior to the start of the Meeting to login. Click on “I have a

control number” and enter your 12-digit control number or username along with the password “avicanna2022” (case sensitive). Non-Registered Shareholders who have not appointed themselves to vote at the Meeting may login as a guest by clicking on “I am a guest” and completing the online form. Guests will not be able to vote at the Meeting.

- United States Non-registered Shareholders: To attend and vote at the Meeting, you must first obtain a valid legal proxy from your Intermediary and then register in advance to attend the Meeting. Follow the instructions from your Intermediary included with these Meeting materials, or contact your Intermediary to request a legal proxy form. After first obtaining a valid legal proxy from your Intermediary, to then register to attend the Meeting, you must submit a copy of your legal proxy via email at appointee@odysseytrust.com.
- Requests for registration must be labeled as “Legal Proxy” and be received no later than 10:30 a.m. (Toronto time) on August 29, 2022. You will receive a confirmation of your registration by email after your registration materials have been received. You may attend the Meeting and vote your Common Shares at <https://web.lumiagm.com/218662857> (password: “avicanna2022”) during the Meeting. Any appointees must reach out to Odyssey in advance of the meeting (latest 48 hours before the meeting). They must complete the Request for Control Number and email it to appointee@odysseytrust.com in advance of the meeting.
- Non-registered Shareholders who do not have a 12-digit control number or username will only be able to attend as a guest which allows such persons to listen to the Meeting, however, Non-registered Shareholders will not be able to vote or submit questions.
- If you are using a 12-digit control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, please log in as a guest.
- If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

Appointment of Proxyholders

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

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting **must submit their Proxy or voting instruction form (if applicable) prior to registering their proxyholder. Registering a proxyholder is an additional step once the Proxy or voting instruction form have been submitted. Failure to register the proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, shareholders MUST send an email to appointee@odysseytrust.com and provide Odyssey with their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email.

A Proxy can be submitted to Odyssey either in person, or by mail or courier, to Odyssey Transfer Inc., Trader's Bank Building, Proxy Department, Suite 702 - 67 Yonge St., Toronto ON M5E 1J8. The Proxy must be deposited with Odyssey by no later than 10:30 a.m. (Toronto time) on August 29, 2022 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays

in the Province of Ontario) before the beginning of any adjournment(s) or postponement(s) to the Meeting. If a Shareholder who has submitted a Proxy attends the Meeting and has accepted the terms and conditions when entering the Meeting, any votes cast by such Shareholder on a ballot will be counted and the submitted Proxy will be disregarded.

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

Revocation of Proxy

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

- (a) by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o Odyssey Transfer Inc., Trader's Bank Building, Proxy Department, Suite 702 - 67 Yonge St., Toronto ON M5E 1J8;
- (b) by delivering written notice of such revocation to the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof;
- (c) by attending the Meeting and voting the Common Shares; or
- (d) in any other manner permitted by law.

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

Voting of Proxies and Discretion Thereof

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed Proxy **WILL, UNLESS OTHERWISE INDICATED, BE VOTED FOR FIXING THE NUMBER OF DIRECTORS FOR THE ENSUING YEAR AT FIVE (5), THE ELECTION OF DIRECTORS, FOR THE RE-APPOINTMENT OF KINGSTON ROSS PASNAK LLP, AS THE AUDITORS OF THE CORPORATION, AND FOR THE AUTHORIZATION OF THE BOARD TO FIX THE AUDITORS' REMUNERATION AND TERMS OF ENGAGEMENT, AND FOR THE APPROVAL OF THE UNALLOCATED AWARDS UNDER THE CORPORATION'S OMNIBUS LONG TERM INCENTIVE PLAN.**

The Common Shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The enclosed Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice or other matters which may properly come before the Meeting. At the date of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote such proxy according to their best judgment.

QUORUM

The articles of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders if at least two persons holding or representing by proxy not less than 20% of the outstanding shares entitled to vote at the meeting are present.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

To the knowledge of the directors and executive officers of the Corporation, no director or executive officer of the Corporation, any proposed nominee for election as director of the Corporation, or any associate or affiliate of any of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The voting securities of the Corporation consist of an unlimited number of Common Shares. The board of directors of the Corporation (the “**Board**”) has fixed Wednesday, July 27, 2022 as the record date for the Meeting (the “**Record Date**”). As of the Record Date, the Corporation has issued and outstanding 59,726,627 Common Shares.

The Common Shares represent 100% of voting rights attached to outstanding securities of the Corporation.

Voting Rights

Holders of the Common Shares are entitled to notice of and to attend at any meeting of the Shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation have the right to vote. At each such meeting holders of the Common Shares are entitled to one vote in respect of each Common Share held. Holders of Common Shares are entitled to receive, as and when declared by the directors of the Corporation, dividends in cash or property of the Corporation. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Common Shares are, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Common Shares, entitled to participate rateably along with all other holders of Common Shares.

Record Date & Principal Shareholders

The close of business on July 27, 2022 has been fixed as the Record Date for the determination of Shareholders entitled to receive notice of the Meeting and any adjournment(s) thereof. Accordingly, only Shareholders of record on the Record Date are entitled to vote at the Meeting or any adjournment(s) thereof.

The registered holders of Common Shares are shown on the list of Shareholders which is available for inspection during usual business hours at Odyssey Transfer Inc., Trader's Bank Building, Suite 702 - 67 Yonge St., Toronto ON M5E 1J8 and at the Meeting. The list of Shareholders will be prepared not later than ten (10) days after the Record Date. If a person has acquired ownership of shares since that date, he, she or it may establish such ownership and demand, not later than ten (10) days before the Meeting, that his, her or its name be included in the list of Shareholders.

As of the date hereof, to the knowledge of the directors and executive officers of the Corporation, based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR), no person or company beneficially owns, directly or indirectly, or exercises control or direction over, directly or indirectly, ten percent (10%) or more of the issued and outstanding Common Shares.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Report and Financial Statements

Pursuant to the *Business Corporations Act* (Ontario) (the “**Act**”), the directors of the Corporation will place before the shareholders at the Meeting the audited financial statements of the Corporation for the years ended December 31, 2021 and 2020 and the auditors' report thereon, the audited financial statements of

the Corporation for the years ended December 31, 2020 and 2019 and the auditors' report thereon, and the financial statements of the Corporation for the three months ended March 31, 2022 and 2021, a copy of each of which is available under the Corporation's SEDAR profile at www.sedar.com. Copies may be obtained from the Corporation upon request. Shareholder approval is not required in relation to the financial statements.

2. Fixing the Number of Directors

The affairs of the Corporation are managed by the Board. The members of the Board are elected annually, on an individual basis, at each annual general meeting of Shareholders.

The term of office of each of the current directors expires at the Meeting. At the Meeting, Shareholders will be asked to consider passing a special resolution fixing the number of directors of the Corporation to be elected for the ensuing year at five (5) members and empowering the Board to adjust such number between Shareholder meetings by way of resolution of the Board in accordance with the Corporation's constating documents. The Corporation's articles provide that the Board shall consist of a minimum of three (3) and maximum of fifteen (15) directors.

The resolution to fix the number of directors of the Corporation at five (5) members for the ensuing year and empower the Board to adjust such number from time to time until the next annual meeting of Shareholders must be approved by a 66⅔% of the aggregate votes cast by Shareholders present in person or by proxy at the Meeting.

The text of the special resolution authorizing the fixing of the number of directors of the Corporation and empowering the Board to adjust such number from time to time is as follows:

"BE IT RESOLVED, as a special resolution of the shareholders of Avicanna Inc. (the "**Corporation**"), that:

1. the number of directors of the Corporation to be set at five (5) for the ensuing year;
2. the board of directors of the Corporation (the "**Board**") shall be empowered to adjust such number of directors between the Meeting and the next annual general meeting of shareholders of the Corporation by way of resolution of the Board in accordance with the Corporation's constating documents; and
3. any officer or director of the Corporation be, and is hereby authorized, for and on behalf of the Corporation, to execute and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized hereby including, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of any such action."

The persons named in the accompanying form of proxy (the "Proxy Instrument") intend to vote FOR the resolution fixing the number of directors of the Corporation at five (5) and empowering the Board to change such number between Shareholder meetings, unless otherwise directed.

3. Election of Directors

There are currently six (6) directors of the Corporation, the present term of office of each such current director of the Corporation will expire at the Meeting. Each of Aras Azadian, Dr. Chandrakant Panchal, Giancarlo Davila Char, John McVicar and Eileen McCormack intend to stand for re-election at the Meeting and Dr. Assad Kazeminy has indicated that he will not be standing for re-election at the Meeting. Shareholders will be asked to re-elect the five (5) directors set out in the table below (the "**Board Nominees**") for election to the Board at the Meeting or any adjournment(s) or postponement(s) thereof.

Management proposes to nominate at the Meeting the persons whose names are set forth in the table below, each to serve as a director of the Corporation until the next meeting of Shareholders at which the election of directors is considered, or until his/her successor is duly elected or appointed, unless he/she resigns, is removed or becomes disqualified in accordance with the articles of the Corporation or the Act. The persons named in the Proxy Instrument intend to vote **FOR** the election of such persons at the Meeting, unless otherwise directed. Management does not contemplate that any of the nominees will be unable to serve as a director of the Corporation.

The following table and the notes thereto set out the name of each person proposed by Management to be nominated for election as a director of the Corporation at the Meeting (each, a **“Board Nominee”**), the period during which he/she has been a director of the Corporation, his/her principal occupation within the five (5) preceding years, all offices of the Corporation now held by such person, and his/her shareholdings, which includes the number of voting securities of the Corporation beneficially owned, or over which control or direction is exercised, directly or indirectly.

Name of Board Nominee, Province/State and Country of Residence	Year First Elected a Director	Principal Occupation(s) for the Past Five Years	Position(s) with the Corporation	Shares Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾
Aras Azadian Ontario, Canada	Director since November 2016	Chief Executive Officer of the Corporation (2016-Present); and Chief Operating Officer of Panacea Global Incorporated (2013-2017).	Chief Executive Officer	2,993,619 Common Shares
Dr. Chandrakant Panchal ⁽²⁾⁽³⁾⁽⁴⁾ Québec, Canada	Director since November 2016	Chief Executive Officer of Axcelon Biopolymers Corp. (2008-Present).	Chairman	248,826 Common Shares
Giancarlo Davila Char Miami, USA	Director since October 2018	Commercial Manager of Caribbean Eco Soaps U.I.B.S. (2017-Present); and Student (2013-2017).	N/A	2,081,907 Common Shares ⁽⁵⁾
John McVicar ⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada	Director since June 2021	Part-time executive and director (2020-Present); and Partner, Ernst & Young LLP (2002-2020).	N/A	62,647 Common Shares
Eileen McCormack ⁽²⁾⁽³⁾⁽⁴⁾ Ontario, Canada	Director since January 2022	Pharmaceutical Consultant at Perspective Consulting (2018-Present)	N/A	31,016 Common Shares

Notes:

- (1) The information as to the number of shares owned, controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by such person directly or obtained from the System for Electronic Disclosure by Insiders (SEDI). With the exception of Mr. Davila, no director beneficially owns, or controls or directs, directly or indirectly, any of the voting securities of the subsidiaries of the Corporation; Mr. Davila beneficially owns 100% of the voting securities of Inmobiliaria Bondue S.A.S. which beneficially owns 38.6% of the voting securities of the Corporation's subsidiary Santa Marta Golden Hemp S.A.S. These figures do not include Stock Options or RSUs (as each such term is defined herein). This information is presented on a non-diluted basis.
- (2) Member of the compensation committee of the Board (the **“Compensation Committee”**).
- (3) Member of the audit committee of the Board (the **“Audit Committee”**).
- (4) Member of the nominating and corporate governance committee of the Board (the **“Nominating & Corporate Governance Committee”**).
- (5) Mr. Davila Char beneficially owns, controls or directs, directly or indirectly, the listed number of Common Shares through the following: (i) Inmobiliaria Bondue S.A.S., which owns 1,477,818 Common Shares; (ii) Siranom Investments Inc., which owns 363,202 Common Shares; (iii) Sambaq Investments Inc., which owns 35,904 Common Shares; (iv) Bodelian Holding Corp. owns 102,346 Common Shares and (v) Mr. Davila Char personally owns 102,637 Common Shares.

As of the date hereof, the proposed directors of the Corporation as a group beneficially owned, or exercised control or direction over, 5,647,582 Common Shares, or approximately 9.45% of the outstanding Common Shares.

The biographies of the Board Nominees are set out below.

Aras Azadian, Director & Chief Executive Officer | Mr. Azadian serves as the Chief Executive Officer of the Corporation. Mr. Azadian previously served as the President and Chairman of the Board of the Corporation. Mr. Azadian brings extensive senior management experience in the biotechnology and financial sectors including his involvement in several successful start-up companies. In addition to his international experience in corporate development, his diverse roles include his previous position as the president of an investment corporation in the cannabis space and former Chief Operating Officer of an oncology company. Mr. Azadian holds a Bachelor of Economics degree from York University in Toronto, and an International Masters in Management degree from EADA Business School in Barcelona, Spain.

Dr. Chandrakant Panchal, Chairman of the Board | Dr. Panchal serves as the Chairman of the Board of the Corporation. Dr. Panchal has been the Chief Executive Officer of Axcelon Biopolymers Corp. since 2008, has authored over seventy scientific papers, holds several patents in oncology, diagnostics, biopolymers and microbiology, and is an Adjunct Professor in Chemical and Biochemical Engineering at the University of Western Ontario. Dr. Panchal currently sits on the board of directors, as Lead Director of an oncology company known as Medicenna Therapeutics Corp. (TSX and NASDAQ: MDNA). Dr. Panchal holds a Master of Science degree in Molecular Biology and a Ph.D. in Biochemical Engineering from the University of Western Ontario.

Giancarlo Davila Char, Director | Mr. Char serves as a Director of the Corporation. Upon obtaining his degree, Mr. Char returned home to work for his family's business, a company dedicated to the sustainable and organic cultivation and production of industrial scale palm oil as well as other agriculture crops such as avocados and coffee beans. In 2017, Mr. Char went on to lead a new branch of his family's business which is dedicated to producing private label oils for national distribution in supermarkets across Colombia. This business unit reached USD\$30,000,000 in sales in 2018. Mr. Char holds a Bachelor of Science in Business Administration from Northeastern University.

John McVicar, Director | Mr. McVicar is an experienced senior finance executive with more than 30 years of Canadian and international experience in both industry and professional services. Mr. McVicar retired as a Consulting Partner at Ernst & Young LLP (EY) where he was primarily focused on advising large corporations across a broad range of different industries to drive operational excellence and to transform the performance of their finance organizations. Prior to EY, he spent more than a decade in senior finance roles with several Canadian and U.S. public companies. Mr. McVicar brings significant international experience. During his career, he has served in roles based in Canada, South America, the U.S., Europe, Asia and Africa. Mr. McVicar is a CPA, CA, holds an MBA from the Fuqua School of Business at Duke University and a Bachelor of Commerce from Queen's University.

Eileen McCormack, Director | Ms. McCormack is an experienced senior marketing executive with more than 30 years of international experience in the bio-pharmaceutical industry. Ms. McCormack retired from AstraZeneca US where she led commercial and cross-functional teams responsible for launch planning and business development in the US market. Ms. McCormack has experience in bio-pharmaceutical product development, portfolio strategy in complex regulated environments and brings significant multi-market and international commercial experience. Ms. McCormack gives back to her community by having served on a number of national and Toronto-based non-for-profit boards over the last 10 years.

The persons named in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the shares represented thereby FOR the re-election of each of the aforementioned named nominees unless otherwise instructed on a properly executed and validly deposited proxy. Management does not contemplate that any nominees named above will be unable to serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

Majority Voting Policy

The Board has adopted a majority voting policy (the “**Majority Voting Policy**”) which applies to the election of directors. Under the Majority Voting Policy, a director who is elected with more votes withheld than cast in favour of his or her election will be required to tender his or her resignation to the Chairman of the Board. The resignation will be effective when accepted by the Board and the nominee director will not participate in any committee or Board meetings or deliberations on this matter. The Majority Voting Policy does not apply in circumstances involving contested director elections.

The Nominating & Corporate Governance Committee will consider the resignation and make a recommendation to the Board on whether the resignation should be accepted. In considering the recommendation of the Nominating & Corporate Governance Committee, the Board will consider the factors taken into account by the committee and such additional information and factors that the Board considers to be relevant. The Board expects that resignations will be accepted unless there are extenuating circumstances that warrant a contrary decision.

If the resignation is accepted, subject to any applicable law, the Board may leave the resultant vacancy unfilled until the next annual meeting of Shareholders, fill the vacancy through the appointment of a new director, or call a special meeting of Shareholders at which there will be presented one or more nominees to fill any vacancy or vacancies.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as described below, to the knowledge of the Corporation, no individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, and no Board Nominee:

- (a) is, as of the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
 - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the Board Nominee was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
 - (ii) was subject to an Order that was issued after the Board Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the Board Nominee was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while the Board Nominee was acting in that capacity, or within a year of the Board Nominee 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 the Board Nominee’s assets; or
- (c) has, within ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the Board Nominee’s assets; or
- (d) has been subject to:

- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for the Board Nominee.

The Corporation announced on March 29, 2021 that it would miss the deadline to file its audited annual financial statements for the year ended December 31, 2020, and accompanying management's discussion and analysis, annual information form and related certifications (collectively, the "**Annual Filings**") on or before March 31, 2021, as required under applicable securities laws. The Corporation applied to the Ontario Securities Commission (the "**OSC**") pursuant to Part 4 of National Policy 12-203 – *Management Cease Trade Orders* for a Management Cease Trade Order ("**MCTO**") pending the filing of the Annual Filings, which MCTO would prohibit the Corporation's management from trading in the securities of the Corporation until such time as the Annual Filings are filed. On April 9, 2021, the Corporation's application for a MCTO was approved by the OSC. The MCTO was subsequently revoked and a cease trade order ("**CTO**") was issued by the PSC effective June 11, 2021. The CTO was revoked on September 10, 2021.

Dr. Chandrakant Panchal was a director of Pure Global Cannabis Inc. ("**Pure Global**") when it commenced proceedings for creditor protection under the *Companies' Creditors Arrangement Act (Canada)* ("**CCAA**") on March 19, 2019. Ernst & Young Inc. was appointed as monitor of Pure Global. On May 1, 2019, Dr. Panchal resigned as a director of Pure Global and Farber & Partners Inc. was appointed as receiver pursuant to the *Bankruptcy and Insolvency Act* and the *Courts of Justice Act*.

4. Appointment of Auditors

Shareholders will be requested to re-appoint Kingston Ross Pasnak LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of Shareholders, and to authorize the directors of the Corporation to fix the auditors' remuneration and the terms of their engagement. Kingston Ross Pasnak LLP, was first appointed auditors of the Corporation on July 15, 2021 upon the resignation of MNP LLP as auditor effective such date.

There were no reservations or modified opinions in MNP LLP's audit report for the fiscal year ended December 31, 2019, however, there was a reportable event with respect to an unresolved issue, as such terms are defined in National Instrument 51-102 — *Continuous Disclosure* ("**NI 51-102**"), related to MNP LLP's conclusion that it would not be in a position to issue an opinion on the Corporation's financial statements for the year ended December 31, 2020 due to an internal control issue it believed it had identified in conducting its audit. Attached to this Information Circular as Appendix "B" is a copy of the reporting package, as defined in NI 51-102, that was filed with the requisite securities regulatory authorities. The reporting package consists of (i) a letter from MNP LLP, as former auditor; (ii) a letter from Kingston Ross Pasnak LLP, as successor auditor; and (iii) a notice of change of auditor.

The persons named in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the shares represented thereby FOR the resolution appointing Kingston Ross Pasnak LLP as auditors of the Corporation for the ensuing year and to authorize the directors to fix Kingston Ross Pasnak LLP's remuneration.

5. Approval of Awards under Omnibus Plan

At the Meeting, Shareholders will be asked to consider, and, if thought advisable, approve the unallocated Awards (as defined below) under the omnibus long-term incentive plan of the Corporation (the "**Omnibus Plan**"). On June 1, 2019, the Board approved the adoption of an Omnibus Plan. The Omnibus Plan was approved by the Corporation's Shareholders at the special meeting of shareholders held on June 20, 2019. For a discussion of the terms of the Omnibus Plan, please refer to the section entitled "*Security Based*

Compensation Arrangements - Omnibus Plan", below. A copy of the Omnibus Plan is attached as Appendix "C".

The Omnibus Plan allows for a variety of equity-based awards that provide different types of incentives to be granted to the Corporation's directors, officers, employees and consultants. The Omnibus Plan will facilitate granting of awards ("**Awards**") representing: (i) the right to receive one Common Share (an "**Option**") and together with the Plan Options (as defined below), the "**Stock Options**") subject to such terms as are set out in each Eligible Participant's Option agreement, and at such exercise price as shall be fixed by the Board when such Option is granted, but which shall not be less than the Market Value (as herein defined) of such Common Shares at the time of the grant; or (ii) the right to receive one Common Share (a "**Share Unit**"), the cash equivalent of a Share Unit, or a combination thereof at such purchase price as determined by the Board, being restricted share units ("**RSU**") or performance share units ("**PSU**"), as applicable, which Share Units are subject to such restrictions and conditions as the Board may determine at the time of grant. A further discussion of the Awards under the Omnibus Plan can be found in the "*Security Based Compensation Arrangements - Omnibus Plan*" section of this Information Circular.

Approval of Unallocated Awards under the Omnibus Plan

The Omnibus Plan is a rolling percentage or "evergreen" security-based compensation plan. The rules of the Toronto Stock Exchange ("**TSX**") require that the unallocated awards under all security-based compensation arrangements which do not have a fixed maximum aggregate number of securities issuable thereunder, such as the Omnibus Plan, be re-approved by an issuer's shareholders every three years after the initial shareholder approval of the compensation arrangement.

As of the date of this Information Circular, the Corporation had 2,233,694 Awards outstanding under the Omnibus Plan and the Corporation's previous stock option plan (the "**Stock Option Plan**") which permitted the granting of incentive stock options ("**Plan Options**") (1,195,989 Options and 502,205 Share Units (all of which are RSUs and there are no PSUs outstanding) under the Omnibus Plan, representing approximately 2.0% and 0.8%, respectively, of the Common Shares outstanding as of the date hereof and 535,500 Plan Options under the Stock Option Plan, representing approximately 0.9% of the Common Shares outstanding as of the date hereof). These outstanding Awards are in the form of Options and Share Units, which collectively entitle the holders of such Awards to acquire up to 2,233,694 Common Shares (representing approximately 3.7% of the issued and outstanding Common Shares). If approved, the Omnibus Plan will have 3,738,968 Common Shares available for future grants (representing approximately 6.3% of the issued and outstanding Common Shares), based on the number of currently issued and outstanding Common Shares.

The Omnibus Plan is an important tool for the Corporation to attract and retain employees. Without the Omnibus Plan and the ability to grant Awards under it, the Corporation would lose an important part of its compensation plans available for attracting and retaining employees. Accordingly, the Corporation is seeking Shareholder approval for the unallocated Awards under the Omnibus Plan in accordance with the rules of the TSX.

If approval is obtained at the Meeting, the Corporation will not be required to seek further approval of the grant of unallocated Awards under the Omnibus Plan until August 31, 2025. Pursuant to the rules of the TSX, if approval is not obtained at the Meeting, Awards under the "evergreen" Omnibus Plan which have not been allocated or which are outstanding as of July 18, 2022, being the third anniversary of the date of listing of the Common Shares on the TSX, and are subsequently cancelled, terminated or exercised will not be available for a new grant of Awards. Awards allocated prior to such date will continue to be unaffected by the approval or disapproval of the resolution related to the Omnibus Plan. All Awards that are currently outstanding under the Omnibus Plan were granted prior to July 18, 2022, and during the period between July 19, 2022 and the date of the Meeting, the Corporation does not intend to grant any additional Awards under the Omnibus Plan.

Omnibus Plan Resolution

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve, with or without variation, a resolution approving the unallocated Awards under the Omnibus Plan (the “**Omnibus Plan Resolution**”). The full text of the Omnibus Plan Resolution is as follows:

“WHEREAS

1. the Board of Directors of Avicanna Inc. (the “**Corporation**”) adopted an omnibus long-term incentive plan (the “**Omnibus Plan**”) which does not have a fixed maximum number of common shares issuable on June 1, 2019;
2. the shareholders of the Corporation approved the Omnibus Plan, by a majority of votes cast, on June 20, 2019; and
3. the rules of the Toronto Stock Exchange provide that all unallocated options, rights or other entitlements under a security based compensation arrangement which does not have a fixed number of maximum securities issuable, be approved every three (3) years;

BE IT RESOLVED as a resolution of the Shareholders of the Corporation that:

1. all unallocated awards under the Omnibus Plan be and are hereby approved;
2. the Corporation has the ability to continue granting awards under the Omnibus Plan until August 31, 2025, which is the date that is three (3) years from the date of the shareholder meeting at which shareholder approval for the unallocated awards under the Omnibus Plan is being sought;
3. any one director or officer of the Corporation be, and each of them is, hereby authorized and directed for and in the name of and on behalf of the Corporation, to execute or cause to be executed, whether under corporate seal of the Corporation 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 for the Omnibus Plan Resolution is in the best interests of the Corporation and the Shareholders. Accordingly, the Board recommends that Shareholders vote their Common Shares “**FOR**” the Omnibus Plan Resolution.

To be effective, the Omnibus Plan Resolution must be approved by a majority of the votes cast by the Shareholders present virtually, or represented by proxy, at the Meeting. **Absent contrary instructions, proxies given pursuant to this solicitation by the management of the Corporation will be voted “FOR” the Omnibus Plan Resolution.**

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

SECURITY BASED COMPENSATION ARRANGEMENTS

Equity Compensation Plan Information

The following table sets out information as of December 31, 2021 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by Securityholders ⁽¹⁾	1,990,193	\$2.14	2,598,235
Equity compensation plans not approved by Securityholders	Nil	Nil	Nil
TOTAL	1,990,193	\$2.14	2,598,235

Notes:

- (1) The maximum number of Common Shares issuable under the Omnibus Plan of the Corporation was 4,588,428, representing 10% of the issued and outstanding Common Shares as at December 31, 2021.

Stock Option Plan

On June 28, 2017, the Board approved the adoption of the Stock Option Plan which permitted the granting of Plan Options to the Corporation's employees, officers, directors and consultants for the purpose of developing the interest of the participants in the growth and development of the Corporation and to better enable the Corporation to attract and retain persons of desired experience and ability. The Stock Option Plan was approved by the Corporation's shareholders at the annual general and special meeting of shareholders held on May 23, 2018. The Board will not issue further Plan Options under the Stock Option Plan. The last grant of Plan Options under the Stock Option Plan was made on April 1, 2019. Plan Options granted under the Stock Option Plan shall continue to be governed by the terms of the Stock Option Plan, and Plan Options outstanding under the Stock Option Plan that expire unexercised shall not be available for re-issuance.

On June 1, 2019, the Board approved the adoption of an Omnibus Plan. The Omnibus Plan was approved by the Corporation's shareholders at the special meeting of shareholders held on June 20, 2019 and, as of such date, all subsequent stock options were granted pursuant to the Omnibus Plan.

Omnibus Plan

The following is a summary of the material features of the Omnibus Plan.

The Omnibus Plan allows for a variety of equity-based awards that provide different types of incentives to be granted to the Corporation's directors, officers, employees, and consultants. The Omnibus Plan will facilitate granting of Awards representing: (i) an Option to receive one Common Share subject to such terms as are set out in each Eligible Participant's Option agreement, and at such exercise price as shall be fixed by the Board when such Option is granted, but which shall not be less than the Market Value (as herein defined) of such Common Shares at the time of the grant; or (ii) a Share Unit, the cash equivalent of a Share Unit, or a combination thereof at such purchase price as determined by the Board, subject to such restrictions and conditions as the Board may determine at the time of grant.

Under the terms of the Omnibus Plan, the Board, or if authorized by the Board, the Compensation Committee, may grant Awards to eligible participants. Awards may be granted at any time and from time to

time in order to: (i) provide Eligible Participants (as herein defined) with additional incentives; (ii) encourage stock ownership by Eligible Participants; (iii) increase the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promote growth and profitability of the Corporation; (v) encourage Eligible Participants to take into account long-term corporate performance; (vi) reward Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhance the Corporation's ability to attract, retain and motivate Eligible Participants.

"Eligible Participants" shall be the directors, officers, senior executives, consultants, management company employees and other employees of the Corporation or a subsidiary of the Corporation, providing ongoing services to the Corporation and its affiliates. Participation in the Omnibus Plan is voluntary and, if an Eligible Participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, except upon the death or incapacity of the Eligible Participant, provided, however, that the Award may be exercised in a person's capacity as legal representative of the Eligible Participant. The Omnibus Plan provides that appropriate adjustments if any, will be made by the Board in connection with a reclassification, reorganization or other change to the Common Shares, consolidation, distribution, merger or amalgamation, in the Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Omnibus Plan. In the event that a participant receives Common Shares in satisfaction of an Award during a black-out period, such participant shall not be entitled to sell or otherwise dispose of such Common Shares until such black-out period has expired.

As of the date hereof, there are 59,726,627 Common Shares issued and outstanding. The maximum number of Common Shares reserved for issuance under the Omnibus Plan (as well as any other share compensation arrangement) shall not exceed ten percent (10%) of the aggregate number of Common Shares issued and outstanding from time to time, which as at the date hereof represents 5,972,662 Common Shares. The aggregate number of Common Shares reserved and available for grant issuance pursuant to Share Units under the Plan shall not exceed four percent (4%) of the total issued and outstanding Common Shares from time to time, which as at the date hereof represents 2,389,065 Common Shares.

The maximum number of Common Shares reserved for issuance under the Omnibus Plan to non-employee directors will be 1% of the aggregate number of Common Shares issued and outstanding from time to time. The total Market Value (as defined herein) to any non-employee directors in any given calendar year shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of Options. The aggregate number of Common Shares (i) issued to insiders under the Omnibus Plan or any other proposed or established share compensation arrangement within any one-year period and (ii) issuable to insiders at any time under the Omnibus Plan or any other proposed or established share compensation arrangement, shall in each case not exceed 10% of the aggregate number of issued and outstanding Common Shares from time to time (the **"Insider Participation Limit"**), or such other number as may be approved by any stock exchange on which the Common Shares may be listed for trading, and the Corporation's shareholders from time to time. Unless the Board determines otherwise, the Omnibus Plan provides that Options will vest as to 1/5 on the first anniversary of the date of such grant, 1/5 on the second anniversary of the date of such grant, 1/5 on the third anniversary of the date of such grant, 1/5 on the fourth anniversary of the date of such grant, and 1/5 on the fifth anniversary of the date of such grant.

The exercise price of any Option shall be fixed by the Board when such Option is granted, but shall be no less than the five-day volume weighted average trading price of the Common Shares on any stock exchange on which the Common Shares may be listed for trading on the day prior to the date of grant (the **"Market Value"**). A Participant may elect to exercise an Option, in whole or in part, on a 'cashless exercise' (**"Cashless Exercise"**) basis. In connection with a Cashless Exercise of Options, a Participant would receive Common Shares equal in value to the difference between the Option exercise price and the fair market value of the Common Shares on the date of exercise, computed in accordance with the Omnibus Plan.

An Option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten years after the date of granting the Option, or such shorter period of time as the Board may determine. The Omnibus Plan will provide that the exercise period shall automatically be extended if the date on which such Option is scheduled to terminate shall fall during or within 10 business days immediately following a black-out period. In such cases, the extended exercise period shall terminate 10 business days following the last day of the black-out period.

The applicable restriction period in respect of a particular Share Unit shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three years after the calendar year in which the Share Unit is granted (the “**Restriction Period**”).

For each award of PSUs, the Board shall establish the performance criteria and other vesting conditions (the “**Performance Criteria**”), and period in which any Performance Criteria must be met, in order for a participant to be entitled to receive Common Shares in exchange for all or a portion of the PSUs held by such participant (the “**Performance Period**”), provided that such performance period may not expire after the end of the Restriction Period. Performance Criteria will be specified in the PSU grant agreement. Performance Criteria may include, without limitation, criteria based on the participant’s personal performance and/or financial performance of the Corporation and/or its affiliates, and may be used to determine vesting of PSUs, when applicable.

With respect to RSUs, unless otherwise approved by the Board and except as otherwise provided in a participant’s grant agreement or any other provision of the Omnibus Plan, RSUs will vest as to 1/3 each on the first, second and third anniversary date of their grant. With respect to PSUs, unless otherwise approved by the Board and except as otherwise provided in a participant’s grant agreement or any other provision of the Omnibus Plan, PSUs will vest subject to performance and time vesting.

Subject to the terms of any employment agreement or other agreement between a participant and the Corporation, or the Board or an Share Unit award agreement expressly providing to the contrary, in the event that the vesting conditions, Performance Criteria and Performance Period, as applicable, of a Share Unit are satisfied, all of the vested Share Units covered by a grant may be settled at any time following their vesting determination date but no later than the end of the Restriction Period. Participants will have the option to settle such Share Units for their cash equivalent, for Common Shares, or a combination of both. If no election is made by the participant within the prescribed shares, settlement of Share Awards shall take the form of Common Shares.

The following table describes the impact of certain events upon the rights of holders of Awards under the Omnibus Plan, including termination for cause, resignation, termination other than for cause, retirement, death and change of control, subject to the terms of a participant’s employment agreement:

Event Provisions	Provisions
Termination for cause	Immediate forfeiture of all vested and unvested Awards.
Resignation	Forfeiture of all unvested Awards and the earlier of the original expiry date and 90 days after resignation to exercise vested Awards or such longer period as the Board may determine in its sole discretion.
Termination other than for cause	Subject to the terms of the grant or as determined by the Board, upon a participant’s termination without cause, the number of Awards that may vest is subject to pro-ration over the applicable performance or vesting period and expire on the earlier of: (i) 90 days after the effective date of termination; or (ii) the expiry date of such Awards.
Retirement	Upon the retirement of a participant’s employment with the Corporation, any unvested Awards held by the participant as at the retirement date will continue to vest in accordance with their vesting schedules, and all vested Awards held by the participant at the retirement date may be exercised until the earlier of the expiry date of the Awards or one year following the retirement date; provided that,

Event Provisions	Provisions
	if the participant breaches any post-employment restrictive covenants in favour of the Corporation then any Awards held by such participant, whether vested or unvested, will immediately expire and the participant shall pay to the Corporation any "in-the-money" amounts realized upon exercise of Options and/or Share Units following the retirement date.
Death	All unvested Awards will vest immediately and may be exercised within 180 days after the death of the Eligible Participant.
Change of Control	If an Eligible Participant is terminated without cause or resigns for good reason during the 12-month period following a change of control of the Corporation (a " Change of Control "), any unvested Share Units and/or Options immediately vest and may be exercised prior to the earlier of (i) 30 days following such date, or (ii) the expiry date of such Options.

In connection with a Change of Control, the Board will take such steps as are reasonably necessary or desirable to cause the conversion, exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity. If such continuing entity does not assume the outstanding Awards, or the Board determines otherwise in its discretion, the Board may provide written notice to all Eligible Participants that the Omnibus Plan shall be terminated effective immediately prior to the Change of Control, and all Options and RSUs, and a specified number of PSUs shall be deemed to be vested, and unless exercised, expire.

The Board may, in its sole discretion, suspend or terminate the Omnibus Plan at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Omnibus Plan or of any Award granted under the Omnibus Plan and any grant agreement relating thereto, subject to any required regulatory and stock exchange approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the Omnibus Plan or as required by applicable laws.

The Board may amend the Omnibus Plan or any Award at any time without the consent of a participant; provided that such amendment shall: (i) not adversely alter or impair any Award previously granted, except as permitted by the terms of the Omnibus Plan; (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the stock exchange; and (iii) be subject to shareholder approval, where required by law, the requirements of the stock exchange or the Omnibus Plan, provided, however, that shareholder approval shall not be required for the following amendments:

- (a) amendments of a general housekeeping or clerical nature that, among others, clarify, correct or rectify any ambiguity, inconsistency, defective provision, error or omission in the Omnibus Plan;
- (b) changes that alter, extend or accelerate the terms of exercise, vesting or settlement applicable to any Award;
- (c) a change to the Eligible Participants or assignability provisions under the Omnibus Plan;
- (d) any amendment regarding the effect of termination of a participant's employment or engagement;
- (e) any amendment regarding the administration of the Omnibus Plan;
- (f) any amendment necessary to comply with applicable law or the requirements of the stock exchange or any other regulatory body having authority over the Corporation; and
- (g) any other amendment that does not require the approval of the shareholders pursuant to the terms of the Omnibus Plan.

Any of the following amendments to the Omnibus Plan require the Board to obtain shareholder approval:

- (a) any change to the maximum number of Common Shares issuable under the Omnibus Plan;
- (b) any amendment which reduce the exercise price of the Awards;
- (c) any amendment which would permit the introduction or reintroduction of non-employee directors as Eligible Participants on a discretionary basis or an amendment that increases the limits previously imposed on non-employee director participation;
- (d) any amendment to remove or exceed the Insider Participation Limit;
- (e) any amendment permitting the Awards to be transferable or assignable other than for estate settlement purposes; and
- (f) any amendment to the amendment provisions of the Omnibus Plan.

No such amendment to the Omnibus Plan shall cause the Omnibus Plan in respect of RSUs or PSUs to cease to be a plan described in section 7 of the *Income Tax Act* (Canada) or any successor to such provision.

Outstanding Stock Options

As at December 31, 2021, there were Stock Options outstanding to acquire an aggregate of 1,496,489 Common Shares (consisting of 960,989 Plan Options and 535,500 Options) at exercise prices of between \$1 and \$8 per Common Share. As at the date hereof, Stock Options to acquire an aggregate of 1,731,489 Common Shares (consisting of 1,195,989 Plan Options and 535,500 Options) at exercise prices of between \$1 and \$8 per Common Share are outstanding, having been granted by the Corporation to certain directors, officers, employees and consultants of the Corporation.

The number of Common Shares underlying the Stock Options outstanding as of the date hereof represents in the aggregate 2.9% of the issued and outstanding Common Shares as of the date hereof and, given the currently outstanding Stock Options and restricted share units, there remains for issuance 3,747,470 Options to acquire an aggregate of 3,747,470 Common Shares. The Corporation will no longer issue any Stock Options under the Stock Option Plan. Any new grants will be made under the terms of the Omnibus Plan.

Restricted Share Units

As at December 31, 2021, there were an aggregate of 742,008 restricted share units of the Corporation outstanding under the Omnibus Plan to executive officers, employees, consultants and non-executive directors. As of the date hereof, the Corporation has issued an aggregate of 502,205 restricted share units outstanding under the Omnibus Plan to executive officers, employees, consultants and non-executive directors. Given the currently outstanding Stock Options and restricted share units, there remains for issuance 1,886,860 restricted share units.

Burn Rate of Awards

During the financial year ended December 31, 2021, 320,000 Options and 713,748 restricted share units were granted, representing a burn rate of 6.97% and 15.56%, respectively.

	2021	2020	2019
Annual Burn Rate of Omnibus Plan	22.53%	54.96%	27.17%

STATEMENT OF EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”). The objective of this disclosure is to communicate the compensation the Corporation paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year ended December 31, 2021, and the decision-making process relating to compensation.

Information contained in this form is as of December 31, 2021, unless indicated otherwise.

Overview and Compensation Governance

The Board has not adopted any formal policies or procedures to determine the compensation of the Corporation's directors or executive officers. The compensation of the directors and executive officers is determined by the Board, based on the recommendations of the Compensation Committee. Recommendations of the Compensation Committee are made giving consideration to the objectives discussed below and, if applicable, considering applicable industry data.

Compensation Committee

The Board has appointed the Compensation Committee composed entirely of independent directors which is responsible for, among other things, the following matters:

- reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive Officer, evaluating the Chief Executive Officer's performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the Chief Executive Officer's compensation level based on this evaluation; and
- making recommendations to the Board with respect to officer and director (other than the Chief Executive Officer) compensation, incentive-compensation plans, and equity-based plans.

Following the Meeting, it is anticipated that the Compensation Committee will be comprised of Eileen McCormack (Chair), Dr. Chandrakant Panchal and John McVicar. Dr. Assad J. Kazeminy, a current director of the Corporation who does not intend to stand for re-election at the Meeting, is the current Chair of the Compensation Committee. For details regarding the experience of the members of the Compensation Committee, see the biographies of each member set out above under “*Particulars of Matters to be Acted Upon – Election of Directors*”.

The Board has adopted a written charter (the “**Compensation Committee Charter**”) establishing the Compensation Committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operation, and the manner of reporting to the Board. The Compensation Committee Charter further provides that the Compensation Committee is authorized to engage and compensate any outside advisor it determines to be necessary to permit it to carry out its duties.

The Compensation Committee endeavors to ensure that the philosophy and operation of the Corporation's compensation program reinforces its culture and values, creates a balance between risk and reward, attracts, motivates, and retains executive officers over the long-term and aligns their interests with those of the shareholders. In addition, the Compensation Committee is to review the Corporation's annual disclosure regarding executive compensation for inclusion where appropriate in the Corporation's disclosure documents.

Peer Group(s)

The Corporation uses a pay peer group in order to provide competitive market data to support compensation decision making. The 2021 pay peer group consists of other medical cannabis companies

and bio-pharmaceutical companies in the Canadian market, within a range of approximately 1/3x to 3x the Corporation's total enterprise value at the time of initially developing the group:

Aleafia Health Inc.
InMed Pharmaceuticals Inc.
Tetra Bio-Pharma Inc.

Heritage Cannabis Holdings Corp.
Khiron Life Sciences Corp.
VIVO Cannabis Inc.

The Compensation Committee reviews peer group compensation data to provide external context for pay decision making, with particular reference to the peer group median. However, executive and director compensation levels at Avicanna do not directly target a fixed percentile relative to the peer group.

Compensation Components

The Corporation's compensation consists primarily of three (3) elements: (a) base salary; (b) annual bonus; and (c) long term equity incentives. Each element of compensation is described below in more detail.

Base Salary

Base salaries for the Corporation's executive officers are to be established based on the scope of their responsibilities and their prior relevant experience, taking into account competitive market compensation paid by other companies in the Corporation's industry for similar positions and the overall market demand for such executives at the time of hire. An executive officer's base salary will also be determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with the Corporation's overall compensation philosophy.

Base salaries are to be reviewed annually and increased for merit reasons, based on the executive officers' success in meeting or exceeding individual objectives, and taking into account prevailing market conditions. Additionally, the Corporation will adjust base salaries as warranted throughout the year for promotions or significant changes in the scope or breadth of an executive officer's role or responsibilities.

Annual Bonus

The Corporation's compensation program includes eligibility for an annual incentive cash bonus. Annual incentive cash bonuses are discretionary and are not awarded pursuant to a formal plan. The Board will assess the level of the executive officer's achievement of meeting individual goals, as well as that executive officer's contribution towards corporation-wide goals. The amount of the cash bonus is expected to depend on the level of achievement of the individual performance goals, with a target bonus generally to be set as a percentage of base salary and based on profitability measures.

Long Term Equity Incentives

The Corporation believes that equity-based awards will allow it to reward its executive officers for their sustained contributions. The Corporation also believes that equity awards reward continued employment by an executive officer, with an associated benefit to the company of employee continuity and retention. The Board believes that incentive stock options provide management with a strong link to long-term corporate performance and the creation of shareholder value. The Omnibus Plan allows the opportunity to grant stock options to purchase Common Shares and grant share awards.

Risks Associated with the Compensation Policies and Practices

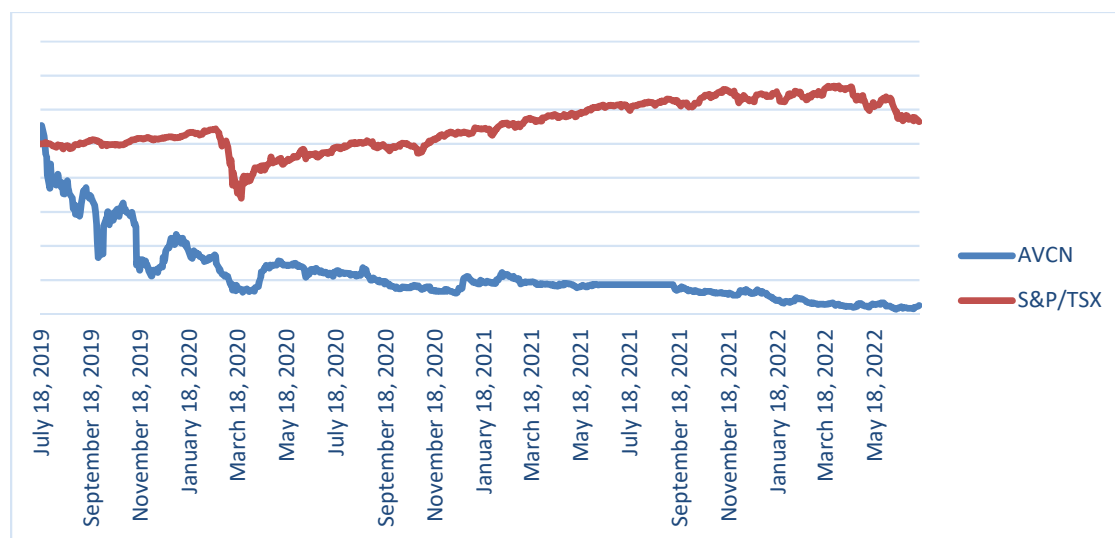
Given the Corporation's size and limited elements of executive compensation, the Board does not currently deem it necessary to consider the implications of the risks associated with the Corporation's compensation policies and practices. The Board believes the current structure of the Corporation's executive compensation arrangements is focused on long-term value and is designed to correlate to the long-term performance of the Corporation.

Hedging

All of the Corporation's executives, other employees, advisory committee members and directors are subject to Avicanna's insider trading policy (the "**Insider Trading Policy**"), which prohibits trading in Avicanna's securities while in possession of material undisclosed information about the Corporation. Under the Insider Trading Policy, all of the Corporation's executives, other employees, advisory committee members and directors are prohibited from entering into hedging transactions involving Avicanna's securities, such as short sales, puts and calls.

Performance Graph

Below is a chart comparing the Corporation's shareholder return to the S&P and TSX composite index over the five most recently completed financial years. Compensation for the Named Executive Officers (as defined in Form 51-102F6) was not materially changed or amended from the time the Company went public in July 2019 to the date hereof, other than some reductions to compensation made by management in early 2020, in which all executive officers agreed to a reduction in base compensation.



Summary Compensation Table

The following table summarizes, for the periods indicated, the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation to each individual who served as the Corporation's Chief Executive Officer, Chief Financial Officer and each other named executive officer during the year ended December 31, 2021, as such term is defined under Form 51-102F6 – *Statement of Executive Compensation*. Such persons are referred to collectively herein as the "**Named Executive Officers**" or "**NEOs**". All amounts in the following table and the notes thereto are in Canadian dollars unless otherwise indicated.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) ⁽²⁾	Option-based awards (\$) ⁽³⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽⁴⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Aras Azadian Chief Executive Officer ⁽¹⁾	2021	126,667	87,500	9,630	20,000	-	-	-	243,797
	2020	110,000	103,251	59,850	85,000	-	-	-	358,101
	2019	240,000	192,000	31,621.32	144,000	-	-	-	607,621
Setu Purohit Former President, Chief Legal Officer, General Counsel and Secretary ^{(1) (5)}	2021	116,750	-	-	-	-	-	-	116,750
	2020	135,000	76,750.74	51,300.00	85,000	-	-	-	348,051
	2019	210,000	128,880	21,217.68	105,000	-	-	-	465,971
Davender Sohi Former Chief Financial Officer ⁽⁸⁾⁽⁹⁾	2021	151,958	75,000	9,630	19,000	-	-	-	255,588
	2020	135,000	76,751	108,300	85,000	-	-	-	405,050
	2019	210,000	122,850	20,232.71	90,300	-	-	-	443,383
Lucas Nosiglia President of Avicanna LATAM S.A.S. ⁽⁶⁾⁽⁸⁾	2021	192,686	75,000	9,630	19,000	-	-	-	296,316
	2020	126,000	80,428.42	108,300	85,000	-	-	-	399,728
	2019	200,000	122,727	20,212.20	100,000	-	-	18,000	442,939
Frantz Le Devedec Former EVP Research and Product Development	2021	133,780	12,200	-	40,260	-	-	-	186,240
	2020	\$120,000	9,750	-	-	-	-	-	\$129,750
	2019	\$120,000	-	-	-	-	-	-	\$120,000

Notes:

- (1) Mr. Azadian and Mr. Purohit were also directors during the year ended December 31, 2021 but were not entitled to any compensation in connection with their service as a director.
- (2) The Omnibus Plan was approved by the Corporation's shareholders on June 20, 2019.
- (3) Represents the fair value of the stock option on the grant date. The fair value of the options was estimated at the date of grant using the Black Scholes option pricing model. The estimated fair value of the stock options was \$0.48 based on a risk free rate of 0.74%, expected life of seven years and a volatility rate of 96.20%.
- (4) No NEOs received any additional compensation or perquisites.
- (5) Mr. Purohit ceased to serve as President, Chief Legal Officer, General Counsel and Secretary of the Corporation effective November 4, 2021 and resigned as a director of the Corporation on January 4, 2022.
- (6) Mr. Nosiglia resigned as Chief Agricultural Officer of the Corporation and was appointed President of Avicanna LATAM S.A.S. effective March 25, 2021.
- (7) On January 23, 2020 the Board approved the cancellation of an aggregate 319,260 stock options granted on July 10, 2019 and re-issuance of an aggregate of 191,556 stock options. The cancelled and re-issued stock options were granted to certain employees, directors, and the NEOs as equity incentive compensation for 2019.
- (8) Mr. Sohi and Mr. Nosiglia were each granted 75,000 Options on November 9, 2020. The fair value of the options was estimated at the date of grant using the Black Scholes option pricing model. The estimated fair value of the stock options was \$0.76 based on a risk free rate of 1.62%, expected life of seven years and a volatility rate of 93.16%.
- (9) Mr. Sohi resigned as Chief Financial Officer of the Corporation effective May 18, 2022.

Incentive Plan Awards – Outstanding Option-Based and Share-Based Awards

The following table shows all outstanding option-based and share-based awards held by each Named Executive Officer as at December 31, 2021.

Name	Option-based Awards				Share-based Awards			
	Number of securities underlying unexercised options	Option exercise price ⁽¹⁾	Option expiration date	Value of unexercised in-the-money options ⁽²⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested ⁽²⁾	Number of shares or units of shares that have vested	Market or payout value of vested share-based awards not paid or distributed ⁽²⁾
Aras Azadian Chief Executive Officer	18,492	\$2.50	July 10, 2025	-	58,000	\$45,240	104,844	-
	35,000	\$2.75	January 24, 2026	-	-	-	-	-
	20,000	1.00	October 20, 2027	-	-	-	-	-
Setu Purohit Former President, Chief Legal Officer, General Counsel and Secretary	11,832	\$2.50	July 10, 2025	-	-	-	78,419	-
	30,000	\$2.75	January 24, 2026	-	-	-	-	-
Davender Sohi Former Chief Financial Officer	19,720	\$2.50	July 10, 2025	-	77,919	\$60,777	48,454	-
	30,000	\$2.75	January 24, 2026	-	-	-	-	-
	75,000	\$1.00	November 9, 2026	-	-	-	-	-
	20,000	1.00	October 20, 2027	-	-	-	-	-
Lucas Nosiglia President of Avicanna LATAM S.A.S.	11,820	\$2.50	July 10, 2025	-	81,677	\$63,708	48,447	-
	30,000	\$2.75	January 24, 2026	-	-	-	-	-
	75,000	\$1.00	November 9, 2026	-	-	-	-	-
	20,000	1.00	October 20, 2027	-	-	-	-	-
Frantz Le Devedec EVP Research and Product Development	40,000	\$8.00	August 30, 2025	-	10,000	\$7,800	16,678	-
	5,298	\$2.50	July 10, 2025	-	-	-	-	-
	10,000	\$2.75	January 24, 2026	-	-	-	-	-
	15,000	\$1.00	November 9, 2026	-	-	-	-	-

Notes:

(1) Price in CAD.

(2) Based on the TSX closing price of \$0.78 for the Common Shares on December 31, 2021.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the Named Executive Officers for the financial year ended December 31, 2021.

Name	Option-based awards – Value vested during the year⁽¹⁾	Share-based awards – Value vested during the year⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year
Aras Azadian Chief Executive Officer	\$15,095	\$13,908	\$20,000
Setu Purohit Former President, Chief Legal Officer, General Counsel and Secretary	\$12,377	\$11,026	-
Davender Sohi Former Chief Financial Officer	\$12,182	\$30,376	\$19,000
Lucas Nosiglia President of Avicanna LATAM S.A.S.	\$14,336	\$30,373	\$19,000
Frantz Le Devedec Former EVP Research and Product Development	\$6,500	-	\$40,260

Notes:

(1) Based on the TSX closing price of \$0.78 for the Common Shares on December 31, 2021.

Pension Plan Benefits

As of December 31, 2021, there did not exist a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

Deferred Compensation Plans

As of December 31, 2021, there did not exist any deferred compensation plans.

Termination and Change of Control Benefits

Other than as described herein, the Corporation does not have any existing contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer currently employed by the Corporation, at, following, or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in a Named Executive Officer's responsibilities.

Aras Azadian, Chief Executive Officer

Mr. Azadian's employment agreement provides for an annual salary of \$200,000. Mr. Azadian agreed to temporarily reduce his salary for 2020 and receive RSUs in lieu of cash, see disclosure under "*Statement of Executive Compensation – Summary Compensation Table*". Mr. Azadian is eligible for a discretionary bonus following the end of each fiscal quarter. Mr. Azadian is entitled to participate in the Omnibus Plan, and receive other corporate employee benefits, including director and officer insurance coverage, health benefits and expense reimbursement. Mr. Azadian is entitled to receive a lump sum payment equal to 18 months of his then existing monthly base salary plus bonus in the event that he is terminated without cause. Mr. Azadian's employment agreement contains non-competition, non-solicitation and non-disparagement restrictions.

Mr. Lucas Nosiglia, President of Avicanna LATAM S.A.S.

Mr. Nosiglia's employment agreement provides for an annual base salary of \$180,000. Mr. Nosiglia agreed to temporarily defer portions of his salary for 2020 and receive RSUs in lieu of cash, see disclosure under "*Statement of Executive Compensation – Summary Compensation Table*". Mr. Nosiglia is eligible for a discretionary bonus following the end of each fiscal quarter. Mr. Nosiglia is entitled to participate in the Omnibus Plan, and receive other corporate employee benefits, including director and officer insurance coverage, health benefits, and expense reimbursement. Mr. Nosiglia's employment agreement contains non-competition, non-solicitation and non-disparagement restrictions.

Director Compensation

The Board, through the Compensation Committee, is responsible for the development and implementation of a compensation plan for the Corporation's directors who are not officers. Officers who are also directors are not paid any compensation for acting as a director.

The primary objectives of the Corporation's director compensation program are to attract highly qualified individuals and to compensate the directors in a manner that is commensurate with the risks and responsibilities of serving on the Board. The Corporation aims to compensate its directors at a level that is similar to the compensation paid to directors in Avicanna's industry. In addition, the Corporation uses director compensation to foster a culture of ownership among the Board.

Director Compensation Table

The following table sets forth information concerning the annual and long-term compensation in respect of the directors of the Corporation, other than the directors who were also Named Executive Officers, during the financial year ended December 31, 2021. For details of the compensation for Aras Azadian and Setu Purohit, the Named Executive Officers who were also directors of the Corporation during 2021, see disclosure under "*Statement of Executive Compensation – Summary Compensation Table*".

Name	Fees earned ⁽⁵⁾	Share-based awards	Option-based awards ⁽⁶⁾	Non-equity incentive plan compensation	Pension value	All other compensation	Total compensation
David Allan White ⁽¹⁾	\$25,094	-	-	-	-	\$50,000	\$75,094
Dr. Chandrakant Panchal	\$50,000	\$67,934	\$24,075	-	-	-	\$142,009
Giancarlo Davila Char ⁽²⁾	-	\$37,500	-	-	-	\$38,400	\$75,900
Janet Giesselman ⁽³⁾	\$20,000	-	-	-	-	-	\$20,000
Benjamin Leavenworth ⁽⁴⁾	\$20,000	-	-	-	-	\$25,000	\$45,000
Flavio Jose Zaclis ⁽⁷⁾	-	-	-	-	-	-	-
Dr. Assad J. Kazeminy ⁽⁸⁾	\$20,000	\$62,839	\$24,076	-	-	-	\$106,915
John McVicar ⁽⁹⁾	23,750	\$64,538	\$48,151	-	-	-	\$136,439

Notes:

- (1) Mr. White did not stand for re-election at the meeting of Shareholders held on June 24, 2021. Any security-based awards granted to Mr. White during 2021 remained unvested upon the end of his tenure as a director and were terminated.
- (2) Mr. Davila Char earned USD\$2,500 per month in the 2021 calendar year and USD\$2,500 per month in the 2020 calendar year, in each case in his capacity as an independent contractor of the Corporation. Mr. Davila Char elected to receive restricted share units in lieu of his fees earned as an independent contractor.
- (3) Ms. Giesselman resigned from her role as director of the Corporation on May 7, 2021. Any security-based awards granted to Ms. Giesselman during 2021 remained unvested upon her resignation as a director and were terminated.
- (4) Mr. Leavenworth did not stand for re-election at the meeting of Shareholders held on June 24, 2021. Any security-based awards granted to Mr. Leavenworth during 2021 remained unvested upon the end of his tenure as a director and were terminated.
- (5) In response to the COVID-19 pandemic in 2021, the Corporation reduced the cash compensation payable to directors in exchange for fees paid predominantly in the form of restricted share units. Each of the independent directors elected to receive restricted share units in lieu of the cash portion of their fees.
- (6) Represents the fair value of the stock option on the grant date. The fair value of the options was estimated at the date of grant using the Black Scholes option pricing model. The estimated fair value of the stock options was \$0.48 based on a risk free rate of 0.74%, expected life of three years and a volatility rate of 96.20%.
- (7) Mr. Zaclis was elected to the Board on June 24, 2021. Mr. Zaclis resigned from his role as a director of the Corporation on November 11, 2021. During this time, no fees were earned and any awards issued remained unvested and were terminated.
- (8) Mr. Kazeminy was elected to the Board on June 24, 2021. Mr. Kazeminy will not stand for re-election at the Meeting.
- (9) Mr. McVicar was elected to the Board on June 24, 2021.

The Corporation compensated independent directors as follows: a total compensation envelope value of \$80,000 per year, plus additional fees for the Lead Director (\$20,000), Chair of the Audit Committee (\$15,000), and Chair of the Compensation Committee (\$12,500). The total value of the compensation envelope for each director is paid 50% in cash fees (payable quarterly) and 50% in equity-based compensation. Directors are also reimbursed for their out-of-pocket expenses incurred in connection with rendering services to the Corporation. The cash component for all US based independent directors was calculated in United States dollars and for all Canadian based independent directors was calculated in Canadian dollars. The equity-based compensation was calculated in Canadian dollars for all directors.

Neither David Allan White nor Benjamin Leavenworth stood for re-election at the meeting of Shareholders held on June 24, 2021 (the “**2021 AGM**”), and each tendered their resignation from the Board in advance of such meeting. In consideration for remaining on the Board until such time as a new slate of directors was elected at the 2021 AGM, the Corporation agreed to: (i) pay a fee of \$50,000 to Mr. White, in addition and not in substitution for the compensation described in the paragraph above, and accelerate the vesting of all outstanding RSUs and Options held by him, and (ii) pay a fee of \$25,000 to Mr. Leavenworth, in addition and not in substitution for the compensation described in the paragraph above, and accelerate the vesting of all outstanding RSUs and Options held by him. In addition to items (i) and (ii) above, the Corporation further issued Mr. White 47,500 RSUs and Mr. Leavenworth 40,000 RSUs in connection with compensation for the 2021 calendar year.

Outstanding Option-Based and Share-Based Awards

The following table shows all outstanding option-based and share-based awards held by each director (other than the directors who were also Named Executive Officers and for whom the identical information is shown on the comparable table for Named Executive Officers set out above) as at December 31, 2021.

Name	Option-based Awards				Share-based Awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested ⁽¹⁾	Number of shares or units of shares that have vested	Market or payout value of vested share-based awards not paid or distributed ⁽¹⁾
David Allan White ⁽³⁾	-	-	-	-	-	-	52,421	\$17,617
Dr. Chandrakant Panchal	50,000	\$1.00	October 20, 2027	-	76,039	\$59,310	87,267	-
Giancarlo Davila Char ⁽²⁾	100,000	\$2.00	May 1, 2025	-	30,000	\$23,400	43,767	-
Janet Giesselman ⁽³⁾	-	-	-	-	-	-	62,622	\$21,670
Benjamin Leavenworth ⁽⁴⁾	-	-	-	-	-	-	57,457	\$16,140
Flavio Jose Zaclis ⁽⁶⁾	-	-	-	-	-	-	-	-
Dr. Assad J. Kazeminy ⁽⁷⁾	100,000	\$1.00	October 20, 2027	-	50,271	\$39,289	60,996	-
John McVicar ⁽⁸⁾	50,000	\$1.00	October 20, 2027	-	51,630	\$40,271	62,647	-

Notes:

- (1) Based on the TSX closing price of \$0.78 for the Common Shares on December 31, 2021.
- (2) Mr. Davila Char beneficially owns, controls, or directs, directly or indirectly, 10,000 Options through Siranom Investments Inc.
- (3) Mr. White did not stand for re-election at the meeting of Shareholders held on June 24, 2021.
- (4) Ms. Giesselman resigned from her role as director of the Corporation on May 7, 2021.
- (5) Mr. Leavenworth did not stand for re-election at the meeting of Shareholders held on June 24, 2021.
- (6) Mr. Zaclis was elected to the Board on June 24, 2021. Mr. Zaclis resigned from his role as a director of the Corporation on November 11, 2021.
- (7) Mr. Kazeminy was elected to the Board on June 24, 2021. Mr. Kazeminy will not stand for re-election at the Meeting.
- (8) Mr. McVicar was elected to the Board on June 24, 2021.

Value of Awards Vested or Earned During the Year

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each director of the Corporation (other than the directors who are also Named Executive Officers and for whom the identical information appears on the comparable table for Named Executive Officers set out above) for the financial year ended December 31, 2021.

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year
David Allan White ⁽³⁾	\$1,300	\$19,491	-
Dr. Chandrakant Panchal	-	\$9,272	-
Giancarlo Davila Char ⁽²⁾	-	-	-
Janet Giesselman ⁽³⁾	\$4,680	\$28,011	-
Benjamin Leavenworth ⁽⁴⁾	\$1,300	\$29,372	-
Flavio Jose Zaclis ⁽⁶⁾	-	-	-
Dr. Assad J. Kazeminy ⁽⁷⁾	-	-	-
John McVicar ⁽⁸⁾	-	-	-

Notes:

- (1) Based on the TSX closing price of \$0.78 for the Common Shares on December 31, 2021.
- (2) Mr. Davila Char beneficially owns, controls, or directs, directly or indirectly, 10,000 Options through Siranom Investments Inc.
- (3) Mr. White did not stand for re-election at the meeting of Shareholders held on June 24, 2021.
- (4) Ms. Giesselman resigned from her role as director of the Corporation on May 7, 2021.
- (5) Mr. Leavenworth did not stand for re-election at the meeting of Shareholders held on June 24, 2021.
- (6) Mr. Zaclis was elected to the Board on June 24, 2021. Mr. Zaclis resigned from his role as a director of the Corporation on November 11, 2021.
- (7) Mr. Kazeminy was elected to the Board on June 24, 2021. Mr. Kazeminy will not stand for re-election at the Meeting.
- (8) Mr. McVicar was elected to the Board on June 24, 2021.

Directors and Officers Liability Insurance

Directors and officers liability insurance was purchased on July 13, 2021 at the Corporation's expense for the protection of all the directors and officers against liability incurred by them in their capacities as directors and officers of the Corporation and the Corporation's past and present subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE

Under the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation is required to disclose certain information relating to its corporate governance practices. This information is set forth below.

Board of Directors

The Board is currently comprised of six (6) directors and five (5) Board Nominees are being put forward by management for election as directors at the Meeting.

Under the Act, a director may be removed with or without cause by a resolution passed by an ordinary majority of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote. The directors will be elected by shareholders at each annual meeting of shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed.

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Based on information provided by each

director concerning his or her background, employment and affiliations, the Board has determined that of the six (6) directors on the Board as at the date hereof, Aras Azadian is not considered independent as a result of his position as an executive officer of the Corporation, and Giancarlo Davila Char is not considered independent as a result of his position as an independent contractor of the Corporation. Dr. Chandrakant Panchal, Chairman of the Board, Dr. Assad Kazeminy, John McVicar and Eileen McCormack are considered independent within the meaning of NI 52-110. Mr. Kazeminy will not stand for re-election as a director at the Meeting. It is anticipated that of the five (5) Board Nominees, three (3) will be considered independent within the meaning of NI 52-110, being Dr. Chandrakant Panchal, John McVicar and Eileen McCormack.

Independent Directors

The Board believes that, given its size and structure, it is able to facilitate independent judgment in carrying out its responsibilities. Currently the majority of the Board is independent and the independent directors meet in the absence of senior executive officers or any non-independent directors. The independent directors hold such in-camera sessions at each scheduled Board meeting. Additionally, the Corporation's independent directors are required to make annual visits to Avicanna's offices in Colombia and visit the cultivation facilities at Sativa Nativa S.A.S. and Santa Marta Golden Hemp S.A.S. The Corporation has also appointed Dr. Chandrakant Panchal as an independent Chairman of the Board.

Attendance

The attendance record of each director for all board meetings held since the beginning of the Corporation's most recently completed financial year is set out below:

Director	Board Meetings Attended	Audit Committee Meetings Attended	Compensation Committee Meetings Attended	Nominating & Corporate Governance Committee Meetings Attended
Aras Azadian	19	-	-	-
Setu Purohit ⁽¹⁾	18	-	-	-
Giancarlo Davila Char	14	-	-	-
Dr. Chandrakant Panchal	19	4	1	-
David Allan White ⁽²⁾	8	-	-	-
Janet Giesselman ⁽³⁾	8	-	-	-
Benjamin Leavenworth ⁽⁴⁾	8	-	-	-
Flavio Jose Zaclis ⁽⁵⁾	1	1	-	-
Dr. Assad J. Kazeminy ⁽⁶⁾	9	-	1	-
John McVicar ⁽⁷⁾	9	4	1	-
Eileen McCormack ⁽⁸⁾	-	-	-	-

Notes:

- (1) Mr. Purohit resigned from his role as a director of the Corporation on January 4, 2022.
- (2) Mr. White did not stand for re-election at the meeting of Shareholders held on June 24, 2021.
- (3) Ms. Giesselman resigned from her role as director of the Corporation on May 7, 2021.
- (4) Mr. Leavenworth was appointed as a member of the Compensation Committee on March 24, 2021. Mr. Leavenworth did not stand for re-election at the meeting of Shareholders held on June 24, 2021.
- (5) Mr. Zaclis was elected to the Board on June 24, 2022. Mr. Zaclis resigned from his role as a director of the Corporation on November 11, 2021.
- (6) Mr. Kazeminy was elected to the Board on June 24, 2021. Mr. Kazeminy will not stand for re-election at the Meeting.
- (7) Mr. McVicar was elected to the Board on June 24, 2021.

(8) Ms. McCormack was appointed as a member of the Board on January 4, 2022.

Reporting Issuer Experience

The following directors of the Corporation are also a director of other reporting issuers:

Director	Name of Other Reporting Issuer and Exchange
Dr. Chandrakant Panchal	Medicenna Therapeutics Corp. (TSX and NASDAQ)
John McVicar	Metalore Resources Limited (TSXV) Ion Energy Ltd. (TSXV)

Board Mandate

The Board is responsible for supervising the management of the business and affairs of the Corporation, including providing guidance and strategic oversight to management. The Board has adopted a formal mandate, the Board Mandate, attached hereto as Appendix "A", in which the Board has acknowledged responsibility for the stewardship of the Corporation, including:

- adopting a strategic planning process;
- identifying risks to the business of the Corporation and ensuring that appropriate procedures are in place for risk management;
- reviewing, approving and monitoring annual operating plans and budgets;
- mandating a culture of corporate social responsibility, ethics and integrity including satisfying itself as to the integrity of the executive officers of the Corporation and that those executive officers create a culture of integrity throughout the organization;
- providing for succession planning, including the appointment, training and supervision of management;
- monitoring financial reporting, including the adequacy of internal controls and management information systems;
- supervising corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders; and
- adopting key corporate policies designed to ensure that the Corporation, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Corporation's business ethically and with honesty and integrity.

Audit Committee

The Audit Committee is responsible for overseeing the integrity of the Corporation's financial statements, reviewing financial reports and other financial information, recommending the appointment and reviewing and appraising the audit efforts of the Corporation's external auditors, overseeing and monitoring the Corporation's financial reporting processes and internal controls, the Corporation's processes to manage business and financial risk and its compliance with legal, ethical and regulatory requirements and encouraging improvement of, and adherence to, the Corporation's policies, procedures and practices.

The Audit Committee currently consists of three directors, namely, Mr. John McVicar (Chair), Dr. Chandrakant Panchal, and Ms. Eileen McCormack. Each of Mr. McVicar, Dr. Panchal, and Ms. McCormack are persons determined by the Board to be independent directors within the meaning of NI 52-110.

Each of the Audit Committee members is financially literate in accordance with NI 52-110 and has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education and experience of each member of the Audit Committee, see also "*Particulars of Matters to be Acted Upon – Election of Directors*".

The Audit Committee has a published mandate which is disclosed in the Corporation's Annual Information Form (the "**AIF**"), filed with Canadian securities regulators and posted under the Corporation's profile at www.sedar.com. For additional information on the Audit Committee, please see the section of the AIF titled "*Audit Committee*".

MNP LLP was the Corporation's auditor for the fiscal year ended December 31, 2019 and served as the Corporation's auditor through to July 15, 2021. On July 15, 2021, the Corporation appointed Kingston Ross Pasnak LLP as its independent registered public accounting firm following the resignation of MNP LLP as its independent registered public accounting firm. There were no reservations or modified opinions in MNP LLP's audit report for the fiscal year ended December 31, 2019, however, there was a reportable event with respect to an unresolved issue, as such terms are defined in NI 51-102, related to MNP LLP's conclusion that it would not be in a position to issue an opinion on the Corporation's financial statements for the year ended December 31, 2020 due to an internal control issue it believed it had identified in conducting its audit.

Attached to this Information Circular as Appendix "B" is a copy of the reporting package, as defined in NI 51-102, that was filed with the requisite securities regulatory authorities. The reporting package consists of (i) a letter from MNP LLP, as former auditor; (ii) a letter from Kingston Ross Pasnak LLP, as successor auditor; and (iii) a notice of change of auditor.

Compensation Committee

For a description of the composition and function of the Compensation Committee, see "*Statement of Executive Compensation – Compensation Committee*".

Nominating & Corporate Governance Committee

The Board has established the Nominating & Corporate Governance Committee which oversees the nomination of directors. Following the Meeting, it is anticipated that the Nominating & Corporate Governance Committee will be comprised of Eileen McCormack (Chair), John McVicar and Dr. Chandra Panchal. Dr. Assad J. Kazeminy, a current director of the Corporation who does not intend to stand for re-election at the Meeting, is currently a member of the Nominating & Corporate Governance Committee.

The Nominating & Corporate Governance Committee is tasked with the responsibility of assisting the Board in fulfilling its responsibilities relating to matters of director nominations process and procedures and developing and maintaining the Corporation's corporate governance policies, including diversity. In addition, the Nominating & Corporate Governance Committee has the following powers and responsibilities, among others: (i) determine the qualifications, qualities, skills and other expertise required to be a director of the Corporation; (ii) develop, and recommend to the Board for its approval, criteria to be considered in selecting nominees for director; (iii) identify and screen individuals qualified to become members of the Board and make recommendations to the Board; (iv) consider any director candidates recommended by the Corporation's shareholders under the procedures set forth in the Act and the Corporation's by-laws; (v) oversee the Corporation's corporate governance practices and procedures, including identifying best practices and reviewing and recommending to the Board for approval any changes to the documents, policies and procedures in the Corporation's corporate governance framework and its articles of incorporation and by-laws; (vi) review and discuss with management disclosure of the Corporation's corporate governance practices, including information regarding the operations of the Nominating & Corporate Governance Committee and other Board committees, director independence and the director nominations process and review and recommend disclosure to be included in the Corporation's

management information circular; (vii) develop, subject to approval by the Board, a process for an annual assessment of effectiveness of the Board and its committees and oversee the conduct of this annual assessment; (viii) review the Board's committee structure and composition and make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chair annually; (ix) identify and make recommendations to the Board regarding the selection and approval of candidates to fill vacancies either by election by shareholders or appointment by the Board; (x) develop and oversee a Corporation orientation program for new directors and a continuing education program for current directors and periodically review these programs and update them as necessary; (xi) develop and recommend to the Board for approval director independence standards in addition to those required by applicable securities laws and stock exchange requirements and evaluate the independence of each director at least annually; (xii) monitor compliance with the Corporation's Code of Conduct, investigate any alleged breach or violation of the Code of Conduct, enforce the provisions of the Code of Conduct and review the Code of Conduct periodically and recommend any changes to the Board; (xiii) develop and recommend to the Board for approval a Chief Executive Officer succession plan; (xiv) develop and evaluate potential candidates for executive positions; and recommend to the Board any changes to, and any candidates for succession under, the succession plan; and (xv) review any director resignation letter tendered and evaluate and recommend to the Board whether such resignation should be accepted in accordance with the Corporation's Majority Voting Policy.

Majority Voting Policy

The Corporation has adopted a Majority Voting Policy for director elections, whereby any nominee for election as a director who receives a greater number of votes "withheld" than votes "for" must tender his or her resignation to the Chairman following the shareholders' meeting to be effective upon acceptance by the Board. Upon such resignation, the Nominating & Corporate Governance Committee will consider the offer of resignation and make a recommendation to the Board on whether or not to accept it. The Board will consider such resignation and will accept the resignation absent exceptional circumstances. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board or the Nominating & Corporate Governance Committee at which the resignation is considered. Once the determination of the Board to accept or reject the director's resignation has been made, the Corporation will promptly announce the Board's decision by press release.

Position Descriptions

The Board has adopted a written position description for: (i) the Chair which sets out their key responsibilities, including, among others, duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee; (ii) the Lead Director which sets out the key responsibilities of the Lead Director, including, among others, duties relating to assisting the Board in understanding its obligations as a Board and, in particular, the requirement for the Board to operate independent of management; and (iii) the Executive Officers which sets out the key responsibilities of the Executive Officers, including, among other duties in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to the Board for consideration, ensuring the development of an annual corporate plan and budget that supports the strategic plan and recommending such plan to the Board for consideration and supervising day-to-day management and communicating with shareholders and regulators.

Ethical Business Conduct

The Board has adopted a written code of business conduct and ethics (the "**Code of Conduct**") that applies to all of the Corporation's directors, officers, employees and advisory committee members. The objective of the Code of Conduct is to provide guidelines for maintaining the Corporation's and its subsidiaries' integrity, reputation, honesty, objectivity, and impartiality. The Code of Conduct addresses conflicts of interest, protection of the Corporation's assets, confidentiality, fair dealing with shareholders, competitors and employees, insider trading, compliance with laws, and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose

interests or relationships that are harmful or detrimental to the Corporation's best interests or that may give rise to real, potential, or the appearance of, conflicts of interest. The Board has ultimate responsibility for the stewardship of the Code of Conduct and it will monitor compliance through the Nominating & Corporate Governance Committee. Directors, officers, employees and advisory committee members, are required to annually certify that they have not violated the Code of Conduct. The Code of Conduct is filed with the Canadian securities regulatory authorities on SEDAR at www.sedar.com.

All of the Corporation's executives, other employees and directors are also subject to the Insider Trading Policy, which prohibits trading in the Corporation's securities while in possession of material undisclosed information about the Corporation. Under this policy, such individuals are prohibited from entering into hedging transactions involving the Corporation's securities, such as short sales, puts and calls. Furthermore, the Corporation permits executives, including the NEOs, to trade in the Corporation's securities, only during prescribed trading windows.

Orientation and Continuing Education

The Corporation has implemented an orientation program for new directors under which a new director will meet with the Chairman and members of senior management. New directors will be provided with comprehensive orientation and education as to the nature and operation of the Corporation and its business, the role of the Board and its committees, and the contribution that an individual director is expected to make. The Nominating & Corporate Governance Committee is responsible for overseeing director continuing education designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of the Corporation's business remains current. The chair of each committee is responsible for coordinating orientation and continuing director development programs relating to the committee's mandate.

Assessments

The Board, in conjunction with the Nominating & Corporate Governance Committee, has put in place measures to assess the effectiveness and contribution of the Board and its committees, as well as individual directors and each of the officers of the Corporation on an annual basis.

Director Term Limits

The Corporation has not adopted a policy which imposes term limits for directors. The Corporation believes that it is crucial that directors understand its industry and its business and this requires a certain length of tenure on the Board. Long-term directors accumulate extensive company knowledge while new directors bring new experience and perspectives to the Board. It is important to achieve an appropriate balance of both to ensure an effective Board.

Policies Regarding the Representation of Women on the Board and Executive Management and the Consideration of the Representation of Women in the Director Identification and Selection Process and Executive Officer Appointments

The Board does not currently have a formal policy with regard to the consideration of diversity in identifying director or executive nominees or a written policy relating to the identification and nomination of women directors or executives. The Corporation has not yet adopted such formal policies on diversity but regularly considers diversity (including the representation of women on the Board) as one of a number of relevant factors when considering potential new nominees. The Corporation recognizes the potential benefit of diversity in leadership positions, including with respect to its Board and executive officer positions, but feels a formal policy is unnecessary for the size of the Corporation.

Targets Regarding the Representation of Women on the Board and in Executive Officer Positions

At this time the Corporation has not adopted a target regarding the representation of women on the Board or in executive officer positions. The Corporation does not adopt targets because the Corporation is of the

view that its current practice of considering diversity as a factor in selecting candidates as potential directors or executive officers permits the Corporation to balance the benefit of diversity with other relevant considerations.

Number of Women on the Board and in Executive Positions

The Corporation currently has one (1) woman (17%) on the Board and no women (0%) in an executive officer role. One (1) of the Board Nominees is a woman, representing 20% of the five (5) Board Nominees.

MANAGEMENT CONTRACTS

As of December 31, 2021, the Corporation was not party to any management contracts.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar of the Corporation is Odyssey Trust Company at its principal office at 323 - 409 Granville St. Vancouver, British Columbia, V6C 1T2.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described herein with respect to Santa Marta Golden Hemp S.A.S. (and Mr. Davila Char's relationship with Bondue), to the knowledge of the Corporation, no "informed person", proposed director, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since January 1, 2021 or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries. An "informed person" means, among others, (i) a director or executive officer of the Corporation or of a subsidiary of the Corporation, (ii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than ten percent (10%) of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (iii) a reporting issuer that has purchased, redeemed, or otherwise acquired any of its securities, for so long as it holds any of its securities.

ADDITIONAL INFORMATION

Financial information is provided in the financial statements and management's discussion and analysis of the results thereon. Shareholders wishing to receive a copy of such materials should mail a request to the Corporation at 480 University Avenue, Suite 1502, Toronto, Ontario, M5G 1V2, Attention: Legal Department.

Additional information relating to the Corporation is also available free of charge on SEDAR at www.sedar.com.

APPENDIX "A"

BOARD MANDATE

1. INTRODUCTION

- 1.1 The board of directors (the "**Board**") of Avicanna Inc. (the "**Corporation**") is elected by the shareholders of the Corporation and is responsible for the stewardship of the Corporation. 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 the Board will adopt in discharging its duties and responsibilities.

2. ROLE AND RESPONSIBILITIES OF THE BOARD

- 2.1 The role of the Board is to represent the shareholders of the Corporation, enhance and maximize shareholder value and conduct the business and affairs of the Corporation 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 the Corporation. The responsibilities of the Board include:
- adopting a strategic planning process;
 - identifying risks to the business of the Corporation and ensuring that appropriate procedures are in place for risk management;
 - reviewing, approving and monitoring annual operating plans and budgets;
 - mandating a culture of corporate social responsibility, ethics and integrity including satisfying itself as to the integrity of the executive officers of the Corporation and that those executive officers create a culture of integrity throughout the organization;
 - providing for succession planning, including the appointment, training and supervision of management;
 - monitoring financial reporting, including the adequacy of internal controls and management information systems;
 - supervising corporate disclosure and communications;
 - adopting measures for receiving feedback from stakeholders; and
 - adopting key corporate policies designed to ensure that the Corporation, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Corporation's business ethically and with honesty and integrity.
- 2.2 The Board will delegate responsibility for the day-to-day management of the Corporation's business and affairs to the Corporation's senior officers and will supervise such senior officers.
- 2.3 The Board may delegate certain matters within its scope of responsibility to Board committees, presently consisting of the Audit Committee and Compensation Committee. The Board will,

however, retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

3. STRATEGIC PLANNING PROCESS AND RISK MANAGEMENT

3.1 The Board will adopt a strategic planning process to establish objectives and goals for the Corporation'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 the Corporation's business and affairs.

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

4. CORPORATE SOCIAL RESPONSIBILITY, ETHICS AND INTEGRITY

4.1 The Board will provide leadership to the Corporation in support of its commitment to Corporate Social Responsibility, set the ethical tone for the Corporation 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 of the Corporation and all of its subsidiaries and satisfy itself that the Chief Executive Officer and management create a culture of integrity throughout the organization.

5. SUCCESSION PLANNING, APPOINTMENT, SUPERVISION AND COMPENSATION

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

6. DELEGATIONS AND APPROVAL AUTHORITIES

6.1 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 the Corporation. 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.

7. MONITORING OF FINANCIAL REPORTING AND MANAGEMENT

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

7.2 The Board will adopt procedures to ensure the integrity of internal controls and management information systems for the Corporation and all of its subsidiaries to ensure compliance with all applicable laws, rules and regulations, and to prevent violations of applicable laws, rules and regulations relating to financial reporting and disclosure, fraud against the Corporation or any of its subsidiaries and violations of its code of business conduct and ethics.

8. CORPORATE DISCLOSURE AND COMMUNICATIONS

8.1 The Board will 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 Corporation's securities are listed. In addition, the Board will adopt procedures to ensure the Board receives feedback from security holders on material issues.

9. REVIEW OF MANDATE

9.1 The Board will annually review and assess the adequacy of this Mandate.

APPENDIX "B"

Reporting Package

(See attached)

AVICANNA INC.
480 University Avenue, Suite 1502
Toronto, ON M5G1V2

NOTICE OF CHANGE OF AUDITOR
Pursuant to NI 51-102 (Part 4.11)

TO: MNP LLP

AND TO: Kingston Ross Pasnak LLP

AND TO: Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission

It is proposed that Avicanna Inc. (the “**Corporation**”) will change its auditor from MNP LLP (the “**Former Auditor**”) to Kingston Ross Pasnak LLP (the “**Successor Auditor**”) effective as of July 15, 2021.

The Former Auditor notified the Corporation that it was resigning as the Corporation’s independent registered public accounting firm on July 10, 2021. Following the resignation of the Former Auditor, the Audit Committee recommended to the Board of Directors the appointment of the Successor Auditor.

The Corporation further reports there were no reservations or modified opinions in the Former Auditor’s audit report for the fiscal year ended December 31, 2019. However, there is a reportable event with respect to an unresolved issue, as such terms are defined in National Instrument 51-102 — *Continuous Disclosure Obligations* (Part 4.11), related to the audit of the Corporation’s financial statements for the year ended December 31, 2020 (the “**2020 Financial Statements**”) as the internal control issues it identified are such that the Former Auditor has concluded that it will not be in a position to issue an opinion on 2020 Financial Statements. The Corporation has authorized the Former Auditor to respond fully to inquiries by the Successor Auditor concerning the issue.

The change of the auditor and the recommendation to appoint the Successor Auditor was approved by the Audit Committee and the Board of Directors of the Corporation.

DATED this 15th day of July, 2021.

AVICANNA INC.

Per: /s/ “Setu Purohit”

Setu Purohit
President

July 15, 2021

Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission

Dear Sirs/Mesdames:

Re: Avicanna Inc. (the “Corporation”)

We acknowledge receipt of a Notice of Change of Auditor (the “**Notice**”) dated July 15, 2021 delivered to us by the Corporation in respect of the change of auditor of the Corporation. In accordance with National Instrument 51-102 — *Continuous Disclosure Obligations*, we have reviewed the information contained in the Notice and we agree with each of the statements contained therein.

Yours truly,



MNP LLP

Chartered Professional Accountants



KINGSTON
ROSS
PASNAK^{LLP}

Suite 1500, 9888 Jasper Avenue
Edmonton, Alberta T5J 5C6
T. 780.424.3000 | F. 780.429.4817 | W. krpgroup.com

July 15, 2021

Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission

AVICANNA INC. - NOTICE OF CHANGE OF AUDITORS

Dear Sirs/Mesdames:

We acknowledge receipt of a Notice of Change of Auditor (the "Notice") dated July 15, 2021 delivered to us by the Corporation in respect of the change of auditor of the Corporation. In accordance with National Instrument 51-102 — Continuous Disclosure Obligations, we have reviewed the information contained in the Notice and we agree with each of the statements contained therein pertaining to our firm. We advise that we have no basis to agree or disagree with the comments in the Notice issued by MNP LLP.

Yours truly,

Kingston Ross Pasmak LLP

Kingston Ross Pasmak LLP
Chartered Professional Accountants

APPENDIX "C"

Omnibus Long-Term Incentive Plan

(See attached)

AVICANNA INC.
OMNIBUS LONG-TERM INCENTIVE PLAN

June 1, 2019

TABLE OF CONTENTS

ARTICLE 1 —DEFINITIONS.....	4
Section 1.1 Definitions.	4
ARTICLE 2 —PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS	8
Section 2.1 Purpose of the Plan.	8
Section 2.2 Implementation and Administration of the Plan.	8
Section 2.3 Delegation to Committee.	9
Section 2.4 Eligible Participants.....	9
Section 2.5 Shares Subject to the Plan.	9
Section 2.6 Participation Limits.....	10
ARTICLE 3 —OPTIONS	10
Section 3.1 Nature of Options.	10
Section 3.2 Option Awards.....	11
Section 3.3 Exercise Price.	11
Section 3.4 Expiry Date; Blackout Period.	11
Section 3.5 Exercise of Options.....	11
Section 3.6 Method of Exercise and Payment of Purchase Price.	12
ARTICLE 4 —SHARE UNITS	12
Section 4.1 Nature of Share Units.	12
Section 4.2 Share Unit Awards.	13
Section 4.3 Restriction Period Applicable to Share Units.....	13
Section 4.4 Performance Criteria and Performance Period Applicable to PSU Awards.	13
Section 4.5 Share Unit Vesting Determination Date.....	14
Section 4.6 Settlement of Share Unit Awards.....	14
Section 4.7 Determination of Amounts.	15
ARTICLE 5 —GENERAL CONDITIONS	15
Section 5.1 General Conditions applicable to Awards.....	15
Section 5.2 Dividend Share Units.	16
Section 5.3 Termination of Employment.....	16
Section 5.4 Unfunded Plan.	18
ARTICLE 6 —ADJUSTMENTS AND AMENDMENTS	18
Section 6.1 Adjustment to Shares Subject to Outstanding Awards.....	18
Section 6.2 Amendment or Discontinuance of the Plan.	19
Section 6.3 Change of Control.....	20
ARTICLE 7 MISCELLANEOUS	21
Section 7.1 Currency.....	21

Section 7.2	Compliance and Award Restrictions.....	21
Section 7.3	Use of an Administrative Agent and Trustee.	21
Section 7.4	Tax Withholding.	22
Section 7.5	Reorganization of the Corporation.	22
Section 7.6	Governing Laws.	23
Section 7.7	Severability.....	23

AVICANNA INC.
OMNIBUS LONG-TERM INCENTIVE PLAN

Avicanna Inc. (the “**Corporation**”) hereby establishes an Omnibus Long-Term Incentive Plan for certain qualified directors, officers, employees, consultants and management company employees providing ongoing services to the Corporation and its Affiliates (as defined herein) that can have a significant impact on the Corporation’s long-term results.

ARTICLE 1—DEFINITIONS

Section 1.1 Definitions.

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

“**Actively Employed**” means that the Participant must be employed by the Corporation and must not have resigned or given notice of intent to resign, and in the event that a Participant’s employment is terminated for any reason, Actively Employed shall only include the period up to the Participant’s last day of work plus the period of statutory notice (if any) required by the Ontario *Employment Standards Act, 2000*, or such other applicable employment standards legislation. For greater certainty, the period that the Participant is “Actively Employed” or the period of “Active Employment” does not include any period of common law reasonable notice in excess of any applicable statutory notice period.

“**Affiliates**” has the meaning given to this term in the *Securities Act* (Ontario), as such legislation may be amended, supplemented or replaced from time to time;

“**Award Agreement**” means an Option Agreement, RSU Agreement, PSU Agreement, or an Employment Agreement, as the context requires;

“**Awards**” means Options, RSUs and PSUs granted to a Participant pursuant to the terms of the Plan;

“**Black-Out Period**” means the period of time required pursuant to any policies or determinations of the Corporation, when securities of the Corporation may not be traded by Insiders or other specified persons;

“**Board**” means the board of directors of the Corporation;

“**Broker**” has the meaning ascribed thereto in Section 7.4(2) hereof;

“**Business Day**” means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario, Canada, for the transaction of banking business;

“**Cancellation**” has the meaning ascribed thereto in Section 2.5(1) hereof;

“**Cash Equivalent**” means in the case of Share Units, the amount of money equal to the Market Value multiplied by the number of vested Share Units in the Participant’s Account, net of any

applicable taxes and other source deductions, in accordance with Section 7.4, on the Share Unit Settlement Date;

“Change of Control” means unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events: (a) any transaction (other than a transaction described in clause (b) below) pursuant to which any person or group of persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs (A) upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation’s equity incentive plans; or (B) as a result of the conversion of the multiple voting shares in the capital of the Corporation into Shares;

- (a) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;
- (b) the sale, lease, exchange, license or other disposition of all or substantially all of the Corporation’s assets to a person other than a person that was an Affiliate of the Corporation at the time of such sale, lease, exchange, license or other disposition, other than a sale, lease, exchange, license or other disposition to an entity, more than fifty percent (50%) of the combined voting power of the voting securities of which are beneficially owned by shareholders of the Corporation in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such sale, lease, exchange, license or other disposition;
- (c) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation’s business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (d) individuals who, on the Effective Date, are members of the Board (the **“Incumbent Board”**) cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended from time to time and the Treasury Regulations promulgated thereunder;

“**Code of Ethics**” means any code of ethics adopted by the Corporation, as modified from time to time;

“**Corporation**” means Avicanna Inc., a corporation existing under the *Business Corporations Act* (Ontario), as amended from time to time;

“**Dividend Share Units**” has the meaning ascribed thereto in Section 5.2 hereof;

“**Effective Date**” means, the date immediately prior to the listing of the Shares on the Stock Exchange;

“**Eligible Participants**” has the meaning ascribed thereto in Section 2.4(1) hereof;

“**Employment Agreement**” means, with respect to any Participant, any written employment agreement between the Corporation or an Affiliate and such Participant;

“**Exercise Notice**” means a notice in writing signed by a Participant and stating the Participant’s intention to exercise a particular Award, if applicable;

“**Exercise Price**” has the meaning ascribed thereto in Section 3.3 hereof;

“**Expiry Date**” has the meaning ascribed thereto in Section 3.4 hereof;

“**Insider**” has the meaning attributed thereto in the applicable Stock Exchange policy manual in respect of the rules governing security-based compensation arrangements, as amended from time to time;

“**Market Value**” means: (i) at all times the Corporation is listed on the TSX, the five day volume weighted average price of the Shares; and (ii) prior to such time, it means the price determined in accordance with TSX rules with respect to pre-listing grants.

the fair market value of the Shares as is determined solely by the Board, acting reasonably and in good faith;

“**Non-Employee Directors**” means members of the Board who, at the time of execution of an Award Agreement, if applicable, and at all times thereafter while they continue to serve as a member of the Board, are not officers, senior executives or other employees of the Corporation or a Subsidiary, consultants or service providers providing ongoing services to the Corporation or its Affiliates;

“**Option**” means an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, but subject to the provisions hereof;

“**Option Agreement**” means a written notice from the Corporation to a Participant evidencing the grant of Options and the terms and conditions thereof, substantially in the form set out in Appendix “A”, or such other form as the Board may approve from time to time;

“Participant’s Account” means an account maintained to reflect each Participant’s participation in RSUs and/or PSUs under the Plan;

“Participants” means Eligible Participants that are granted Awards under the Plan;

“Performance Criteria” means criteria established by the Board which, without limitation, may include criteria based on the Participant’s personal performance and/or the financial performance of the Corporation and/or of its Affiliates, and that may be used to determine the vesting of the Awards, when applicable;

“Performance Period” means the period determined by the Board pursuant to Section 4.4 hereof;

“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;

“Plan” means this Omnibus Long-Term Incentive Plan, as amended and restated from time to time;

“PSU” means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“PSU Agreement” means a written notice from the Corporation to a Participant evidencing the grant of PSUs and the terms and conditions thereof, substantially in the form of Appendix “D”, or such other form as the Board may approve from time to time;

“Restriction Period” means the period determined by the Board pursuant to Section 4.3 hereof;

“RSU” means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 4 hereof and subject to the terms and conditions of this Plan;

“RSU Agreement” means a written notice from the Corporation to a Participant evidencing the grant of RSUs and the terms and conditions thereof, substantially in the form of Appendix “C”, or such other form as the Board may approve from time to time;

“Share 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 Shares to one or more employees, directors, officers or insiders of the Corporation or a Subsidiary. For greater certainty, a “Share Compensation Arrangement” does not include a security based compensation arrangement used as an inducement to person(s) or company(ies) not previously employed by and not previously an insider of the Corporation;

“Share Unit” means a RSU or PSU, as the context requires;

“Share Unit Settlement Date” has the meaning determined in Section 4.6(1)(a);

“Share Unit Settlement Notice” means a notice by a Participant to the Corporation electing the desired form of settlement of vested RSUs or PSUs;

“Share Unit Vesting Determination Date” has the meaning described thereto in Section 4.5 hereof;

“Shares” means the common shares in the capital of the Corporation;

“Stock Exchange” means the TSX, or such other exchange that the Shares are listed on, as applicable;

“Subsidiary” means a corporation, company, partnership or other body corporate that is controlled, directly or indirectly, by the Corporation;

“Successor Corporation” has the meaning ascribed thereto in Section 6.1(3) hereof;

“Surrender” has the meaning ascribed thereto in Section 3.6(2);

“Surrender Notice” has the meaning ascribed thereto in Section 3.6(2);

“Tax Act” means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

“Termination Date” means the date on which a Participant ceases to be an Eligible Participant;

“TSX” means the Toronto Stock Exchange; and

“U.S. Participant” means any Participant who is a United States citizen or United States resident alien as defined for purposes of Section 7701(b)(1)(A) of the Code or for whom an Award is otherwise subject to taxation under the Code.

ARTICLE 2—PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS

Section 2.1 Purpose of the Plan.

The purpose of this Plan is to advance the interests of the Corporation by: (i) providing Eligible Participants with additional incentives; (ii) encouraging stock ownership by such Eligible Participants; (iii) increasing the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promoting growth and profitability of the Corporation; (v) encouraging Eligible Participants to take into account long-term corporate performance; (vi) rewarding Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhancing the Corporation’s ability to attract, retain and motivate Eligible Participants.

Section 2.2 Implementation and Administration of the Plan.

- (1) Awards may only be issued under this Plan once any required approvals of the Stock Exchange have been obtained by the Corporation.
- (2) The Plan was approved by the Board on June 1, 2019 and shall come into effect on the Effective Date.
- (3) Subject to Section 2.3, this Plan will be administered by the Board.

- (4) Subject to the terms and conditions set forth in this Plan, the Board is authorized to provide for the granting, exercise and method of exercise of Awards, all at such times and on such terms (which may vary between Awards granted from time to time) as it determines. In addition, the Board has the authority to (i) construe and interpret this Plan and all certificates, agreements or other documents provided or entered into under this Plan; (ii) prescribe, amend and rescind rules and regulations relating to this Plan; and (iii) make all other determinations necessary or advisable for the administration of this Plan. All determinations and interpretations made by the Board will be binding on all Participants and on their legal, personal representatives and beneficiaries.
- (5) No member of the Board will be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of this Plan, any Award Agreement or other document or any Awards granted pursuant to this Plan.
- (6) The day-to-day administration of the Plan may be delegated to such committee of the Board and/or such officers and employees of the Corporation as the Board determines from time to time.
- (7) Subject to the provisions of this Plan, the Board has the authority to determine the limitations, restrictions and conditions, if any, applicable to the exercise of an Award.

Section 2.3 Delegation to Committee.

Despite Section 2.2 or any other provision contained in this Plan, the Board has the right to delegate the administration and operation of this Plan, in whole or in part, to a committee of the Board and/or to any member of the Board. In such circumstances, all references to the Board in this Plan include reference to such committee and/or member of the Board, as applicable.

Section 2.4 Eligible Participants.

- (1) The Persons who shall be eligible to receive Awards ("**Eligible Participants**") shall be the directors, officers, senior executives, consultants, management company employees and other employees of the Corporation or a Subsidiary, providing ongoing services to the Corporation and its Affiliates.
- (2) Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship, employment or appointment with the Corporation.
- (3) Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee of employment or appointment by the Corporation.
- (4) For clarity, employees of the Corporation are Eligible Participants only while Actively Employed with the Corporation.

Section 2.5 Shares Subject to the Plan.

- (1) Subject to adjustment pursuant to provisions of Article 6 hereof, the total number of Shares reserved and available for grant and issuance pursuant to Awards under the Plan (as well as any other Share Compensation Arrangement) shall not exceed ten percent (10%) of the total issued

and outstanding Shares from time to time or such other number as may be approved by the Stock Exchange and the shareholders of the Corporation from time to time. For the purposes of this Section 2.5(1), in the event that the Corporation cancels or purchases to cancel any of its issued and outstanding Shares (“**Cancellation**”) and as a result of such Cancellation the Corporation exceeds the limit set out in this Section 2.5(1), no approval of the Corporation’s shareholders will be required for the issuance of Shares on the exercise of any Options which were granted prior to such Cancellation.

- (2) Shares in respect of which an Award is granted under the Plan, but not exercised prior to the termination of such Award or not vested or settled prior to the termination of such Award due to the expiration, termination, cancellation or lapse of such Award, shall be available for Awards to be granted thereafter pursuant to the provisions of the Plan. All Shares issued pursuant to the exercise or the vesting of the Awards granted under the Plan shall be so issued as fully paid and non-assessable Shares.

Section 2.6 Participation Limits.

- (1) Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares reserved and available for grant and issuance pursuant to Awards under the Plan to the Non-Employee Directors shall not exceed one percent (1%) of the total issued and outstanding Shares from time to time. For greater certainty, the Shares reserved and available for grant and issuance to the Non-Employee Directors, shall be included in the ten percent (10%) of the total issued and outstanding Shares from time to time generally available for grant and issuance pursuant Section 2.5(1). The total Market Value of annual Award(s) to any individual Non-Employee Directors under the Plan shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of Options.
- (2) Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares (i) issued to Insiders under the Plan or any other proposed or established Share Compensation Arrangement within any one-year period and (ii) issuable to Insiders at any time under the Plan or any other proposed or established Share Compensation Arrangement, shall in each case not exceed ten percent (10%) of the total issued and outstanding Shares from time to time. Any Awards granted pursuant to the Plan, prior to the Participant becoming an Insider, shall be excluded for the purposes of the limits set out in this Section 2.6(2).
- (3) Subject to adjustment pursuant to provisions of Article 6 hereof, the aggregate number of Shares reserved and available for grant issuance pursuant to Share Units under the Plan shall not exceed four percent (4%) of the total issued and outstanding Shares from time to time.

ARTICLE 3 —OPTIONS

Section 3.1 Nature of Options.

An Option is an option granted by the Corporation to a Participant entitling such Participant to acquire a designated number of Shares from treasury at the Exercise Price, subject to the provisions hereof.

Section 3.2 Option Awards.

- (1) The Board shall, from time to time, in its sole discretion, (i) designate the Eligible Participants who may receive Options under the Plan, (ii) determine the number of Options, if any, to be granted to each Eligible Participant and the date or dates on which such Options shall be granted, (iii) determine the price per Share to be payable upon the exercise of each such Option (the “**Exercise Price**”), (iv) determine the relevant vesting provisions (including Performance Criteria, if applicable) and (v) determine the Expiry Date, the whole subject to the terms and conditions prescribed in this Plan, in any Option Agreement and any applicable rules of the Stock Exchange.
- (2) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a Option Agreement, each Option shall vest as to 1/5 on the first anniversary date of the grant, 1/5 on the second anniversary of the date of grant, 1/5 on the third anniversary of the date of grant, 1/5 on the fourth anniversary of the date of grant, and 1/5 on the fifth anniversary of the date of grant.

Section 3.3 Exercise Price.

The Exercise Price for Shares that are the subject of any Option shall be fixed by the Board when such Option is granted, but shall not be less than the Market Value of such Shares at the time of the grant.

Section 3.4 Expiry Date; Blackout Period.

Subject to Section 6.2, each Option must be exercised no later than ten (10) years after the date the Option is granted or such shorter period as set out in the Participant’s Option Agreement, at which time such Option will expire (the “**Expiry Date**”). Notwithstanding any other provision of this Plan, each Option that would expire during or within ten (10) Business Days immediately following a Black-Out Period shall expire on the date that is ten (10) Business Days immediately following the expiration of the Black-Out Period. Where an Option will expire on a date that falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the date such Option will expire will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days after the Black-Out Period that the Option expires.

Section 3.5 Exercise of Options.

- (1) Subject to the provisions of this Plan, a Participant shall be entitled to exercise an Option granted to such Participant, subject to vesting limitations which may be imposed by the Board at the time such Option is granted.
- (2) Prior to its expiration or earlier termination in accordance with the Plan, each Option shall be exercisable as to all or such part or parts of the optioned Shares and at such time or times and/or pursuant to the achievement of such Performance Criteria and/or other vesting conditions as the Board may determine in its sole discretion.
- (3) No fractional Shares will be issued upon the exercise of Options granted under this Plan and, accordingly, if a Participant would become entitled to a fractional Share upon the exercise of an Option, or from an adjustment pursuant to Section 6.1, such Participant will only have the right to

acquire the next lowest whole number of Shares, and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

Section 3.6 Method of Exercise and Payment of Purchase Price.

- (1) Subject to the provisions of the Plan and the alternative exercise procedures set out herein, an Option granted under the Plan may be exercisable (from time to time as provided in Section 3.5 hereof) by the Participant (or by the liquidator, executor or administrator, as the case may be, of the estate of the Participant) by delivering an Exercise Notice to the Corporation in the form and manner determined by the Board from time to time, together with a bank draft, certified cheque or other form of payment acceptable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Options and any applicable tax withholdings.
- (2) Subject to **Error! Reference source not found.**, in addition, in lieu of exercising any vested Option in the manner described in this Section 3.6(1), and pursuant to the terms of this Article 3, a Participant may, by surrendering an Option (“**Surrender**”) with a properly endorsed notice of Surrender to the Corporate Secretary of the Corporation, substantially in the form of Schedule “B” to the Option Agreement (a “**Surrender Notice**”), elect to receive that number of Shares calculated using the following formula:

$$X = (Y * (A-B)) / A$$

Where:

X = the number of Shares to be issued to the Participant upon exercising such Options; provided that if the foregoing calculation results in a negative number, then no Shares shall be issued

Y = the number of Shares underlying the Options to be Surrendered

A = the Market Value of the Shares as at the date of the Surrender

B = the Exercise Price of such Options

- (3) Subject to **Error! Reference source not found.**, upon the exercise of an Option pursuant to Section 3.6(1) or Section 3.6(2), the Corporation shall, as soon as practicable after such exercise but no later than ten (10) Business Days following such exercise, forthwith cause the transfer agent and registrar of the Shares to deliver to the Participant such number of Shares as the Participant shall have then paid for and as are specified in such Exercise Notice.

ARTICLE 4 —SHARE UNITS

Section 4.1 Nature of Share Units.

A Share Unit is an Award entitling the recipient to acquire Shares, at such purchase price (which may be zero) as determined by the Board, 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 pre-established performance goals and objectives.

Section 4.2 Share Unit Awards.

- (1) 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 Eligible Participants who may receive RSUs and/or PSUs under the Plan, (ii) fix the number of RSUs and/or PSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs and/or PSUs shall be granted, and (iii) determine the relevant conditions and vesting provisions (including, in the case of PSUs, the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs and/or PSUs, the whole subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) The RSUs and PSUs are structured so as to be considered to be a plan described in Section 7 of the Tax Act or any successor to such provision.
- (3) Subject to the vesting and other conditions and provisions set forth herein, and also subject to the specific provisions in the particular RSU Agreement and/or PSU Agreement, the Board shall determine at the time of settlement whether each RSU and/or PSU awarded to a Participant shall entitle the Participant: (i) to receive one Share; (ii) to receive the Cash Equivalent of one Share; or (iii) to elect to receive either one Share, the Cash Equivalent of one Share or a combination of cash and Shares.
- (4) The Participant shall settle share Units at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the Share Unit Settlement Date.
- (5) Unless otherwise specified in the RSU Agreements, one-third of RSUs awarded pursuant to a RSU Agreement shall vest on each of the first three anniversaries of the date of grant.
- (6) Each Non-Employee Director may elect to receive all or a portion of his or her annual retainer fee in the form of a grant of RSUs in each fiscal year. The number of RSUs shall be calculated as the amount of the Non-Employee Director's annual retainer fee elected to be paid by way of RSUs divided by the Market Value. At the discretion of the Board, fractional RSUs will not be issued and any fractional entitlements will be rounded down to the nearest whole number.

Section 4.3 Restriction Period Applicable to Share Units.

The applicable restriction period in respect of a particular Share Unit shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three (3) years after the calendar year in which the Award is granted ("**Restriction Period**"). For example, the Restriction Period for a grant made in June 2018 shall end no later than December 31, 2021. Subject to the Board's determination, any vested Share Units with respect to a Restriction Period will be paid to Participants in accordance with Article 4, no later than the end of the Restriction Period. Unless otherwise determined by the Board, all unvested Share Units shall be cancelled on the Share Unit Vesting Determination Date (as such term is defined in Section 4.5) and, in any event, no later than the last day of the Restriction Period.

Section 4.4 Performance Criteria and Performance Period Applicable to PSU Awards.

- (1) For each award of PSUs, the Board shall establish the period in which any Performance Criteria and other vesting conditions must be met in order for a Participant to be entitled to receive Shares in exchange for all or a portion of the PSUs held by such Participant (the "**Performance Period**"), provided that such Performance Period may not expire after the end of the Restriction

Period, being no longer than three (3) years after the calendar year in which the Award was granted. For example, a Performance Period determined by the Board to be for a period of three (3) financial years will start on the first day of the financial year in which the award is granted and will end on the last day of the second financial year after the year in which the grant was made. In such a case, for a grant made on January 4, 2018, the Performance Period will start on January 1, 2018 and will end on December 31, 2020.

- (2) For each award of PSUs, the Board shall establish any Performance Criteria and other vesting conditions in order for a Participant to be entitled to receive Shares in exchange for his or her PSUs. Performance Criteria will be specified in the PSU Agreement.

Section 4.5 Share Unit Vesting Determination Date.

The vesting determination date means the date on which the Board determines if the Performance Criteria and/or other vesting conditions with respect to an RSU and/or PSU have been met (the “**Share Unit Vesting Determination Date**”), and as a result, establishes the number of RSUs and/or PSUs that become vested, if any. For greater certainty, the Share Unit Vesting Determination Date in respect of Share Units must fall after the end of the Performance Period, if applicable, but no later than the last day of the Restriction Period.

Section 4.6 Settlement of Share Unit Awards.

- (1) Subject to the terms of any Employment Agreement or other agreement between the Participant and the Corporation, or the Board expressly providing to the contrary, and except as otherwise provided in a RSU Agreement and/or PSU Agreement, in the event that the vesting conditions, the Performance Criteria and Performance Period, if applicable, of a Share Unit are satisfied:
 - (a) all of the vested Share Units covered by a particular grant may, subject to Section 4.6(4), be settled at any time beginning on the first Business Day following their Share Unit Vesting Determination Date but no later than the end of the Restriction Period (the “**Share Unit Settlement Date**”); and
 - (b) a Participant is entitled to deliver to the Corporation, on or before the Share Unit Settlement Date, a Share Unit Settlement Notice in respect of any or all vested Share Units held by such Participant.
- (2) Subject to Section 4.6(4), settlement of Share Units shall take place promptly following the Share Unit Settlement Date and take the form set out in the Share Unit Settlement Notice through:
 - (a) in the case of settlement of Share Units for their Cash Equivalent, delivery of a bank draft, certified cheque or other acceptable form of payment to the Participant representing the Cash Equivalent;
 - (b) in the case of settlement of Share Units for Shares, delivery of Shares to the Participant; or
 - (c) in the case of settlement of the Share Units for a combination of Shares and the Cash Equivalent, a combination of (a) and (b) above.

- (3) If a Share Unit Settlement Notice is not received by the Corporation on or before the Share Unit Settlement Date, settlement shall take the form of Shares (either issued from treasury or acquired on the open market) as set out in Section 4.7(2).
- (4) Notwithstanding any other provision of this Plan, in the event that a Share Unit Settlement Date falls during a Black-Out Period and the Participant has not delivered a Share Unit Settlement Notice, then such Share Unit Settlement Date shall be automatically extended to the tenth (10th) Business Day following the date that such Black-Out Period is terminated. Where a Share Unit Settlement Date falls immediately after a Black-Out Period, and for greater certainty, not later than ten (10) Business Days after the Black-Out Period, then the Share Unit Settlement Date will be automatically extended by such number of days equal to ten (10) Business Days less the number of Business Days that a Share Unit Settlement Date is after the Black-Out Period.

Section 4.7 Determination of Amounts.

- (1) **Cash Equivalent of Share Units.** For purposes of determining the Cash Equivalent of Share Units to be made pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and shall equal the Market Value on the Share Unit Settlement Date multiplied by the number of vested Share Units in the Participant's Account which the Participant desires to settle in cash pursuant to the Share Unit Settlement Notice, subject to any applicable taxes and source deductions as more fully described in Section 7.4.
- (2) **Payment in Shares.** For the purposes of determining the number of Shares to be issued and delivered to a Participant upon settlement of Share Units pursuant to Section 4.6, such calculation will be made on the Share Unit Settlement Date and be the whole number of Shares equal to the whole number of vested Share Units then recorded in the Participant's Account which the Participant desires to settle pursuant to the Share Unit Settlement Notice. Such Shares may be issued from treasury or acquired on the open market. The issuance or delivery of such Shares, as applicable, shall satisfy such Participant's entitlement, subject to any applicable taxes and source deductions as more fully described in Section 7.4.

ARTICLE 5—GENERAL CONDITIONS

Section 5.1 General Conditions applicable to Awards.

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Employment** – The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ in any capacity. For greater certainty, the granting of Awards to a Participant shall not impose any obligation on the Corporation to grant any awards in the future nor shall it entitle the Participant to receive future grants.
- (2) **Rights as a Shareholder** – Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards until the date of issuance of a share certificate to such Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) or the entry of such person's name on the share register for the Shares. Without in any way limiting the generality of the foregoing, no adjustment shall be made for

dividends or other rights for which the record date is prior to the date such share certificate is issued or entry of such person's name on the share register for the Shares.

- (3) **Conformity to Plan** – In the event that an Award is granted or an Award Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (4) **Non-Transferability** – Except as set forth herein, Awards are not transferable. Awards may be exercised only by:
 - (a) the Participant to whom the Awards were granted; or
 - (b) with the Corporation's prior written approval and subject to such conditions as the Corporation may stipulate, such Participant's family or retirement savings trust or any registered retirement savings plans or registered retirement income funds of which the Participant is and remains the annuitant; or
 - (c) upon the Participant's death, by the legal representative of the Participant's estate; or
 - (d) upon the Participant's incapacity, the legal representative having authority to deal with the property of the Participant;

provided that any such legal representative shall first deliver evidence satisfactory to the Corporation of entitlement to exercise any Award. A person exercising an Award may subscribe for Shares only in the person's own name or in the person's capacity as a legal representative.

Section 5.2 Dividend Share Units.

When dividends (other than stock dividends) are paid on Shares, Participants shall receive additional RSUs and/or PSUs, as applicable ("**Dividend Share Units**") as of the dividend payment date. The number of Dividend Share Units to be granted to the Participant shall be determined by multiplying the aggregate number of RSUs and/or PSUs, as applicable, held by the Participant on the relevant record date by the amount of the dividend paid by the Corporation on each Share, and dividing the result by the Market Value on the dividend payment date, which Dividend Share Units shall be in the form of RSUs and/or PSUs, as applicable. Dividend Share Units granted to a Participant in accordance with this Section 5.2 shall be subject to the same vesting conditions applicable to the related RSUs and/or PSUs.

Section 5.3 Termination of Employment.

- (1) Subject to a written Employment Agreement of a Participant and as otherwise determined by the Board, each Share Unit and Option shall be subject to the following conditions:
 - (a) **Termination for Cause.** Upon a Participant ceasing to be an Eligible Participant for "cause", all unexercised vested or unvested Share Units and Options granted to such Participant shall terminate on the effective date of the termination of employment as specified in the notice of termination. For the purposes of the Plan, the determination by the Corporation that the Participant's employment was terminated for cause shall be binding on the Participant. "Cause" shall include, among other things, gross misconduct,

theft, fraud, breach of confidentiality or breach of the Corporation's Code of Ethics and any reason determined by the Corporation to be cause for termination.

- (b) **Retirement.** In the case of a Participant's retirement, any unvested Share Units and/or Options held by the Participant as at the Termination Date will continue to vest in accordance with their vesting schedules, and all vested Share Units and Options held by the Participant at the Termination Date may be exercised until the earlier of the expiry date of such Share Units and Options or one (1) year following the Termination Date, provided that if the Participant is determined to have breached any post-employment restrictive covenants in favour of the Corporation, then any Share Units and/or Options held by the Participant, whether vested or unvested, will immediately expire and the Participant shall pay to the Corporation any "in-the-money" amounts realized upon exercise of Share Units and/or Options following the Termination Date.
 - (c) **Resignation.** In the case of a Participant ceasing to be an Eligible Participant due to such Participant's resignation, subject to any later expiration dates determined by the Board, all Share Units and Options shall expire on the earlier of ninety (90) days after the effective date of such resignation, or the expiry date of such Share Unit or Option, to the extent such Share Unit or Option was vested and exercisable by the Participant on the effective date of such resignation and all unexercised unvested Share Units and/or Options granted to such Participant shall terminate on the effective date of such resignation.
 - (d) **Termination Without Cause.** In the case of a Participant ceasing to be an Eligible Participant for any reason (other than for "cause", resignation or death) the number of Share Units and/or Options that may vest is subject to pro ration over the applicable vesting or performance period and shall expire on the earlier of: (i) ninety (90) days after the effective date of the Termination Date (which time period is inclusive of the statutory notice period, if applicable), or (ii) the expiry date of such Share Units and Options. For greater certainty, the pro ration calculation referred to above shall be net of previously vested Share Units and/or Options.
 - (e) **Death.** If a Participant dies while in his or her capacity as an Eligible Participant, all unvested Share Units and Options will immediately vest and all Share Units and Options will expire one hundred eighty (180) days after the death of such Participant.
 - (f) **Change of Control.** If a participant is terminated without "cause" or resigns for good reason during the 12 month period following a Change of Control, or after the Corporation has signed a written agreement to effect a change of control but before the change of control is completed, then any unvested Share Units and/or Options will immediately vest and may be exercised prior to the earlier of thirty (30) days of such date or the expiry date of such Options.
- (2) For the purposes of this Plan, a Participant's employment with the Corporation or an Affiliate is considered to have terminated at the end of the period of Active Employment. For the avoidance of doubt, no period of notice of termination or pay in lieu beyond the statutory notice period, whether imposed by a court or otherwise, will be considered as extending the Participant's period of employment for the purposes of determining his or her entitlement under this Plan.

- (3) The Participant shall have no entitlement to damages or other compensation arising from or related to not receiving any awards which would have settled or vested or accrued to the Participant after the period of Active Employment.

Section 5.4 Unfunded Plan.

Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.

ARTICLE 6—ADJUSTMENTS AND AMENDMENTS

Section 6.1 Adjustment to Shares Subject to Outstanding Awards.

- (1) In the event of any subdivision of the Shares into a greater number of Shares at any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant, at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof, in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such subdivision if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (2) In the event of any consolidation of Shares into a lesser number of Shares at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall deliver to such Participant at the time of any subsequent exercise or vesting of such Award in accordance with the terms hereof in lieu of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award, but for the same aggregate consideration payable therefor, such number of Shares as such Participant would have held as a result of such consideration if on the record date thereof the Participant had been the registered holder of the number of Shares to which such Participant was theretofore entitled upon such exercise or vesting of such Award.
- (3) If at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Shares shall be reclassified, reorganized or otherwise changed, otherwise than as specified in Section 6.1(1) or Section 6.1(2) hereof or, subject to the provisions of Section 6.2(3) hereof, the Corporation shall consolidate, merge or amalgamate with or into another corporation (the corporation resulting or continuing from such consolidation, merger or amalgamation being herein called the "**Successor Corporation**"), the Participant shall be entitled to receive upon the subsequent exercise or vesting of Award, in accordance with the terms hereof and shall accept in lieu of the number of Shares then subscribed for but for the same aggregate consideration payable therefor, the aggregate number of shares of the appropriate class or other securities of the Corporation or the Successor Corporation (as the case may be) or other consideration from the Corporation or the Successor Corporation (as the case may be) that such Participant would have been entitled to receive as a result of such reclassification, reorganization or other change of shares or, subject to the provisions of Section 6.2(3) hereof, as a result of such consolidation, merger or amalgamation, if on the record date of such reclassification, reorganization or other change of shares or the effective date of such consolidation, merger or

amalgamation, as the case may be, such Participant had been the registered holder of the number of Shares to which such Participant was immediately theretofore entitled upon such exercise or vesting of such Award.

- (4) If, at any time after the grant of an Award to any Participant and prior to the expiration of the term of such Award, the Corporation shall make a distribution to all holders of Shares or other securities in the capital of the Corporation, or cash, evidences of indebtedness or other assets of the Corporation (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 Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit), or should the Corporation effect any transaction or change having a similar effect, then the price or the number of Shares to which the Participant is entitled upon exercise or vesting of Award shall be adjusted to take into account such distribution, transaction or change. Subject to the prior approval of the TSX, the Board shall determine the appropriate adjustments to be made in such circumstances in order to maintain the Participants' economic rights in respect of their Awards in connection with such distribution, transaction or change.

Section 6.2 Amendment or Discontinuance of the Plan.

- (1) The Board may amend the Plan or any Award at any time without the consent of the Participants provided that such amendment shall:
- (a) not adversely alter or impair any Award previously granted except as permitted by the provisions of Article 6 hereof;
 - (b) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the Stock Exchange; and
 - (c) be subject to shareholder approval, where required by law, the requirements of the Stock Exchange or the provisions of the Plan, provided that shareholder approval shall not be required for the following amendments and the Board may make any such amendments:
 - (i) amendments of a general "housekeeping" or clerical nature that, among others, clarify, correct or rectify any ambiguity, defective provision, error or omission in the Plan;
 - (ii) changes that alter, extend or accelerate the terms of vesting or settlement applicable to any Award;
 - (iii) a change to the Eligible Participants under the Plan and assignability provisions under this Plan;
 - (iv) any amendment regarding the effect of termination of a Participant's employment or engagement;
 - (v) any amendment regarding the administration of this Plan;
 - (vi) any amendment necessary to comply with applicable law or the requirements of the Stock Exchange or any other regulatory body having authority over the Corporation, this Plan or the shareholders of the Corporation; and

- (vii) any other amendment that does not require the shareholder approval under Section 6.2(2).
- (2) Notwithstanding Section 6.2(1)(c), the Board shall be required to obtain shareholder approval to make the following amendments:
- (a) any change to the maximum number of Shares issuable from treasury under the Plan, except such increase by operation of Section 2.5 and in the event of an adjustment pursuant to Article 6;
 - (b) any amendment which reduces the exercise price of any Award, except in the case of an adjustment pursuant to Article 6;
 - (c) any amendment that would permit the introduction or reintroduction of Non-Employee Directors as Eligible Participants on a discretionary basis or any amendment that increases the limits previously imposed on Non-Employee Director participation;
 - (d) any amendment to remove or to exceed the insider participation limit set out in Section 2.6(2);
 - (e) any amendment which would permit Awards granted under the Plan to be transferable or assignable other than for normal estate settlement purposes; and
 - (f) any amendment to the amendment provisions of the Plan.
- (3) The Board may, subject to applicable regulatory approvals and legislative requirements, decide that any of the provisions hereof concerning the effect of termination of the Participant's employment shall not apply for any reason acceptable to the Board.

Section 6.3 Change of Control.

- (1) Notwithstanding any other provision of this Plan, in the event of a Change of Control, the surviving, successor or acquiring entity shall assume any Awards or shall substitute similar options or share units for the outstanding Awards, as applicable. If the surviving, successor or acquiring entity does not assume the outstanding Awards or substitute similar options or share units for the outstanding Awards, as applicable, or if the Board otherwise determines in its discretion, the Corporation shall give written notice to all Participants advising that the Plan shall be terminated effective immediately prior to the Change of Control and all Options, RSUs (and related Dividend Share Units) and a specified number of PSUs (and related Dividend Share Units) shall be deemed to be vested and, unless otherwise exercised, settled, forfeited or cancelled prior to the termination of the Plan, shall expire or, with respect to RSUs and PSUs be settled, immediately prior to the termination of the Plan. The number of PSUs which are deemed to be vested shall be determined by the Board, in its sole discretion, having regard to the level of achievement of the Performance Vesting Conditions prior to the Change of Control.
- (2) In the event of a Change of Control, the Board has the power to: (i) make such other changes to the terms of the Awards as it considers fair and appropriate in the circumstances, provided such changes are not adverse to the Participants; (ii) otherwise modify the terms of the Awards to assist the Participants to tender into a takeover bid or other arrangement leading to a Change of Control, and thereafter; and (iii) terminate, conditionally or otherwise, the Awards not exercised or

settled, as applicable, following successful completion of such Change of Control. If the Change of Control is not completed within the time specified therein (as the same may be extended), the Awards which vest pursuant to this Section 6.3 shall be returned by the Corporation to the Participant and, if exercised or settled, as applicable, the Shares issued on such exercise or settlement shall be reinstated as authorized but unissued Shares and the original terms applicable to such Awards shall be reinstated.

ARTICLE 7 MISCELLANEOUS

Section 7.1 Currency.

Unless otherwise specifically provided, all references to dollars in this Plan are references to Canadian dollars.

Section 7.2 Compliance and Award Restrictions.

- (1) The Corporation's obligation to issue and deliver Shares under any Award is subject to: (i) the completion of such registration or other qualification of such Shares or obtaining approval of such regulatory authority as the Corporation shall determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; (ii) the admission of such Shares to listing on any stock exchange on which such Shares may then be listed; and (iii) the receipt from the Participant of such representations, agreements and undertakings as to future dealings in such Shares as the Corporation determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction. The Corporation shall take all reasonable steps to obtain such approvals, registrations and qualifications as may be necessary for the issuance of such Shares in compliance with applicable securities laws and for the listing of such Shares on any stock exchange on which such Shares are then listed.
- (2) The Participant agrees to fully cooperate with the Corporation in doing all such things, including executing and delivering all such agreements, undertakings or other documents or furnishing all such information as is reasonably necessary to facilitate compliance by the Corporation with such laws, rule and requirements, including all tax withholding and remittance obligations.
- (3) No Awards will be granted where such grant is restricted pursuant to the terms of any trading policies or other restrictions imposed by the Corporation.
- (4) The Corporation is not obliged by any provision of this Plan or the grant of any Award under this Plan to issue or sell Shares if, in the opinion of the Board, such action would constitute a violation by the Corporation or a Participant of any laws, rules and regulations or any condition of such approvals. If Shares cannot be issued to a Participant upon the exercise or settlement of an Award due to legal or regulatory restrictions, the obligation of the Corporation to issue such Shares will terminate and, if applicable, any funds paid to the Corporation in connection with the exercise of any Options will be returned to the applicable Participant as soon as practicable.

Section 7.3 Use of an Administrative Agent and Trustee.

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in

accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

Section 7.4 Tax Withholding.

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of awards, Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of applicable taxes and source deductions. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding obligation may be satisfied by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 7.1 hereof, 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 Corporation, which will in turn remit such amounts to the appropriate governmental authorities, (b) having additional amounts withheld from other cash remuneration which may be paid to the Participant, (c) having the Participant pay the withholding amount to the Corporation, or (d) any other mechanism as may be required or appropriate to conform with local tax and other rules.
- (2) The sale of Shares by the Corporation, or by a broker engaged by the Corporation (the "**Broker**"), under Section 7.4(1) or under any other provision of the Plan will be made on the Stock Exchange. The Participant consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares on his behalf and acknowledges and agrees that (i) the number of Shares sold will be, at a minimum, sufficient to fund the withholding obligations net of all selling costs, which costs are the responsibility of the Participant and which the Participant hereby authorizes to be deducted from the proceeds of such sale; (ii) in effecting the sale of any such Shares, the Corporation or the Broker will exercise its sole judgment as to the timing and the manner of sale and will not be obligated to seek or obtain a minimum price; and (iii) neither the Corporation nor the Broker will be liable for any loss arising out of such sale of the Shares including any loss relating to the pricing, manner or timing of the sales or any delay in transferring any Shares to a Participant or otherwise.
- (3) The Participant further acknowledges that the sale price of the Shares will fluctuate with the market price of the Shares and no assurance can be given that any particular price will be received upon any sale.
- (4) Notwithstanding the first paragraph of this Section 7.4, the applicable tax withholdings may be waived where the Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which regulation 100(3) of the regulations of the Tax Act apply.

Section 7.5 Reorganization of the Corporation.

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or

liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

Section 7.6 Governing Laws.

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 7.7 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

* * *

**ADDENDUM FOR U.S. PARTICIPANTS
AVICANNA INC.
OMNIBUS LONG-TERM INCENTIVE PLAN**

The provisions of this Addendum apply to Awards held by a U.S. Participant. All capitalized terms used in this Addendum but not defined in Section 1 below have the meanings attributed to them in the Plan. The Section references set forth below match the Section references in the Plan. This Addendum shall have no other effect on any other terms and provisions of the Plan except as set forth below.

1. Definitions

“**cause**” has the meaning attributed under Section 5.3(1)(a) of the Plan, provided however that the Participant has provided the Corporation (or applicable Subsidiary) with written notice of the acts or omissions constituting grounds for “cause” within 90 days of such act or omission and the Corporation (or applicable Subsidiary) shall have failed to rectify, as determined by the Board acting reasonably, any such acts or omissions within 30 days of the Corporation’s (or applicable Subsidiary’s) receipt of such notice.

“**Separation from Service**” means, with respect to a U.S. Participant, any event that may qualify as a separation from service under Treasury Regulation Section 1.409A-1(h). A U.S. Participant shall be deemed to have separated from service if he or she dies, retires, or otherwise has a termination of employment as defined under Treasury Regulation Section 1.409A-1(h).

“**Specified Employee**” has the meaning set forth in Treasury Regulation Section 1.409A-1(i).

2. Expiry Date of Options

Notwithstanding anything to the contrary in Section 3.4 of the Plan or otherwise, in no event, including as a result of any Black- Out Period or any termination of employment, shall the expiration of any Option issued to a U.S. Participant be extended beyond the original Expiry Date if such Option has an Exercise Price that is less than the Market Value on the date of the proposed extension.

3. Non-Employee Directors

A Non-Employee Director who is also a U.S. Participant and wishes to have all or any part of his or her annual retainer fees paid in the form of RSUs shall irrevocably elect such payment form by December 31 of the year prior to the calendar year during which the annual retainer fees are to be earned. Any election made under this Section 3 shall be irrevocable during the calendar year to which it applies, and shall apply to annual retainers earned in future calendar years unless and until the U.S. Participant makes a later election in accordance with the terms of this Section 3 of the Addendum. With respect to the calendar year in which a U.S. Participant becomes a Non-Employee Director, so long as such individual has never previously been eligible to participate in any deferred compensation plan sponsored by the Corporation, such individual may make the election described in this Section 3 of the Addendum within the first 30 days of becoming eligible to participate in the Plan, but solely with respect to the portion of the annual retainer not earned before the date such election is made. Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, any RSUs issued to a U.S. Participant that is a Non-Employee Director in lieu of retainer fees shall be settled on earlier of (i) the U.S. Participant’s Separation from Service, or (ii) a Change of Control provided that such change in control event constitutes a change in control within the meaning of Section 409A.

4. Settlement of Share Unit Awards.

- (a) Notwithstanding anything to the contrary in Article 4 of the Plan and except as otherwise set forth herein, all of the vested Share Units subject to any RSU or PSU shall be settled on earlier of (i) the date set forth in the U.S. Participant's Share Unit Settlement Notice which shall be no later than the fifth anniversary of the applicable Share Unit Vesting Determination Date, (ii) the U.S. Participant's Separation from Service, or (iii) a Change of Control provided that such change in control event constitutes a change in control within the meaning of Section 409A.
- (b) Notwithstanding Section 4.6(1)(b) of the Plan, any U.S. Participant must deliver to the Corporation a Share Unit Settlement Notice specifying the Share Unit Settlement Date and form of settlement for his or her RSUs or PSUs on or prior to December 31 of the calendar year prior to the calendar year of the grant; provided that, the Share Unit Settlement Date may be specified at any time prior to the grant date, if the award requires the U.S. Participant's continued service for not less than 12 months after the grant date in order to vest in such Award. Any such election of Share Unit Settlement Date shall be irrevocable as of the last date in which it is permitted to be made in accordance with the forgoing sentence. Notwithstanding the foregoing, if any U.S. Participant fails to timely submit a Share Unit Settlement Notice in accordance with the foregoing, then such U.S. Participant's Share Unit Settlement Date shall be deemed to be the fifth anniversary of the Share Unit Vesting Determination Date, in addition, such settlement shall be in the form of Shares, Cash Equivalent, or a combination of both as determined by the Corporation in its sole discretion.
- (c) For the avoidance of doubt, Section 4.6(4) of the Plan shall not apply to any Award issued to a U.S. Participant.

5. Dividend Share Units

For purposes of clarity, any Dividend Share Units issued to any U.S. Participant shall be settled at the same time as the underlying RSUs or PSUs for which they were awarded.

6. Termination of Employment

- (a) Notwithstanding Section 5.3(1)(b) of the Plan, any unvested Share Units held by a Participant that retires shall be deemed vested as of the Termination Date and shall be settled at such time as set forth in Section 3 to this Addendum.
- (b) For the avoidance of doubt, in the event that a U.S. Participant dies, his or her vested Options shall expire on the earlier of the original expiry date or one hundred and eighty days after the death of such Participant.

7. Specified Employee

Each grant of Share Units to a U.S. Participant is intended to be exempt from or comply with Code Section 409A. To the extent any Award is subject to Section 409A, then

- (a) all payments to be made upon a U.S. Participant's Termination Date shall only be made upon such individual's Separation from Service.

- (b) if on the date of the U.S. Participant's Separation from Service the Corporation's shares (or shares of any other Corporation that is required to be aggregated with the Corporation in accordance with the requirements of Code Section 409A) is publicly traded on an established securities market or otherwise and the U.S. Participant is a Specified Employee, then the benefits payable to the Participant under the Plan that are payable due to the U.S. Participant's Separation from Service shall be postponed until the earlier of the originally scheduled date and six months following the U.S. Participant's Separation from Service. The postponed amount shall be paid to the U.S. Participant in a lump sum within 30 days after the earlier of the originally scheduled date and the date that is six months following the U.S. Participant's Separation from Service. If the U.S. Participant dies during such six month period and prior to the payment of the postponed amounts hereunder, the amounts delayed on account of Code Section 409A shall be paid to the U.S. Participant's estate within 60 days following the U.S. Participant's death.

8. Adjustments.

Notwithstanding anything to the contrary in Article 6 of the Plan, any adjustment to an Option held by any U.S. Participant shall be made in compliance with the Code which for the avoidance of doubt may include an adjustment to the number of Shares subject thereto, in addition to an adjustment to the Exercise Price thereof.

9. General

Notwithstanding any provision of the Plan to the contrary, all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of the Plan contravenes Code Section 409A or could cause the U.S. Participant to incur any tax, interest or penalties under Code Section 409A, the Board may, in its sole discretion and without the U.S. Participant's consent, modify such provision to: (i) comply with, or avoid being subject to, Code Section 409A, or to avoid incurring taxes, interest and penalties under Code Section 409A; and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Participant of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. However, the Corporation shall have no obligation to modify the Plan or any Share Unit and does not guarantee that Share Units will not be subject to taxes, interest and penalties under Code Section 409A. Each U.S. Participant is solely responsible and liable for the satisfaction of all taxes and penalties that may be imposed on or for the account of such U.S. Participant in connection with the Plan or any other plan maintained by the Corporation (including any taxes and penalties under Section 409A), and neither the Corporation nor any Subsidiary of the Corporation shall have any obligation to indemnify or otherwise hold such U.S. Participant (or any beneficiary) harmless from any or all of such taxes or penalties.

APPENDIX "A"

FORM OF OPTION AGREEMENT

AVICANNA INC.

OPTION AGREEMENT

This Stock Option Agreement (the "**Option Agreement**") is granted by Avicanna Inc. (the "**Corporation**"), in favour of the optionee named below (the "**Optionee**") pursuant to and on the terms and subject to the conditions of the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this Option Agreement shall have the meanings set forth in the Plan.

The terms of the option (the "**Option**"), in addition to those terms set forth in the Plan, are as follows:

1. **Optionee.** The Optionee is [●] and the address of the Optionee is currently [●].
2. **Number of Shares.** The Optionee may purchase up to [●] Shares of the Corporation (the "**Option Shares**") pursuant to this Option, as and to the extent that the Option vests and becomes exercisable as set forth in section 6 of this Option Agreement.
3. **Exercise Price.** The exercise price is Cdn \$ [●] per Option Share (the "**Exercise Price**").
4. **Date Option Granted.** The Option was granted on [●].
5. **Expiry Date.** The Option terminates on [●]. (the "**Expiry Date**").
6. **Vesting.** The Option to purchase Option Shares shall vest and become exercisable as follows:
[●]
7. **Exercise of Options.** In order to exercise the Option, the Optionee shall notify the Corporation in the form annexed hereto as Schedule "A", whereupon the Corporation shall use reasonable efforts to cause the Optionee to receive a certificate representing the relevant number of fully paid and non-assessable Shares in the Corporation.
8. **Transfer of Option.** The Option is not-transferable or assignable except in accordance with the Plan.
9. **Inconsistency.** This Option Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this Option Agreement and the Plan, the terms of the Plan shall govern.
10. **Severability.** Wherever possible, each provision of this Option Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Option Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this Option Agreement shall be reformed, construed and

enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.

- 11. **Entire Agreement.** This Option Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and preempt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.
- 12. **Successors and Assigns.** This Option Agreement shall bind and enure to the benefit of the Optionee and the Corporation and their respective successors and permitted assigns.
- 13. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
- 14. **Governing Law.** This Agreement and the Option shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 15. **Counterparts.** This Option Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this Agreement, the Optionee acknowledges that the Optionee has been provided a copy of and has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereof have executed this Option Agreement as of the _____ day of _____, 20_____.

AVICANNA INC.

Per: _____
Name:
Title:

Witness

[Insert Participant's Name]

SCHEDULE "A"

ELECTION TO EXERCISE STOCK OPTIONS

TO: AVICANNA INC. (the "**Corporation**")

The undersigned Optionee hereby elects to exercise Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated _____, 20____ under the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"), for the number Shares set forth below. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Number of Shares to be Acquired:

Exercise Price (per Share): Cdn.\$

Aggregate Purchase Price: Cdn.\$

Amount enclosed that is payable on account of any source deductions relating to this Option exercise (contact the Corporation for details of such amount): Cdn.\$

Or check here if alternative arrangements have been made with the Corporation;

and hereby tenders a certified cheque, bank draft or other form of payment confirmed as acceptable by the Corporation for such aggregate purchase price, and, if applicable, all source seductions, and directs such Shares to be registered in the name of _____

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this ____ day of _____, _____.

Signature of Participant

Name of Participant (Please Print)

SCHEDULE "B"

SURRENDER NOTICE

TO: AVICANNA INC. (the "**Corporation**")

The undersigned Optionee hereby elects to surrender _____ Options granted by the Corporation to the undersigned pursuant to an Award Agreement dated _____, 20____ under the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**") in exchange for Shares as calculated in accordance with Section 3.6(2) of the Plan. Capitalized terms used herein and not otherwise defined shall have the meanings given to them in the Plan.

Please issue a certificate or certificates representing the Shares in the name of

I hereby agree to file or cause the Corporation to file on my behalf, on a timely basis, all insider reports and other reports that I may be required to file under applicable securities laws. I understand that this request to exercise my Options is irrevocable.

DATED this _____ day of _____, _____.

Signature of Participant

Name of Participant (Please Print)

APPENDIX “B”

FORM OF RSU AGREEMENT

AVICANNA INC.

RESTRICTED SHARE UNIT AGREEMENT

This restricted share unit agreement (“**RSU Agreement**”) is granted by Avicanna Inc. (the “**Corporation**”) in favour of the Participant named below (the “**Recipient**”) of the restricted share units (“**RSUs**”) pursuant to the Corporation’s Omnibus Long-Term Incentive Plan (the “**Plan**”). Capitalized terms used and not otherwise defined in this RSU Agreement shall have the meanings set forth in the Plan.

The terms of the RSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is [●] and the address of the Recipient is currently [●].
2. **Grant of RSUs.** The Recipient is hereby granted [●] RSUs.
3. **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the RSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].
4. **Performance Criteria.** [●].
5. **Performance Period.** [●].
6. **Vesting.** The RSUs will vest as follows: [●].
7. **Transfer of RSUs.** The RSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
8. **Inconsistency.** This RSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this RSU Agreement and the Plan, the terms of the Plan shall govern.
9. **Severability.** Wherever possible, each provision of this RSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this RSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this RSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
10. **Entire Agreement.** This RSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

11. **Successors and Assigns.** This RSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
13. **Governing Law.** This RSU Agreement and the RSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
14. **Counterparts.** This RSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this RSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this RSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this RSU Agreement as of the _____ day of _____, 20_____.

AVICANNA INC.

Per: _____
Name: _____
Title: _____

Witness

[Insert Participant's Name]

APPENDIX "C"

FORM OF PSU AGREEMENT

AVICANNA INC.

PERFORMANCE SHARE UNIT AGREEMENT

This performance share unit agreement ("**PSU Agreement**") is granted by Avicanna Inc. (the "**Corporation**") in favour of the Participant named below (the "**Recipient**") of the performance share units ("**PSUs**") pursuant to the Corporation's Omnibus Long-Term Incentive Plan (the "**Plan**"). Capitalized terms used and not otherwise defined in this PSU Agreement shall have the meanings set forth in the Plan.

The terms of the PSUs, in addition to those terms set forth in the Plan, are as follows:

1. **Recipient.** The Recipient is [●] and the address of the Recipient is currently [●].
2. **Grant of PSUs.** The Recipient is hereby granted [●] PSUs.
3. **Restriction Period.** In accordance with Section 4.3 of the Plan, the restriction period in respect of the PSUs granted hereunder, as determined by the Board, shall commence on [●] and terminate on [●].
4. **Performance Criteria.** [●].
5. **Performance Period.** [●].
6. **Vesting.** The PSUs will vest as follows: [●].
7. **Transfer of PSUs.** The PSUs granted hereunder are not-transferable or assignable except in accordance with the Plan.
8. **Inconsistency.** This PSU Agreement is subject to the terms and conditions of the Plan and, in the event of any inconsistency or contradiction between the terms of this PSU Agreement and the Plan, the terms of the Plan shall govern.
9. **Severability.** Wherever possible, each provision of this PSU Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this PSU Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other provision or any other jurisdiction, but this PSU Agreement shall be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provision had never been contained herein.
10. **Entire Agreement.** This PSU Agreement and the Plan embody the entire agreement and understanding among the parties and supersede and pre-empt any prior understandings, agreements or representations by or among the parties, written or oral, which may have related to the subject matter hereof in any way.

- 11. **Successors and Assigns.** This PSU Agreement shall bind and enure to the benefit of the Recipient and the Corporation and their respective successors and permitted assigns.
- 12. **Time of the Essence.** Time shall be of the essence of this Agreement and of every part hereof.
- 13. **Governing Law.** This PSU Agreement and the PSUs shall be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
- 14. **Counterparts.** This PSU Agreement may be executed in separate counterparts, each of which is deemed to be an original and all of which taken together constitute one and the same agreement.

By signing this PSU Agreement, the Participant acknowledges that he or she has been provided with, has read and understands the Plan and this PSU Agreement.

IN WITNESS WHEREOF the parties hereof have executed this PSU Agreement as of the _____ day of, _____, 20__.

AVICANNA INC.

Per: _____
Name:
Title:

Witness

[Insert Participant's Name]

APPENDIX "D"

FORM OF U.S. PARTICIPANT/NON-EMPLOYEE DIRECTOR ELECTION FORM

AVICANNA INC.

I _____ [name] wish to defer 100% of my annual retainer (including any annual retainers or fees for service on committees of the Board) for the calendar year [] and any future calendar years unless and until I make a new election in accordance with the Plan and the Addendum. I, do hereby elect to have a Share Unit Settlement Date of [] anniversary of the grant date of such RSUs, or if earlier upon my Separation from Service in respect of all of such RSUs (including any accumulated Dividend Share Units), and otherwise in accordance with the Plan and the special provisions of the Addendum to the Plan applicable to U.S. Participants.

I understand that this election shall be irrevocable as of the last date in which I am permitted to make such election in accordance with Section 3 of the Addendum to the Plan and I shall only be permitted to revoke or modify this election up to such date. I understand that this election shall apply to any other grants of RSUs that I may be granted in the future (if any) in respect of any retainer fees payable in future calendar years (and will become irrevocable as of December 31 of the prior calendar year) until I make a later election, which election shall be made no later than the date set forth in Section 3 of the Addendum to the Plan.

All capitalized terms not defined in this Election Form have the meaning set out in the Plan.

I understand and agree that the granting and settlement of RSUs are subject to the terms and conditions of the Plan which are incorporated into and form a part of this Election Form.

Non-Employee Director Name

Date

Witness

Date