



CANSORTIUM

CANSORTIUM INC.  
82 NE 26<sup>th</sup> Street, Unit 110  
Miami, FL 33137

## NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an Annual General and Special Meeting of the shareholders of Cansortium Inc. (the “**Corporation**”) will be held on Wednesday, June 16, 2021, at 10:00 am (Toronto time) for the following purposes (the “**Meeting**”):

1. to receive the audited consolidated financial statements of the Corporation’s for the year ended December 31, 2020 and the auditors’ report thereon;
2. to elect each of the directors for the ensuing year;
3. to appoint auditors for the ensuing year and to authorize the directors to fix the auditors’ remuneration;
4. to consider and, if thought fit, pass an ordinary resolution of disinterested shareholders, as more particularly set forth in the accompanying Management Information Circular, approving the adoption of a restricted share unit award plan; and
5. to transact such further and other business as may properly be brought before the meeting or any adjournment thereof.

The Board of Directors has fixed May 10, 2021 as the record date for the determination of shareholders entitled to notice of, and to vote at, the Meeting and any adjournment thereof.

Accompanying this Notice of Meeting are the following documents: a Proxy, a Management Information Circular, a Return Card, and a return envelope.

A shareholder who is unable to attend the Meeting in person and who wishes to ensure that such shareholder’s shares will be voted at the Meeting is requested to complete, date and execute the enclosed form of proxy and deliver it by facsimile, by hand or by mail in accordance with the instructions set out in the form of proxy and in the Management Information Circular.

**The Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/276650455>. Non-registered shareholders (being shareholders who hold their shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend as a guest and view the webcast but not be able to participate or vote at the Meeting.**

**As a shareholder of the Corporation, it is very important that you read the Management Information Circular of the Corporation and other Meeting materials carefully. They contain important information with respect to voting your shares and attending and participating at the Meeting.**

**A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.**

**If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your shares, including if you are a non-registered shareholder and wish to appoint yourself as proxyholder to attend, participate and vote at the Meeting, you MUST register such proxyholder after having submitted your form of proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting. To register a proxyholder, shareholders MUST send an email to [Cansortium@odyssevtrust.com](mailto:Cansortium@odyssevtrust.com) and provide Odyssey Trust Company with their proxyholder's contact information, number 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 non-registered shareholder, so that Odyssey Trust Company may provide the proxyholder with a Username via email.**

Dated this 17<sup>th</sup> day of May 2021.

**BY ORDER OF THE BOARD**

*“Neal Hochberg”*

Neal Hochberg  
Director

CANSORTIUM INC.  
82 NE 26<sup>th</sup> Street, Unit 110  
Miami, FL 33137

## MANAGEMENT INFORMATION CIRCULAR

### FOR THE ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 16, 2021

#### GENERAL PROXY INFORMATION

##### Solicitation of Proxies

The information contained in this management information circular (the “**Circular**”) is furnished in connection with the solicitation by the management of Consortium Inc. (the “**Corporation**”) of proxies to be voted at the Annual General and Special Meeting (the “**Meeting**”) of the holders (the “**Common Shareholders**”) of the common shares (the “**Common Shares**”) and the holders (the “**Proportionate Shareholders**”) and together with the Common Shareholders, the “**Shareholders**”) of the proportionate voting shares (the “**Proportionate Voting Shares**” and together with the Common Shares, the “**Shares**”) of the Corporation to be held at 10:00 am (Toronto time) on June 16, 2021 for the purposes set forth in the accompanying Notice of Annual General and Special Meeting of Shareholders (the “**Notice of Meeting**”) and at any adjournment(s) or postponements(s) thereof. Unless otherwise stated the information provided in this Circular is provided as of May 17, 2021.

**The solicitation of proxies is made on behalf of the management of the Corporation.** Such solicitation will be made primarily by mail, but proxies may be solicited personally or by telephone by directors (“**Directors**”) and officers of the Corporation, who will not be remunerated therefore. The costs incurred in the preparation and mailing of the form of proxy, Notice of Meeting and this Circular will be borne by the Corporation. The cost of the solicitation will be borne by the Corporation.

The Board of Directors of the Corporation (the “**Board**”) has fixed the close of business on May 10, 2021 as the record date, being the date for the determination of the registered Shareholders entitled to receive notice of, and to vote at, the Meeting (the “**Record Date**”).

##### Appointment of Proxyholders

The persons named in the enclosed form of proxy are Directors and/or officers of the Corporation. **A Shareholder has the right to appoint, as proxyholder or alternate proxyholder, a person, persons or a company (who need not be a Shareholder) to represent such Shareholder at the Meeting, other than any of the persons designated in the enclosed form of proxy, and may do so either by inserting the name of his chosen nominee in the space provided for that purpose on the form and striking out the other names on the form, or by completing another proper form of proxy.**

##### Deposit of Proxy

An appointment of a proxyholder or alternate proxyholders, by resolution of the Directors duly passed, **WILL NOT BE VALID FOR THE MEETING OR ANY ADJOURNMENT THEREOF UNLESS IT IS DEPOSITED WITH THE CORPORATION’S TRANSFER AGENT, ODYSSEY TRUST COMPANY, 702-67 YONGE ST., TORONTO, ON M5E 1J8, NOT LATER THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND STATUTORY HOLIDAYS) BEFORE THE MEETING TIME OF 10:00 AM ON MONDAY, JUNE 14, 2021 OR ANY ADJOURNMENT THEREOF**, or deposited with the Chairman of the Meeting or any adjournment thereof prior to the commencement thereof. A return envelope has been included with the material for the Meeting.

## Revocation of Proxies

A Shareholder who has given a proxy may revoke the proxy:

- (a) by depositing an instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing:
  - (i) with Odyssey Trust Company, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting or the adjournment thereof at which the proxy is to be used;
  - (ii) at the registered office of the Corporation at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used;
  - (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof;  
or
- (b) in any other manner provided by law.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

## Exercise of Discretion

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The shares represented by the proxy submitted by a Shareholder will be voted or withheld from voting in accordance with the instructions, if any, of the Shareholder on any ballot that may be called for. If the Shareholder specifies a choice with respect to any matter to be acted upon, the securities will be voted accordingly by the proxy.

**In the absence of such direction in respect of a particular matter, such shares will be voted in favour of such matter. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting.** As of the date of this Circular, management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting. However, if any such amendments, variations or other matters which are not now known to the management of the Corporation should properly come before the Meeting, the shares represented by the proxies hereby solicited will be voted thereon in accordance with the best judgment of the person or persons voting such proxies.

All matters to be voted upon as set forth in the Notice of Meeting require approval by a simple majority of all votes cast at the Meeting, other than as otherwise set out in this Circular.

## Non-Registered Holders

Only registered holders of Shares or the persons they appoint as their proxies are permitted to vote at the Meeting. Many Shareholders are "non-registered" Shareholders ("**Non-Registered Shareholders**") because the shares they own are not registered in their names but are instead either (i) registered in the name of an intermediary (the "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Shares, such as, among others, brokerage firms, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans, or (ii) in the name of a clearing agency (such as the Canadian Depository for Securities Limited) of which the Intermediary is a participant. In accordance with the requirements of National Instrument 54-101 of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular and the

enclosed form of proxy (collectively the “**Meeting Materials**”) to Intermediaries and clearing agencies for onward distribution to Non-Registered Shareholders of Shares.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the meeting materials to Non-Registered Shareholders. A Non-Registered Shareholder who has not waived the right to receive the Meeting Materials will either be given:

- (a) a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, in accordance with the directions of the Intermediary and which will constitute voting instructions which the Intermediary must follow; or
- (b) a form of proxy **which has already been signed by the Intermediary** (typically a facsimile signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. This form of proxy does not require the Intermediary to sign when submitting the proxy. In this case the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Corporation, c/o Odyssey Trust Company, 702-67 Yonge St., Toronto, ON M5E 1J8.**

In either case, the purpose of these procedures is to permit the Non-Registered Shareholder to direct the voting of the shares of the Corporation the Non-Registered Shareholder beneficially owns. Should a Non-Registered Shareholder wish to attend and vote at the Meeting in person, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the form of proxy and insert his or her name in the space provided for the purpose on the voting instructions form and return it in accordance with the directions of the Intermediary. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Non-Registered Shareholders.

**The Non-Registered Shareholder should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instructions form is to be delivered.**

A Non-Registered Shareholder may revoke a form of proxy or voting instructions form given to an Intermediary by contacting the Intermediary through which the Non-Registered Shareholder’s Shares are held and following the instructions of the Intermediary respecting the revocation of proxies. In order to ensure that an Intermediary acts upon a revocation of a proxy form or voting instruction form, the written notice should be received by the Intermediary well in advance of the Meeting.

### **Non-Objecting Beneficial Owners**

These Meeting Materials are being sent to both registered and non-registered owners of the securities. If you are a Non-Registered Shareholder who does not object to the Corporation knowing who you are, the Corporation has sent these materials directly to you, and your name and address and information about your holdings of securities have been obtained in accordance with National Instrument 54-101 from the intermediary holding on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions or form of proxy delivered to you.

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

Registered shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See “[How do I attend and participate at the Meeting?](#)”.

Non-registered shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. This is because the Corporation and its transfer agent do not have

a record of the non-registered shareholders of the Corporation, and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a non-registered shareholder and wish to vote at the Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the voting instruction form sent to you and must follow all of the applicable instructions provided by your intermediary. See “Appointment of a Third Party as Proxy” and “How do I attend and participate at the Meeting?”.

#### Appointment of a Third Party as Proxy

The following applies to shareholders who wish to appoint a person (a “**third party proxyholder**”) other than the management nominees set forth in the form of proxy or voting instruction form as proxyholder, including non-registered shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Shares MUST submit their form of proxy or voting instruction form (as applicable) appointing such third party proxyholder AND register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

- **Step 1: Submit your form of proxy or voting instruction form:** To appoint a third party proxyholder, insert such person's name in the blank space provided in the form of proxy or voting instruction form (if permitted) and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you are a non-registered shareholder located in the United States, you must also provide Odyssey Trust Company with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.
- **Step 2: Register your proxyholder:** To register a proxyholder, shareholders MUST send an email to [Cansortium@odysseytrust.com](mailto:Cansortium@odysseytrust.com) by 10:00 a.m. (Toronto time) on Monday, June 14, 2021 and provide Odyssey Trust Company with the required proxyholder contact information, number 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 non-registered shareholder, so that Odyssey Trust Company may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a non-registered shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading “How do I attend and participate at the Meeting?”.

#### Legal Proxy – United States Non-Registered Shareholders

If you are a non-registered shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under “How do I attend and participate at the Meeting?”, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy form to Odyssey Trust Company. Requests for registration from non-

registered shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to [Cansortium@odysseytrust.com](mailto:Cansortium@odysseytrust.com) and received by 10:00 a.m. (Toronto time) on Monday, June 14, 2021.

#### How do I attend and participate at the Meeting?

The Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting (including for voting and asking questions at the Meeting), shareholders must have a valid Username. Guests are welcome to attend and view the webcast, but will be unable to participate or vote at the Meeting. To join as a guest please visit the Meeting online at <https://web.lumiagm.com/276650455> and select “Join as a Guest” when prompted.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/276650455>. Such persons may then enter the Meeting by clicking “I have a login” and entering a Username and Password before the start of the Meeting:

- Registered shareholders: The control number located on the form of proxy (or in the email notification you received) is the Username. The Password to the Meeting is “**cansortium2021**” (case sensitive). If as a registered shareholder you are using your control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies for the Meeting and will be provided the opportunity to vote by online ballot on the matters put forth at the Meeting. If you do not wish to revoke a previously submitted form of proxy, as the case may be, you will need to attend the Meeting as a guest.
- Duly appointed proxyholders: Odyssey Trust Company will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is “**cansortium2021**” (case sensitive). Only registered shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as a guest but not be able to participate or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including non-registered shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed form of proxy or voting instruction form AND register the proxyholder. See “Appointment of a Third Party as Proxy”.

#### **INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON**

Other than as disclosed elsewhere in this Circular, none of the Directors or executive officers of the Corporation, no proposed nominee for election as a Director of the Corporation, none of the persons who have been Directors or executive officers of the Corporation since the commencement of the Corporation’s last completed financial year and no 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.

#### **VOTING SHARES AND PRINCIPAL HOLDERS**

The authorized capital of the Corporation consists of an unlimited number of Common Shares and an unlimited number of Proportionate Voting Shares.

As of May 10, 2021, the Corporation had: (i) 185,180,455 Common Shares outstanding, each of which carries the right to one (1) vote in respect of each of the matters properly coming before the Meeting; and (ii) 5,462,639 Proportionate Voting Shares outstanding, each of which carries the right to ten (10) votes in respect of each of the matters properly coming before the Meeting.

Each Proportionate Voting Share is convertible, at the option of the holder, into 10 Common Shares. As at May 10, 2021, the Common Shares represent approximately 77% of the voting rights attached to the outstanding securities of the Corporation and the Proportionate Voting Shares represent approximately 23% of the voting rights attached to the outstanding securities of the Corporation.

Generally, the Common Shares and Proportionate Voting Shares have the same rights, are equal in all respects and are treated by the Corporation as if they were shares of one class only. Proportionate Voting Shares, or fractions thereof, may at any time, at the option of the holder and subject to certain restrictions, be converted into Common Shares at a ratio of ten (10) Common Shares per Proportionate Voting Share. Prior to conversion, each Proportionate Voting Share, or fraction thereof, carries ten (10) votes per share (compared to one vote per Common Share) and is entitled to dividends and liquidation distributions in an amount equal to ten (10) times the amount distributed in respect of each Common Share.

If an offer is being made for Proportionate Voting Shares (a “**PVS Offer**”) where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Common Shares, the holders of Common Shares have the right, pursuant to the Articles, at their option, to convert their Common Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Common Shares to tender to such PVS Offer, provided that such conversion into Proportionate Voting Shares will be solely for the purpose of tendering the Proportionate Voting Shares to the PVS Offer in question and that any Proportionate Voting Shares that are tendered to the PVS Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

In the event that holders of Common Shares are entitled to convert their Common Shares into Proportionate Voting Shares in connection with a PVS Offer pursuant to (ii) above, holders of an aggregate of Common Shares of less than ten (10) (an “**Odd Lot**”) will be entitled to convert all but not less than all of such Odd Lot of Common Shares into an applicable fraction of one Proportionate Voting Share, provided that such conversion into a fractional Proportionate Voting Share will be solely for the purpose of tendering the fractional Proportionate Voting Share to the PVS Offer in question and that any fraction of a Proportionate Voting Share that is tendered to the PVS Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

Unless otherwise stated herein, each resolution identified in the accompanying Notice of Meeting will be an ordinary resolution requiring for its approval a majority of the votes in respect of the resolution.

The record date for the Meeting is May 10, 2021.

The By-Laws of the Corporation provide that holders of fifteen percent (15%) of Shares entitled to vote at the Meeting, whether present in person or represented by proxy, shall constitute a quorum for the Meeting.

As of May 10, 2021, to the knowledge of the Directors and executive officers of the Corporation, no person beneficially owns, directly or indirectly, or exercises control over, Shares carrying 10% or more of the voting rights attached to any class of Shares of the Corporation, except as follows:



Name, Jurisdiction of Residence	Number of Shares <sup>(1)(2)</sup>	Class of Shares	Percentage of Class <sup>(1)(2)</sup>	Percentage of Voting Rights of the Shares
Bill Smith (Gulf Breeze, Florida)	1,421,538 <sup>(3)</sup>	Proportionate Voting Shares	26.0%	5.93%
	35,658,091 <sup>(3)</sup>	Common Shares	19.3%	14.9%

Notes:

- (1) 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).
- (2) On an issued and undiluted basis, not giving effect to the exercise of securities convertible, redeemable or exchangeable into Common Shares held by such person, as applicable.
- (3) 9,012,622 Common Shares are owned by Sage Investing LLC; 5,089,986 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings, LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by Bill Smith.

## EXECUTIVE COMPENSATION

### Named Executive Officers

Pursuant to applicable securities regulations, the Corporation must disclose the compensation paid to its “**Named Executive Officers**” (or “**NEOs**”). This includes the Corporation’s Chief Executive Officer, the Corporation’s Chief Financial Officer and the other three most highly compensated Executive Officers including any of the Corporation’s subsidiaries provided that disclosure is not required for those Executive Officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation did not exceed \$150,000.

An “**Executive Officer**” of the Corporation means an individual who at any time during the financial year was (a) a chair, vice-chair or president of the Corporation; (b) a vice-president of the Corporation in charge of a principal business unit, division or function including sales, finance or production; or (c) performing a policy-making function in respect of the issuer.

### Compensation Discussion and Analysis

In this Circular, references to “\$” or “dollars” are to United States dollars; references to “CAD\$” are to Canadian dollars. Amounts are stated in United States dollars unless otherwise indicated.

The purpose of this Compensation Discussion and Analysis is to provide information about the Corporation’s executive compensation objectives and processes and to discuss compensation decisions relating to its NEOs.

The Board assumes responsibility for reviewing and monitoring the long-range compensation strategy for the senior management of the Corporation. In determining executive compensation, the Board considers the Corporation’s financial circumstances at the time decisions are made regarding executive compensation, and also the anticipated financial situation of the Corporation in the mid-term and long-term.

The Board’s responsibilities relating to the compensation and retention of Named Executive Officers include, but are not limited to:

- setting policies for Named Executive Officers' remuneration;
- reviewing and approving salary, bonus, and other benefits, direct or indirect, and any change-of-control packages of the Chief Executive Officer;
- considering the recommendations of the Chief Executive Officer and setting the terms and conditions of employment including, approving the salary, bonus, and other benefits, direct or indirect, and any change-of-control packages, of the Named Executive Officers of the Corporation; and
- overseeing the administration of the Corporation's compensation plans, including the Stock Option Plan and such other compensation plans or structures as are adopted by the Corporation from time to time.

The following executive compensation principles guide the Board in fulfilling its roles and responsibilities in the design and ongoing administration of the Corporation's executive compensation program:

- compensation levels and opportunities must be market competitive to attract and retain qualified and experienced executives, while being fair and reasonable to Shareholders;
- compensation must incorporate an appropriate balance of short-term and long-term rewards; and
- compensation programs must align executives' long-term financial interests with those of Shareholders by providing equity-based incentives.

The Corporation does not have formal benchmarks for assessing and setting executive compensation. However, the Corporation reviews compensation programs of companies in its peer group to ensure that executive compensation is within the parameters of companies of a similar size and within the same industry. Levels of compensation are also established and maintained with the intent of attracting and retaining superior quality employees while ensuring that the levels are not contrary to the interests of shareholders.

The Corporation's general executive compensation philosophy is to, whenever possible, pay its Named Executive Officers "base" compensation in the form of salaries that are competitive in comparison to those earned by executive officers holding comparable positions with other entities similar to the Corporation, while at the same time providing its Named Executive Officers with the opportunity to earn above average "total" compensation through the Stock Option Plan and other equity-based compensation structures as may be approved by the Corporation's shareholders.

The Corporation's executive compensation program is designed to encourage, compensate and reward employees on the basis of individual and corporate performance, both in the short-term and the long term. For NEOs, the compensation program is designed to provide a larger portion of variable incentives tied to corporate performance. NEO compensation includes base salary, bonus and benefits, and stock options. Salaries are a base level of compensation designed to attract and retain executive offices with the appropriate skills and experience. Stock option grants through the Stock Option Plan were designed to provide incentives to increase shareholder value over the longer-term and thereby better align executive compensation with the interests of Shareholders.

Each element of executive compensation is carefully considered by the Board to ensure that there is the right mix of short-term and long-term incentives for the purposes of achieving the Corporation's goals and objectives.

#### Base Salary

An NEO's base salary is intended to remunerate the NEO for discharging job responsibilities and reflects the executive's performance over time. Individual salary adjustments take into account performance contributions in connection with their specific duties. The base salary of each Named Executive Officer is determined by the Board based on an assessment by the Board of his or her sustained performance and consideration of competitive compensation levels for the markets in which the Corporation operates. In making its determinations, the Board also considers the particular skills and experience of the individual. A final determination on executive compensation, including salary, is made by the Board in its sole discretion

and its knowledge of the industry and geographic markets in which the Corporation operates. The Board does not use any type of quantitative formula to determine the base salary level of any of the NEOs.

Base salaries are reviewed annually to ensure that they properly reflect a balance of market conditions, the levels of responsibilities and accountability of each individual, their unique experience, skills and capability and level of sustained performance.

#### Option Based Awards

The stock option component of Named Executive Officers' compensation is intended to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation to remain associated with the Corporation and providing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs. Grants under the Stock Option Plan are intended to provide long term awards linked directly to the market value performance of the Common Shares. The Board reviews management's recommendations and stock options are granted according to the specific level of responsibility of the particular executive and the number of stock options for each level of responsibility is determined by the Board.

The number of outstanding stock options is considered by the Board when determining the number of stock options to be granted in any particular year due to the limited number of stock options which are available for grant under the Stock Option Plan.

#### Stock Option Plan

The Board has adopted a 10% "rolling" stock option plan (the "**Stock Option Plan**"), in accordance with provisions allowable for a Canadian Securities Exchange issuer. The Stock Option Plan has been established to provide incentives to increase individual performance and shareholder value, and to assist with the retention of directors, officers, employees and consultants.

The Board may from time to time, in its discretion, and in accordance with Canadian Securities Exchange requirements, grant to directors, officers, employees and consultants, non-assignable and non-transferable options to purchase Common Shares and Proportionate Voting Shares; provided that the number of the Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares on an as-converted basis.

The stock options are exercisable up to 10 years from the date of grant, so long as the optionee maintains its eligibility under the Stock Option Plan. The number of Common Shares reserved for issuance to any optionee cannot exceed 5% of the then issued and outstanding Common Shares on an as-converted basis and the number of Common Shares reserved for issuance to consultants cannot exceed 2% of the then issued and outstanding Common Shares on an as-converted basis.

The minimum exercise price of a stock option granted under the Stock Option Plan must not be less than the greater of the closing trading price of the Common Shares on the day immediately preceding the grant date and the grant date.

## Summary Compensation Table

The following table sets forth the compensation earned by the NEOs for the Corporation's three most recently completed financial years.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(1)</sup>	Option-based awards (\$) <sup>(2)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Robert Beasley <sup>(3)</sup> , CEO	2020	46,154	NIL	289,169	NIL	NIL	NIL	290,367	625,690
	2019	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Jose Hidalgo <sup>(4)</sup> , CEO	2020	49,424	NIL	NIL	NIL	NIL	NIL	1,841	51,265
	2019	607,116	NIL	NIL	NIL	NIL	NIL	20,707	627,823
	2018	542,308	NIL	NIL	100,000	NIL	NIL	21,495	663,803
Henry Batievsky <sup>(5)</sup> , CFO, Chief Production Officer	2020	175,169	NIL	NIL	NIL	NIL	NIL	22,095	217,864
	2019	511,154	NIL	NIL	NIL	NIL	NIL	18,452	529,606
	2018	521,154	NIL	NIL	100,000	NIL	NIL	7,275	628,429
Marcos Pedreira <sup>(6)</sup> , CFO	2020	226,298	NIL	85,576	22,500	NIL	NIL	22,095	356,469
	2019	206,346	NIL	164,429	NIL	NIL	NIL	18,452	389,228
	2018	53,173	NIL	NIL	NIL	NIL	NIL	7,275	60,448
Todd Buchman, Chief Legal Officer and Corporate Secretary	2020	348,929	NIL	NIL	20,000	NIL	NIL	22,095	391,023
	2019	235,577	NIL	1,296,046	NIL	NIL	NIL	11,976	1,543,599
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Samantha Hymes, EVP	2020	186,154	NIL	NIL	20,000	NIL	NIL	22,095	228,248
	2019	160,000	NIL	164,429	NIL	NIL	NIL	18,452	342,881
	2018	135,076	NIL	NIL	NIL	NIL	NIL	7,275	142,351

Notes:

- (1) Share based awards do not represent cash received. Share based awards reflect the market value of the Corporation's Common Shares at the time of issuance.
- (2) Option based awards do not represent cash received. They represent the fair value of options granted during the period using the Black Scholes pricing model. This method was chosen as it is a recognized standard for valuations.
- (3) Robert Beasley was appointed Chief Executive Officer of the Corporation on September 29, 2020. Prior to that, Mr. Beasley served as a consultant to the Corporation.
- (4) Jose Hidalgo was the Chief Executive Officer of the Corporation prior to February 24, 2020.
- (5) Henry Batievsky served as Chief Financial Officer of the Corporation prior to July 7, 2020. Mr. Batievsky has served as Chief Production Officer since October 22, 2019.

- (6) Marcos Pedreira served as a Chief Financial Officer of the Corporation from July 7, 2020 to December 30, 2020. Henry Batievsky served as Interim Chief Financial Officer from January 1, 2021 to March 9, 2021. Patricia Fonseca was appointed Chief Financial Officer of the Corporation on March 9, 2021.

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

The following table sets forth the outstanding option and share based awards of NEOs as of December 31, 2020.

Name and principal position	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 (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$) <sup>(2)</sup>
Robert Beasley <sup>(3)</sup> , CEO	1,750,000	0.295	October 6, 2023	831,250	NIL	NIL	NIL
Jose Hidalgo <sup>(4)</sup> , CEO	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Henry Batievsky <sup>(5)</sup> , CFO, Chief Production Officer	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Marcos Pedreira <sup>(6)</sup> , CFO	500,000	0.44	December 31, 2024	165,000	NIL	NIL	NIL
	300,000	0.315	July 7, 2025	136,500			
Todd Buchman, Chief Legal Officer and Corporate Secretary	600,000	2.00	March 21, 2024	NIL	NIL	NIL	NIL
	2,000,000	0.44	December 31, 2024	660,000			
Samantha Hymes, EVP	500,000	0.44	December 31, 2024	165,000	NIL	NIL	NIL

Notes:

- (1) Based on closing price of the Common Shares on the Canadian Securities Exchange on December 31, 2020 of \$0.77.
- (2) Market value of share-based awards that have vested but have not been paid out or distributed is calculated as the number of stock options outstanding at December 31, 2020 multiplied by the closing price of the Common Shares at that date, which was \$0.77.
- (3) Robert Beasley was appointed Chief Executive Officer of the Corporation on September 29, 2020. Prior to that Mr. Beasley served as a consultant to the Corporation.
- (4) Jose Hidalgo was the Chief Executive Officer of the Corporation prior to February 24, 2020.
- (5) Henry Batievsky served as Chief Financial Officer of the Corporation prior to July 7, 2020. Henry Batievsky has served as Chief Production Officer since October 22, 2019.
- (6) Marcos Pedreira served as a Chief Financial Officer of the Corporation from July 7, 2020 to December 30, 2020. Henry Batievsky served as Interim Chief Financial Officer from January 1, 2021 to March 9, 2021. Patricia Fonseca was appointed Chief Financial Officer of the Corporation on March 9, 2021.

## Incentive Plan Awards - Value Vested or Earned During the Year

The following table sets forth the value vested of option and share based awards for NEOs during the year ended December 31, 2020.

Name and principal position	Option based awards – Value vested during the year (\$) <sup>(1)</sup>	Share based awards – Value vested during the year (\$) <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$)
Robert Beasley <sup>(3)</sup> , CEO	831,250	NIL	NIL
Jose Hidalgo <sup>(4)</sup> , CEO	NIL	NIL	NIL
Henry Batievsky <sup>(5)</sup> , CFO, Chief Production Officer	NIL	NIL	NIL
Marcos Pedreira <sup>(6)</sup> , CFO	45,455	NIL	22,500
Todd Buchman, Chief Legal Officer and Corporate Secretary	NIL	NIL	20,000
Samantha Hymes, EVP	NIL	NIL	20,000

Notes:

- (1) Option based awards do not represent cash received. The value of stock options is calculated based on the value that would have been realized if the options had been exercised on the vesting date by taking the difference between the market price of the underlying Common Shares on the vesting date and the exercise price.
- (2) Share based awards do not represent cash received. Awards are shown at the market value of the Common Shares at the time of issuance of the stock options.
- (3) Robert Beasley was appointed Chief Executive Officer of the Corporation on September 29, 2020. Prior to that Mr. Beasley served as a consultant to the Corporation.
- (4) Jose Hidalgo was the Chief Executive Officer of the Corporation prior to February 24, 2020.
- (5) Henry Batievsky served as Chief Financial Officer of the Corporation prior to July 7, 2020. Mr. Batievsky has served as Chief Production Officer since October 22, 2019.
- (6) Marcos Pedreira served as a Chief Financial Officer of the Corporation from July 7, 2020 to December 30, 2020. Henry Batievsky served as Interim Chief Financial Officer from January 1, 2021 to March 9, 2021. Patricia Fonseca was appointed Chief Financial Officer of the Corporation on March 9, 2021.

## Employee Agreements and Termination and Change of Control Benefits

The Corporation had entered into an executive employment agreement with the CEO, Jose Hidalgo, for services whereby he was initially compensated at the rate of \$700,000 annually and then from October 18, 2019, at the rate of \$225,000 annually. Jose Hidalgo resigned on February 24, 2020 and his executive employment agreement was terminated without further obligation to the Corporation.

The Corporation had entered into an employment agreement with the CEO, Robert Beasley for services whereby he was initially compensated at the rate of \$300,000 annually. The employment agreement was amended and from March 1, 2021 Mr. Beasley has been compensated at \$360,000 annually. If such agreement is terminated by the Corporation without cause, the Corporation is obligated to pay Mr. Beasley twelve months of base salary. If such agreement is terminated by the Corporation without cause in anticipation of or within six months following a change in control, the Corporation is obligated to pay Mr. Beasley three times his annual base salary. If such termination occurs after the six months following a change in control, the Corporation is obligated to pay Mr. Beasley up to two times his annual base salary, reduced for the number of months worked since the date of the change in control, and subject to a minimum of twelve months of base salary. Any such payments are conditioned upon Mr. Beasley executing a release in favour of the Corporation.

The Corporation has entered into an executive employment agreement with current Chief Production Officer, Henry Batievsky, for services whereby he was initially compensated at the rate of \$600,000 annually as CFO, and then from October 18, 2019, at the rate of \$150,000 annually as Chief Production Officer.

The Corporation has entered into an employment agreement with the CFO, Patricia Fonseca, for services whereby she is compensated at the rate of \$225,000 annually. If such agreement is terminated without cause (as defined therein) Ms. Fonseca would be entitled to salary and benefits continuance for up to six months or until other employment is secured, subject to executing a release in favour of the Corporation.

The Corporation has entered into an employment agreement with the Chief Legal Officer, Todd Buchman, for services whereby he is compensated at the rate of \$350,000 annually. If such agreement is terminated without Cause (as defined therein) or for Good Reason (as defined therein), Mr. Buchman would be entitled to the following, subject to executing a release in favour of the Corporation: (i) salary and benefits continuance for up to twelve months or until other employment is secured; and (ii) earned but unpaid bonuses.

The Corporation has entered into an employment agreement with the Executive Vice President, Samantha Hymes, whereby she is compensated at the rate of \$210,000 annually.

### **Director Compensation**

Director compensation matters are dealt with by the Board as a whole.

Each director who is not also an NEO was paid the following directors fees, as applicable, in 2020: (i) an annual fee of \$70,000 for being a member of the Board; (ii) an annual fee of \$10,000 for being a member of the audit committee (\$15,000 for being the chair); (iii) an annual fee of \$10,000 for being a member of the governance & compensation committee (\$15,000 for being the chair); and (iv) a monthly fee of \$10,000 for being a member of the special committee (\$15,000 for being the chair). The special committee was terminated in January 2021.

All directors are reimbursed for their respective out of pocket expenses in relation to their attendance at Board meetings and committee meetings.

In October 2019, the Board established a special committee comprised of Messrs. Hochberg, Abrams and McKimm (the “**Special Committee**”) and engaged financial and legal advisors to assist in developing and implementing a series of strategic reorganization and growth initiatives. During the fourth quarter of 2019, following its comprehensive review of the Corporation’s corporate structure and management positions, the Board approved the implementation of cost saving initiatives that resulted in more than \$4.5 million of aggregate annualized savings through reductions in the workforce, elimination of senior management positions and reductions in executive management compensation.

Following the resignation of the Corporation’s then CEO in February 2020, the Special Committee’s duties expanded as Mr. Hochberg assumed the role of Executive Chairman of the Corporation. For the first three quarters of 2020, the members of the Special Committee as well as Mr. Daher undertook operational responsibilities that exceeded those of ordinary directors. During the Special Committee’s fifteen-month tenure, the Corporation restructured over \$25 million of near-term obligations, completed a \$5 million equity raise, increased cultivation capacity and hired its current CEO in September 2020, as monthly revenue doubled. Shortly after the termination of the Special Committee, through the efforts of the Board the Corporation completed a \$17.1 million equity financing and a \$71 million term loan debt financing, the proceeds from which were used to satisfy substantially all other existing indebtedness and provide the Corporation with liquidity to accelerate its growth plan.

## Director Compensation Table

The following table describes all compensation provided to the non-executive Directors of the Corporation for the most recently completed financial year.

Name	Fees Earned	Share-Based Awards <sup>(1)</sup>	Option-Based Awards <sup>(2)</sup>	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
David Abrams	200,000	NIL	164,297	NIL	NIL	NIL	364,297
Roger Daher	49,583	NIL	164,297	NIL	NIL	NIL	213,880
Neal Hochberg	275,000	NIL	164,297	NIL	NIL	NIL	439,297
John McKimm	215,000	NIL	164,297	NIL	NIL	NIL	379,297

Notes:

- (1) Share based awards do not represent cash received. Share based awards reflect the market value of the Corporation's Common Shares at the time of issuance.
- (2) Option based awards do not represent cash received. They represent the fair value of options granted during the period using the Black Scholes pricing model. This method was chosen as it is a recognized standard for valuations.



## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards - Directors*

The following table sets forth the outstanding option and share based awards for non-executive Directors of the Corporation as of December 31, 2020.

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 (\$) <sup>(1)</sup>	Number of Shares or Units of Shares that Have Not Vested (\$)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
David Abrams	22,222	2.00	March 21, 2024	NIL	NIL	NIL	NIL
	540,000	0.44	December 31, 2024	178,200			
	600,000	0.40	May 26, 2025	222,222			
Roger Daher	600,000	0.40	May 26, 2025	222,222	NIL	NIL	NIL
Neal Hochberg	22,222	2.00	March 21, 2024	NIL	NIL	NIL	NIL
	540,000	0.44	December 31, 2024	178,200			
	600,000	0.40	May 26, 2025	222,222			
John McKimm	22,222	2.00	March 21, 2024	NIL	NIL	NIL	NIL
	540,000	0.44	December 31, 2024	178,200			
	600,000	0.40	May 26, 2025	222,222			

Notes:

(1) Based on the closing price of the Common Shares on the Canadian Securities Exchange on December 31, 2020 of \$0.77.

### *Incentive Plan Awards – Value Vested or Earned During the Year by Directors*

The following table sets forth the value of vested option and share based awards for non-executive Directors of the Corporation during the year ended December 31, 2020.

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup>	Share-Based Awards – Value Vested During the Year <sup>(2)</sup>	Non-Equity Incentive Plan Compensation – Value Earned During the Year
	(\$)	(\$)	(\$)
David Abrams	164,297	NIL	NIL
Roger Daher	164,297	NIL	NIL
Neal Hochberg	164,297	NIL	NIL
John McKimm	164,297	NIL	NIL

Notes:

- (1) Option based awards do not represent cash received. The value of stock options is calculated based on the value that would have been realized if the options had been exercised on the vesting date by taking the difference between the market price of the underlying Common Shares on the vesting date and the exercise price.
- (2) Share based awards do not represent cash received. Awards are shown at the market value of the Common Shares at the time of issuance of the stock options.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The table below sets forth information as at December 31, 2020 with respect to the Corporation's compensation plans under which equity securities of the Corporation are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding convertible security</b>	<b>Weighted-average exercise price of outstanding convertible security</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
	<b>(a)</b>	<b>(b)</b>	<b>(c)</b>
Equity compensation plans approved by security holders	14,931,039 <sup>(1)</sup>	0.53	3,860,536
Equity compensation plans not approved by security holders	N/A	N/A	N/A

Notes:

- (1) Includes 478,933 compensation options issued to brokers on the convertible debenture financing of the Corporation completed on May 23, 2019, which options expire on May 23, 2021.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### ELECTION OF DIRECTORS

The articles of the Corporation provide that the Board shall consist of a minimum of three (3) and a maximum of fifteen (15) Directors, the number of which may be fixed from time to time by a resolution of the Board. The Corporation currently has five (5) Directors, and the number of Directors of the Corporation proposed to be elected at the Meeting is five (5). The term of office of the current five (5) Directors will end at the conclusion of the Meeting. Unless a Director's office is earlier vacated in accordance with the provisions of the *Business Corporations Act* (Ontario), each Director will hold office until the conclusion of the next annual meeting of the Corporation or, if no Director is then elected, until a successor is elected.

Management currently proposes the following Directors be elected to the Board: Robert Beasley, Roger Daher, Mark Eckenrode, Neal Hochberg and Bill Smith. The following table sets out the names of management's nominees for election as Directors, each nominee's principal occupation, business or employment, the period of time during which each has been a Director of the Corporation, the number of Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the date hereof.

Name and Municipality of Residence	Principal Occupations for Last Five Years	Periods during which each proposed director has served as a director of Corporation	Shares Held or Beneficially Owned <sup>(1)</sup>
Robert Beasley, Pensacola, Florida	Partner at law firm of Litvak, Beasley, Wilson & Ball, LLC	January 25, 2021	166,666 Common Shares
Roger Daher, Markham, Ontario	Pharmacist and owner/partner of eight pharmacies in Ontario	April 7, 2020	303,000 Common Shares <sup>(3)</sup>
Mark Eckenrode, Locust Grove, Virginia	Presently retired. Previously an Advisory Engineer for Framatome, Inc.	Nominee	10,000 Common Shares
Neal Hochberg <sup>(2)</sup> , Hollywood, Florida	Vice President at Charles River Associates. Senior Advisor of FTI Consulting from 2010 to 2020	November 30, 2018	32,618 Proportionate Voting Shares  696,652 Common Shares
Bill Smith, Gulf Breeze, Florida	President of B&C Communications, a broadcast station group	Nominee	1,421,538 Proportionate Voting Shares 35,658,091 Common Shares <sup>(4)</sup>

Notes:

- (1) Information as to shares beneficially owned, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by the respective Directors individually.
- (2) Member of the Audit Committee.
- (3) A holding company controlled by Roger Daher, RGDRX Holdings Inc., owns 210,000 of these Common Shares and various family members own a total of 20,000 of these Common Shares.
- (4) 9,012,622 Common Shares are owned by Sage Investing LLC; 5,089,986 Common Shares and 1,421,538 Proportionate Voting Shares are owned by Endeavour Holdings, LLC; and 21,555,483 Common Shares are owned by Can Endeavour LLC, all of which are companies owned and/or controlled by Bill Smith.

Except as described in the next sentences of this paragraph, no proposed Director is to be elected under any arrangement or understanding between the proposed Director and any other person or company, except the Directors and executive officers of the Corporation acting solely in such capacity. Pursuant to the terms of an agreement between the Corporation, Bill Smith, Can Endeavour LLC and certain other related companies and entities, dated as of August 13, 2018, as subsequently amended, Can Endeavour LLC has the right to nominate two members to the Board, one of which must initially be Bill Smith. Can Endeavour LLC has exercised this right to have Bill Smith and Mark Eckenrode included as Director nominees in this Circular.

It is the intention of the Board, after the conclusion of the Meeting, to undertake a search process in order to increase independent representation on the Board by the addition of two new members. It is anticipated that this process will conclude within the next several months. When the two suitable candidates have been identified, the Board will pass a resolution increasing the size of the Board and setting the number of directors at seven (7). At such time, the Board will call and hold a shareholders' meeting to elect such candidates as directors of the Corporation; or use its discretion under the *Business Corporations Act* (Ontario) to appoint one of such candidates, and permit the other to stand for election at a subsequent shareholders' meeting. As part of the search process, the Board may establish a committee and/or engage advisors in order to assist in identifying and reviewing qualified candidates.

The following are brief biographies of each of the director nominees set out above:

*Robert Beasley, Director and Chief Executive Officer*

Mr. Beasley was named Chief Executive Officer of the Corporation on September 29, 2020. Since 2001, he has been a partner of Litvak Beasley Wilson & Ball of Pensacola, FL. Mr. Beasley contributed to the Florida Medical Marijuana Legalization Initiative, also known as Amendment 2, in 2016 and participated in the legislative and rulemaking process relating to Florida's Compassionate Medical Cannabis Act. He has advised multiple parties in their efforts to obtain cannabis licenses and create related financing facilities. He has also participated in the design and construction of five cannabis cultivation and processing facilities and served on the Board of a leading independent cannabis physician group in Florida. Mr. Beasley holds a Bachelor of Science degree from the University of West Florida and a Juris Doctor from Vermont Law School.

*Roger Daher, Director*

Roger Daher is a pharmacist and current owner/partner of eight (8) pharmacies in Ontario. He has worked in the pharmacy industry for 33 years and been a licensed pharmacist for 30+ years. For the past 20 years Roger has expanded his pharmacy ownership to eight Ontario pharmacies, seven of which are Pharmasave Pharmacies. Roger has also been a member of the Pharmasave Ontario board of directors, as well as chair of the Finance and Audit committee for the past ten years. Roger is also an independent director serving on the board of several public companies listed on the TSX Venture Exchange, including Fountain Asset Corp. (TSXV: FA), Aumento Capital VIII Corp. (TSXV: AMU.P), Skyscape Capital Inc. (TSXV: SKY.P), (chairman).

Mr. Daher holds a Bachelor of Science degree in Pharmacy from the University of Toronto.

*Mark Eckenrode, Director Nominee*

Mark Eckenrode is a retired nuclear engineer, having spent over 40 years in the nuclear energy space. Between 2007 and 2020, Mr. Eckenrode served as Advisory Engineer at Framatome Inc., a French nuclear reactor business with offices in Lynchburg, VA. Prior to that, Mr. Eckenrode spent 12 years at Entergy, a U.S. energy company. Mr. Eckenrode holds a Master of Science in Nuclear Engineering and Bachelor of Science in Physics from Virginia Polytechnic Institute and State University and an MBA in Finance from Millsaps College.

*Neal Hochberg, Director and Chairman*

Neal Hochberg is a vice president at Chares River Associates, based in New York. Mr. Hochberg has decades of consulting experience advising outside counsel, board, and senior management on accounting and forensic investigations. He has provided expert witness testimony and served as an arbitrator, mediator, and in court-appointed roles as independent panel and special master. Mr. Hochberg has served as an independent compliance consultant for a multinational under a US Department of Justice deferred prosecution agreement (DPA). He specializes in complex matters involving financial misreporting, securities derivatives and 10b-5 claims, fraud and corruption claims, including alleged violations of the Foreign Corrupt Practices Act (FCPA). Mr. Hochberg was previously the global leader of the Forensic and Litigation Consulting segment at FTI Consulting from 2008 until 2017 and served on the firm's executive committee. Mr. Hochberg's career also includes service as a forensic and litigation partner at two of the Big 4 accounting firms and as an audit partner at another international accounting firm. In addition, he was an executive vice president, chief financial officer, and member of the board of a diverse manufacturing company. Mr. Hochberg's forensic and financial investigation engagements include examinations into acquisition accounting, accounting irregularities and financial misreporting, revenue recognition, purchasing and inventory diverting schemes, fraud and embezzlement, vendor "kick-back" schemes, banking and securities industry issues, and compliance and internal control issues for major multinational companies. Mr. Hochberg's FCPA and anti-corruption experience includes leading financial and forensic investigations on a global basis in matters including investigating allegations of inappropriate behavior and suspected violations of the FCPA by multinational corporations, their agents or partners and foreign executives of operating divisions. Mr. Hochberg regularly attends leading professional seminars on a variety of topics including the role of the board, audit and other committees, current Securities Exchange Commission hot topics and global anti-corruption compliance, enforcement and investigations. He has spoken at Stanford Directors College, Ethicsphere's Annual Compliance conference and the National Association of Corporate Directors.

Mr. Hochberg holds a B.S.B.A. from the University of Florida with honors. He is a certified Public Accountant licensed in the state of Florida, is certified in Financial Forensics and a certified Fraud Examiner. Mr. Hochberg is a member of the American Institute of certified Public Accountants, Florida Institute of Certified Public Accountants and the Association of Certified Fraud Examiners.

*Bill Smith, Director Nominee*

William M. Smith is an entrepreneur who has extensive experience in different business environments. Mr. Smith graduated from Pennsylvania State University in 1991 with a degree in Nuclear Engineering. After working as a power production engineer for five years, Mr. Smith entered the broadcasting field. While in broadcasting, he constructed, operated, and developed a small television station group. In 2003, Mr. Smith sold his television holdings and moved to Florida. Since his move, Mr. Smith has diversified his investments to include ownership of television and radio broadcast properties, a marina, and other real estate.

**Corporate Cease Trade Orders or Bankruptcies**

To the knowledge of the Corporation, other than as set forth below, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this 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, other similar order, or an order that denied the relevant company access to any exemption under securities legislation, and which was in effect for a period of more than 30 consecutive days, that was issued while the proposed Director was acting in the capacity as director, chief executive officer or chief financial officer; or was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or

(ii) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, a director or executive officer of any company (including the Corporation) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(iii) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### **Penalties or Sanctions**

To the knowledge of the Corporation, no proposed director has:

(i) been subject to any penalties or sanctions imposed by a court or securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(ii) been subject to any other penalties or sanctions imposed by a court or regulatory body, including a self-regulatory body, that would be likely to be considered important to a reasonable security holder making a decision about voting for the election of the director.

**Management of the Corporation recommends that Shareholders vote in favour of the recommended Directors. You can vote for all of these Directors, vote for some of them and withhold for others, or withhold for all of them. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the currently proposed nominees set forth above, as Directors of the Corporation.**

Management does not contemplate that any of the Board nominees listed 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 proxy reserve the right to vote for any nominee in their discretion unless the shareholder has specified in the proxy that such shareholder's Shares are to be withheld from voting in the election of directors.

### **APPOINTMENT AND REMUNERATION OF AUDITORS**

MNP LLP ("MNP"), Toronto, Ontario are the current auditors of the Corporation and were first appointed as auditors of the Corporation by the Board on January 21, 2020. The Board consented to the termination of Macias Gini & O'Connell LLP's ("MGO") mandate as auditor of the Corporation effective January 21, 2020 and appointed MNP as the successor auditor to replace MGO. MNP was re-appointed as the Corporation's auditors at last year's annual meeting of Shareholders.

**Management of the Corporation recommends that Shareholders vote in favor of re-appointing MNP as auditors of the Corporation and to authorize the Directors to fix their remuneration. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the resolution to re-appoint MNP and to authorize the Directors to fix their remuneration.**

## **ADOPTION OF RESTRICTED SHARE UNIT AWARD PLAN**

On May 17, 2021, the Board approved the adoption by the Corporation of a restricted share unit award plan (the “**RSU Plan**”), which RSU Plan is designed to provide certain directors, officers, consultants, contractors and other key employees (an “**Eligible Person**”) of the Corporation and its related entities with the opportunity to acquire restricted share units (“**RSUs**”) of the Corporation. The acquisition of RSUs allows an Eligible Person to participate in the long-term success of the Corporation thus promoting the alignment of an Eligible Person’s interests with that of the Shareholders. Following approval of the RSU Plan, the Board may appoint a committee to be responsible for administering the RSU Plan. Capitalized terms used but not defined have the meanings ascribed to them in the RSU Plan.

The aggregate number of Common Shares that may be issuable pursuant to the RSU Plan combined with all of the Corporation’s other security-based compensation arrangements, including the Corporation’s stock option plan, shall not exceed 10% of the Outstanding Issue.

The Compensation Committee is authorized to grant RSUs to an Eligible Person subject to the terms of the RSU Plan. Each vested, whole RSU granted under the RSU Plan shall be denominated or payable in Common Shares or, at the option of the Corporation in cash, and shall confer on the holder thereof the right to receive one Common Share from treasury (subject to adjustment in accordance with the RSU Plan), upon the completion of certain conditions during such periods as the Compensation Committee shall establish (with such date on which all such conditions are satisfied and the RSUs fully vested being referred to as the “Participant’s Entitlement Date”). Subject to the terms of the RSU Plan, the conditions to be completed during any period, the length of any period, the amount of any RSU granted, the number of treasury Common Shares receivable pursuant to any RSU and any other terms and conditions of the RSU shall be determined by the Compensation Committee at the time of grant. A RSU will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of the RSU Plan, as the Compensation Committee shall determine.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to ratify, confirm and approve the adoption of the RSU Plan. A copy of the RSU Plan is attached to this Circular as Schedule “B”.

The following summary assumes that the RSU Plan will be approved by the Shareholders at the Meeting and is subject to the specific provisions of the RSU Plan.

### **Benefits of the RSU Plan**

The RSU Plan is designed to be a long term incentive for the directors, officers, consultants, contractors and other key employees of the Corporation. RSUs provide the Corporation with an additional compensation tool to help retain and attract highly qualified directors, officers, consultants, contractors and employees.

### **Nature and Administration of the RSU Plan**

All Eligible Persons are eligible to participate in the RSU Plan (as “**Participants**”), and the Corporation reserves the right to restrict eligibility or otherwise limit the number of persons eligible for participation as Participants in the RSU Plan. Eligibility to participate as a Participant in the RSU Plan does not confer upon any person a right to receive an award of RSUs.

The Board or its appointed committee may, in its sole discretion, define: (i) the time during which an RSU shall vest and whether there shall be any other conditions or performance criteria to vesting; (ii) the method of vesting; or (iii) that no vesting restriction shall exist. In the absence of any determination by the Board or appointed committee to the contrary, RSUs shall vest three years after the date of grant.

RSUs and all other rights, benefits or interests in the RSU Plan are non-transferable except to Permitted Assigns.

## **Resignation, Termination or Death**

Except as otherwise determined by the Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant's employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of an RSU, all unvested RSUs held by the Participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions or conditions with respect to any such RSU.

## **Control Change**

Any unvested RSUs held by a Participant at the time of a Merger and Acquisition Transaction (as defined in the RSU Plan) shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Corporation within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Common Shares (or other securities or other property) issuable pursuant to an RSU resulting from a Merger and Acquisition Transaction is impractical or impossible. In such an event, the Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of RSUs.

## **Vesting**

The Board has discretion to grant RSUs to Eligible Persons as it determines is appropriate, and can impose conditions on vesting as it sees fit in addition to the performance criteria if any. Vesting occurs on the date set by the Board at the time of the grant or if no date is set then vesting shall be three years following the date of the grant.

## **Limitations under the RSU Plan**

Unless shareholder approval is obtained, or unless permitted otherwise by the rules of the Exchange:

- a. the maximum number of Shares which may be reserved for issuance to Insiders (as a group) under the RSU Plan, together with any other share-based compensation arrangement, may not exceed 10% of the Outstanding Issue;
- b. the maximum number of RSUs that may be granted to Insiders (as a group) under the RSU Plan, together with any other share-based compensation arrangement, within a 12-month period, may not exceed 10% of the Outstanding Issue;
- c. the maximum number of RSUs that may be granted to any one Eligible Person under the RSU Plan, together with any other share-based compensation arrangement, within a 12-month period, may not exceed 5% of the Outstanding Issue.

## **Shareholder Approval of Adoption of the RSU Plan**

Disinterested shareholder approval is approval by a majority of the votes cast by all Shareholders at the Meeting excluding votes attaching to shares beneficially owned by "Insiders" to whom awards may be granted under the RSU Plan, and associates of such Insiders (the "**Disinterested Shareholders**").

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve the following ordinary resolution to ratify, confirm and approve adoption of the RSU Plan:



**“RESOLVED** that:

1. the adoption by the Corporation’s Board of Directors (the **“Board”**) on May 17, 2021, of the Restricted Share Unit Award Plan (the **“RSU Plan”**), as more particularly described in the management information circular of the Corporation dated May 17, 2021, be and is hereby ratified;
2. subject to all required regulatory approvals, including the approval of the Canadian Securities Exchange and the required shareholder approvals, the RSU Plan be and is hereby approved, and the RSU Plan be forthwith adopted and implemented by the Corporation, with such further deletions, additions and other amendments as are required by any securities regulatory authority or which are not substantive in nature and the Board deems necessary or desirable, without requiring further approval of the shareholders in this regard;
3. the shareholders of the Corporation hereby expressly authorize the Board of directors to revoke this resolution and not proceed with the adoption of the RSU Plan, without requiring further approval of the shareholders in that regard; and
4. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

The foregoing resolution must be passed by a simple majority of the votes cast by Disinterested Shareholders who vote on the resolution at the Meeting. **It is the intention of the management designees, if named as proxy, to vote FOR the foregoing resolution, unless otherwise directed in the Instrument of Proxy.**

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

None of the Directors or Executive Officers of the Corporation, nor any proposed nominee for election as a Director of the Corporation, nor any associate or affiliate of such persons, are or have been indebted to the Corporation at any time since the beginning of the Corporation's last completed financial year.

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

For purposes of the following discussion, “Informed Person” means (a) a Director or Executive Officer of the Corporation; (b) a Director or Executive Officer of a person or company that is itself an Informed Person or a subsidiary of the Corporation; (c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than ten percent (10%) of the voting rights attached to all outstanding voting securities of the Corporation, other than the voting securities held by the person or company as underwriter in the course of a distribution; and (d) the Corporation itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Except as disclosed below, elsewhere herein or in the notes to the Corporation’s financial statements for the financial year ended December 31, 2020, none of:

- (a) the Informed Persons of the Corporation;
- (b) a proposed nominee for election as a Director of the Corporation; or
- (c) any associate or affiliate of the foregoing persons,

has any material interest, direct or indirect, in any transaction since the commencement of the last financial year of the Corporation or in any proposed transaction which has materially affected or would materially affect the Corporation or any subsidiary of the Corporation.

#### **Private Placement**

On February 7, 2020, the Corporation completed a non-brokered private placement offering of 10,189,758 units (each a “**Unit**”, and collectively, “**Units**”), at a price of \$0.45 per Unit, for aggregate gross proceeds of approximately \$4.6 million. Each Unit is comprised of one (1) Common Share and one (1) Common Share purchase warrant (each, a “**Warrant**”, and collectively, “**Warrants**”), entitling the holder thereof to acquire one (1) additional Common Share (each, a “**Warrant Share**”) at a price of \$0.45 per Warrant Share for a period of thirty-six (36) months from the date of issuance of the Units, subject to the Accelerated Exercise Period (as hereinafter defined). In the event that, beginning on the date that is four (4) months and one (1) day following the date of issuance of the Units, the daily volume-weighted average trading price of the Common Shares on a recognized Canadian stock exchange is greater than \$0.90 for twenty (20) consecutive trading days (each, a “**Trigger Event**”), the Corporation will have the right (but not the obligation) to, within ten (10) calendar days of any Trigger Event, deliver a notice to each of the subscribers for Units (each, a “**Subscriber**”) advising such Subscriber of the Trigger Event, in which case such Subscriber will have a period of thirty (30) days following the date of such notice (the “**Accelerated Exercise Period**”) to exercise the Warrants and any unexercised Warrants shall automatically expire at the end of the Accelerated Exercise Period.

John McKimm, Director, participated in the amount of \$43,110; and Neal Hochberg, Director, participated in the amount of \$100,000.

#### **Return of Shares**

On November 6, 2019, the Corporation reached an agreement with Jose Hidalgo (former Director and Chief Executive Officer), Henry Batievsky (former Director and Chief Financial Officer and current Chief Production Officer), Patrick Maloy (former Director and Chief Operating Officer), and Jeffrey Reath (former Director, Corporate Secretary and Executive Vice President Investor Relations) for the return of approximately 28 million Shares, in the aggregate, representing approximately 15 percent of the Corporation’s outstanding shares on an as-converted basis. The executives agreed to transfer these shares for nominal consideration to the Corporation for cancellation or to assist in the recapitalization of the Corporation, at the Special Committee’s discretion. These share transfers were substantially completed in 2020.

#### **Debt Conversion**

On January 22, 2021, the Corporation completed a shares for debt conversion and issued an aggregate of 1,286,110 Common Shares at a price of \$0.60 per share in settlement of accrued director’s fees and bonuses to officers, in the aggregate amount of \$771,667. This shares for debt conversion involved Informed Persons in that the following directors and officers settled an amount of their director fees and bonuses, as applicable: David Abrams, Robert Beasley, Todd Buchman, Roger Daher, Neal Hochberg and John McKimm.

#### **Senior Secured Term Loan**

On April 29, 2021, Cansortium Holdings LLC (the “**Borrower**”), the Corporation’s indirect wholly-owned subsidiary, entered into a credit agreement (the “**Loan Agreement**”) with a syndicate of lenders and Acquiom Agency Services LLC as the agent pursuant to which the lenders made a secured loan (the “**Term Loan**”) in the aggregate principal amount of \$71 million, bearing an interest rate of 13% per annum with a term of 4 years that is callable in 18 months with a prepayment premium until the 42-month anniversary of the closing date. The Term Loan consisted of a \$50 million tranche priced with an original issue discount of 3% plus 12.5 million warrants to acquire 12.5 million common shares of the Corporation with an exercise price of \$1.20 per share for a term of four years after the closing date; as well as a \$21 million tranche priced with an original issue discount of 7% with no equity component. Subject to certain conditions of the Term Loan, the Corporation can increase the Term Loan by up to \$20 million.

The Corporation and certain subsidiaries were guarantors under the Term Loan. The Term Loan is secured against certain assets of the Corporation pursuant to pledge and security agreements that were entered into by the Corporation and the other loan parties.

David Abrams, a director, and Neal Hochberg, a director, participated in the \$21 million tranche of the Term Loan in the respective amounts of \$4 million and \$2 million.

**Conversion of Promissory Note**

On May 6, 2021, the Corporation issued 21,555,483 Common Shares at \$0.60 per share pursuant to the amended and restated promissory note (the “**Promissory Note**”) dated January 16, 2020 in the principal amount of \$12,933,290.02 that was owing to Can Endeavour LLC (“**Can Endeavour**”). Can Endeavour is a company that is owned and/or controlled by Bill Smith, a proposed director nominee.

The Promissory Note had a maturity date of December 1, 2022; however, pursuant to the terms thereunder, Can Endeavour elected to convert the principal amount of the Promissory Note into Common Shares. Accordingly, the Corporation has satisfied its obligations under the Promissory Note and it has been cancelled.

The Promissory Note was originally issued in connection with the Corporation’s acquisition of Fluent Servicing, LLC, in August 2018. Fluent Servicing, LLC is an indirect wholly-owned subsidiary of the Corporation.

**OTHER BUSINESS**

Management of the Corporation is not aware of any matter to come before the Meeting other than the matters referred to in the Notice of Meeting.

**CORPORATE GOVERNANCE PRACTICES**

The Board has reviewed the Corporation’s current corporate governance practices with reference to the applicable provisions of National Instrument 58-101 and has compiled the following analysis:

<b>CORPORATE GOVERNANCE GUIDELINE</b>	<b>CORPORATION’S PRACTICE</b>
<b>1. Board of Directors</b>	
(a) Disclose the identity of Directors who are independent.	Four of the Corporation’s current five Directors are independent, namely David Abrams, Roger Daher, Neal Hochberg and John McKimm. One of the two new director nominees is independent, namely Mark Eckenrode.
(b) Disclose the identity of Directors who are not independent, and describe the basis for that determination.	The Corporation’s current four independent Directors are: David Abrams, Roger Daher, Neal Hochberg and John McKimm. Robert Beasley is not considered an independent director as he is CEO of the Corporation. Bill Smith, one of the two new director nominees, is not considered independent as he is considered to have a material relationship with the Corporation by virtue of having been a consultant to the Corporation and also beneficially owning, directly or indirectly, or exercising control over more than 20% of the voting rights of the Corporation’s Shares.
<b>2. Board of Directors</b>	
If a Director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign	David Abrams: Norwegian Cruise Line Holdings Ltd. (NYSE: NCLH)

CORPORATE GOVERNANCE GUIDELINE	CORPORATION'S PRACTICE
jurisdiction, identify both the Director and the other issuer.	Roger Daher: Fountain Asset Corp. (TSXV: FA) Aumento Capital VIII Corp. (TSXV: AMU.P) Aumento Capital IX Corp. Skyscape Capital Inc. (TSXV: SKY.P)  John McKimm: Smart Employee Benefits Inc. (TSXV: SEB)
<b>3. Orientation and Continuing Education</b>	
Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for Directors.	New directors participate in a formal orientation program regarding the role of the Board, the Audit Committee, and its directors, and the nature and operations of the Corporation's business. Members of the Board are encouraged to communicate with management of the Corporation, external legal counsel and auditors, and other external consultants to educate themselves about the Corporation's business, the industry, and applicable legal and regulatory developments. Because of the Corporation's early stage of development, it does not currently provide continuing education to Board members and instead provides regular updates and information concerning the Corporation's business and strategy.
<b>4. Ethical Business Conduct</b>	
Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The Corporation intends to adopt a written code of business conduct and ethics ("Business and Ethics Code") for the Corporation's directors, officers and employees. The Board will monitor compliance with the Business and Ethics Code by receiving reports from management as to any actual or alleged violations, as appropriate. In accordance with the provisions of the Business and Ethics Code and applicable corporate law, any director or executive officer who holds a material interest in a proposed transaction or agreement involving the Corporation will be required to disclose that interest to the Board and abstain from voting on approval of such transactions as appropriate.
<b>5. Nomination of Directors</b>	
Disclose what steps, if any, are taken to identify new candidates for Board nomination, including:	
(a) who identifies new candidates; and (b) the process of identifying new candidates.	The Board does not have a committee responsible for proposing new nominees to the Board. When new directors are considered, the entire Board acts as an ad hoc nominating committee.
<b>6. Compensation</b>	
Disclose what steps, if any, are taken to determine compensation for the Directors and CEO, including:	
(a) who determines the compensation; and (b) the process of determining compensation.	The Board as a whole, with assistance from the Governance and Compensation Committee, determines matters related to Director compensation and CEO compensation. If the CEO is also a Director, then when the compensation for the CEO is determined, the CEO abstains from voting.

<b>CORPORATE GOVERNANCE GUIDELINE</b>	<b>CORPORATION'S PRACTICE</b>
<b>7. Other Board Committees</b>	
If the Board has standing committees other than the audit, compensation and nominating committees, describe their function.	The Corporation has established a Governance and Compensation Committee to develop and oversee effective governance and compensation guidelines. The members of such committee are: John McKimm (chair), David Abrams and Neal Hochberg.
<b>8. Assessments</b>	
Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees and its individual Directors are performing effectively.	The Board does not have a specific formal process for assessing the effectiveness of the Board and the individual directors. Rather, the entire Board monitors its effectiveness and the performance of individual directors. The Corporation believes that its corporate governance practices are appropriate and effective given the Corporation's developmental stage and its presently small size.

### **AUDIT COMMITTEE**

The Corporation is required to have an Audit Committee comprised of not less than three (3) Directors, a majority of whom are not officers or employees of the Corporation or of an affiliate of the Corporation. The Corporation's Audit Committee consists of three (3) Directors, none of whom is an officer or employee of the Corporation or its affiliates.

#### ***Audit Committee Charter***

The Board has adopted a charter for its Audit Committee, the text of which is set forth in Schedule "A" attached hereto.

#### ***Independence***

National Instrument 52-110 *Audit Committees*, ("NI 52-110") provides that a member of an Audit Committee is "independent" if the member has no direct or indirect material relationship with the issuer, which could, in the view of the issuer's Board of Directors, reasonably interfere with the exercise of the member's independent judgment.

Each member of the Audit Committee is independent.

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

NI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. All existing members of the Audit Committee are financially literate as such term is defined in NI 52-110. Furthermore, the relevant experience of each Audit Committee member is set forth below:

<b>Member</b>	<b>Relevant Experience</b>
David Abrams	In 2018 Mr. Abrams became the Head of Investments and Strategy for Harris Blitzer Sports & Entertainment, which owns the Philadelphia 76ers, the New Jersey Devils and the Prudential Center. From 2016 through 2018, Mr. Abrams was Co-Head of Global Corporate Credit and Distressed Debt at Cerberus Capital, a leading investment firm with more than \$35 billion in assets under management. From 2007 through 2014, Mr. Abrams was the

Member	Relevant Experience
	<p>Founder and Managing Partner of the Apollo European Principal Finance Funds franchise at Apollo Global Management (NYSE: APO), which had approximately \$5 billion of assets under management with a primary focus on acquiring distressed debt, real estate and non-performing loans. From 1996 through 2007, Mr. Abrams was a Managing Director in the Leveraged Finance Group of Credit Suisse, based in London and New York.</p> <p>Mr. Abrams graduated cum laude with a Bachelor of Science degree in Economics from the Wharton School of Business at the University of Pennsylvania.</p>
Neal Hochberg, Chair	<p>Mr. Hochberg is currently a Vice President at Charles River Associates. Mr. Hochberg was previously a Senior Advisor of the FTI Consulting Forensic &amp; Litigation Consulting segment from 2010 to 2020. For the last 28 years, he has focused extensively on accounting and forensic investigations, complex economic and financial matters in disputes and matters involving financial reporting. He holds a B.S.B.A. from the University of Florida with honors. He is a certified Public Accountant licensed in the state of Florida, is certified in Financial Forensics and a certified Fraud Examiner. Mr. Hochberg is a member of the American Institute of certified Public Accountants, Florida Institute of Certified Public Accountants and the Association of Certified Fraud Examiners.</p>
John McKimm	<p>Mr. McKimm is currently the CEO of Smart Employee Benefits Inc. (TSXV: SEB) and has over years of experience serving as a director and officer of various public and private companies. He holds a Bachelor of Laws and a Masters of Business Administration degree.</p>

#### ***Audit Committee Oversight***

Since the commencement of the Corporation's most recently completed financial year, the Audit Committee of the Corporation has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board of Directors of the Corporation.

#### ***Reliance on Certain Exemptions***

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemption in section 2.4 (*De Minimis Non-audit Services*), section 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), section 6.1.1(5) (*Events Outside Control of Members*), section 6.1.1(6) (*Death, Incapacity or Resignations*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

#### ***Pre-Approval Policies and Procedures***

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

#### ***Audit Fees***

The following table sets forth the fees paid by the Corporation and its subsidiaries to MNP, for services billed during each of the last two fiscal years:

	<b>Fiscal Year 2019</b>	<b>Fiscal Year 2020</b>
Audit fees	\$944,900.00	\$519,700.00
Audit-related fees	NIL	NIL
Tax Fees	NIL	\$91,100.00
All other fees	NIL	NIL
<b>Total</b>	\$944,900.00	\$610,800.00

The Corporation is a “venture issuer” as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Part 3 (*Composition of the Audit Committee*) and Part 5 (*Reporting Obligations*).

#### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on SEDAR at [www.sedar.com](http://www.sedar.com). The Corporation’s annual management’s discussion and analysis and a copy of this Circular, as applicable, is available to anyone, upon request, from the Corporation’s Chief Legal Officer at 82 NE 26th Street, Unit 110, Miami, FL 33137. All financial information in respect of the Corporation is provided in the comparative financial statements and management’s discussion and analysis for its recently completed financial year, as applicable.

**APPROVAL OF THE BOARD OF DIRECTORS**

The contents and the mailing of the Circular to Shareholders have been approved by the Board of Directors of the Corporation.

DATED the 17<sup>th</sup> day of May 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Neal Hochberg”*

Neal Hochberg  
Director



**SCHEDULE “A”  
TO 2021 MANAGEMENT INFORMATION CIRCULAR  
OF CANSORTIUM INC.**

**AUDIT COMMITTEE CHARTER  
CANSORTIUM INC.**

**Article 1 – mandate and responsibilities**

The audit committee is appointed by the board of directors of the Corporation (the “board”) to oversee the accounting and financial reporting process of the Corporation and audits of the financial statements of the Corporation. The audit committee’s primary duties and responsibilities are to:

- (a) recommend to the board the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation;
- (b) recommend to the board the compensation of the external auditor;
- (c) oversee the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (d) pre-approve all non-audit services to be provided to the Corporation or its subsidiaries by the Corporation’s external auditor;
- (e) review the Corporation’s financial statements, MD&A and annual and interim earnings press releases before the Corporation publicly discloses this information;
- (f) be satisfied that adequate procedures are in place for the review of all other public disclosure of financial information extracted or derived from the Corporation’s financial statements, and to periodically assess the adequacy of those procedures;
- (g) establish procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
  - (ii) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters; and
- (h) review and approve the Corporation’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Corporation.

The board and management will ensure that the audit committee has adequate funding to fulfill its duties and responsibilities.

**Article 2 – pre-approval of non-audit services**

The audit committee may delegate to one or more of its members the authority to pre-approve non-audit services to be provided to the Corporation or its subsidiaries by the Corporation’s external auditor. The pre-approval of non-audit services must be presented to the audit committee at its first scheduled meeting following such pre-approval.

The audit committee may satisfy its duty to pre-approve non-audit services by adopting specific policies and procedures for the engagement of the non-audit services, provided the policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee's responsibilities to management.

### **Article 3 – external advisors**

The audit committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and it has direct access to the external auditors as well as anyone in the organization. The audit committee has the ability to retain, at the Corporation's expense, special legal, accounting or other consultants or experts it deems necessary in the performance of its duties.

### **Article 4 – external auditors**

The external auditors are ultimately accountable to the audit committee and the board, as representatives of the shareholders. The external auditors will report directly to the audit committee. The audit committee will:

- review the independence and performance of the external auditors and annually recommend to the board the nomination of the external auditors or approve any discharge of external auditors when circumstances warrant;
- approve the fees and other significant compensation to be paid to the external auditors;
- on an annual basis, review and discuss with the external auditors all significant relationships they have with the Corporation that could impair the external auditors' independence;
- review the external auditors' audit plan to see that it is sufficiently detailed and covers any significant areas of concern that the audit committee may have;
- before or after the financial statements are issued, discuss certain matters required to be communicated to audit committees in accordance with the standards established by the Chartered Professional Accountants of Canada;
- consider the external auditors' judgments about the quality and appropriateness of the Corporation's accounting principles as applied in the Corporation's financial reporting;
- consider the external auditors' judgments regarding any alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, ramifications of the use of such alternative disclosures and treatments and the treatment preferred by the external auditors;
- resolve any disagreements between management and the external auditors regarding financial reporting; and
- approve in advance all audit services and any non-prohibited non-audit services to be undertaken by the external auditors for the Corporation.

### **Article 5 – legal compliance**

On at least an annual basis, the audit committee will review with the Corporation's legal counsel any legal matters that could have a significant impact on the organization's financial statements, the Corporation's compliance with applicable laws and regulations and inquiries received from regulators or governmental agencies.

## **Article 6 - complaints**

Individuals are strongly encouraged to approach a member of the audit committee with any complaints or concerns regarding accounting, internal accounting controls or auditing matters. The audit committee will from time to time establish procedures for the submission, receipt and treatment of such complaints and concerns. In all cases the audit committee will conduct a prompt, thorough and fair examination, document the situation and, if appropriate, recommend to the board appropriate corrective action.

To the extent practicable, all complaints will be kept confidential. The Corporation will not condone any retaliation for a complaint made in good faith.

**SCHEDULE "B"**  
**TO 2021 MANAGEMENT INFORMATION CIRCULAR**  
**OF CONSORTIUM INC.**

**RESTRICTED SHARE UNIT AWARD PLAN**

See attached.

**CANSORTIUM INC.**

**RESTRICTED SHARE UNIT AWARD PLAN**

**May 17, 2021**

## TABLE OF CONTENTS

ARTICLE 1 PURPOSE OF THIS PLAN .....	1
ARTICLE 2 DEFINITIONS .....	2
ARTICLE 3 EFFECTIVE DATE OF PLAN .....	6
ARTICLE 4 ADMINISTRATION OF PLAN .....	7
ARTICLE 5 SHARES AVAILABLE FOR AWARDS .....	8
ARTICLE 6 GRANT OF AWARDS .....	8
ARTICLE 7 ELIGIBILITY.....	9
ARTICLE 8 RESTRICTED AWARD GRANTS.....	10
ARTICLE 9 GENERAL TERMS OF RESTRICTED AWARDS.....	10
ARTICLE 10 CHANGE IN STATUS .....	11
ARTICLE 11 NON-TRANSFERABILITY OF RESTRICTED AWARDS .....	11
ARTICLE 12 REPRESENTATIONS AND COVENANTS OF PARTICIPANTS .....	11
ARTICLE 13 WITHHOLDING TAX .....	12
ARTICLE 14 CONDITIONS .....	12
ARTICLE 15 SUSPENSION, AMENDMENT OR TERMINATION OF PLAN .....	13
ARTICLE 16 ADJUSTMENTS .....	14
ARTICLE 17 GENERAL.....	15
SCHEDULE "A" .....	1

**ARTICLE 1**  
**PURPOSE OF THIS PLAN**

**1.1 Overview.**

The Plan provides for the payment of bonus compensation in the form of Shares or, at the option of the Company cash, to Participants for the purpose of advancing the interests of the Company and its Affiliates through the motivation, attraction and retention of Eligible Persons and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Shares by Eligible Persons, it being generally recognized that restricted share unit plans aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Company. It is intended that, insofar as the Participants are Eligible Persons who are directors or employees of the Company, neither the Plan nor any Restricted Award granted hereunder will constitute a "salary deferral arrangement" as defined in subsection 248(1) of the *Income Tax Act* (Canada) by reason of the exemption in paragraph (k) thereof. All Restricted Awards granted hereunder shall be in addition to, and not in substitution for or in lieu of, ordinary salary and wages received or receivable by any Participant who is an employee or director in respect of his or her services to the Company or an Affiliate, as applicable.

**1.2 Purpose of this Plan.**

The purpose of this Plan is to promote the interests and long-term success of the Company by:

- (a) furnishing certain directors, officers, employees and consultants/contractors of the Company or its Affiliates with greater incentive to develop and promote the business and financial success of the Company;
- (b) aligning the interests of persons to whom Restricted Awards may be granted with those of the shareholders of the Company generally through a proprietary ownership interest in the Company; and
- (c) assisting the Company in attracting, retaining and motivating its directors, officers, employees and consultants/contractors.

The Company believes that these purposes may best be effected by granting Restricted Awards and affording such persons an opportunity to acquire a proprietary interest in the Company.

## ARTICLE 2 DEFINITIONS

### 2.1 Definitions.

In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) “**Affiliate**” means an affiliate as defined in the Securities Act and includes issuers that are similarly related, whether or not any of the issuers are companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (b) “**Applicable Withholding Taxes**” means all taxes and other source deductions or other amounts which the Company or an Affiliate of the Company is or may be required by law to withhold in respect of the Plan or in respect of a Restricted Award, including in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder;
- (c) “**Associate**” means an associate as defined in the Securities Act;
- (d) “**Award Agreement**” means any written agreement, contract or other instrument or document evidencing any Restricted Award granted under this Plan. Each Award Agreement shall be subject to the applicable terms and conditions of this Plan and any other terms and conditions (not inconsistent with this Plan) determined by the Compensation Committee;
- (e) “**Award Payout**” means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
- (f) “**Blackout Period**” means an interval of time during which the Company has determined (pursuant to the policies of the Company or any resolution of the Board) that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company;
- (g) “**Board**” means the board of directors of the Company as constituted from time to time;
- (h) “**Change in Control**” means:
  - (i) any merger or amalgamation in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company’s outstanding securities are transferred to a person



or persons different from the persons holding those securities immediately prior to such transaction;

- (ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(x) and other than the Company or a person that directly or indirectly controls, is controlled by, or is under common control with, the Company) of beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;
- (iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company;
- (iv) any sale, transfer or other disposition of all or substantially all of the assets of the Company;
- (v) a complete liquidation or dissolution of the Company; or
- (vi) any transaction or series of transactions involving the Company or any of its Affiliates that the Board in its discretion deems to be a Change in Control;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results from:

- (i) the issuance, in connection with a bona fide financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities; or
- (ii) a transaction or series of transactions involving the Company or any of its Affiliates whereby the holders of the voting securities of the Company continue to hold voting securities in the capital of the surviving or successor entity in substantially the same proportion as such holders held voting securities in the Company immediately prior to the commencement of such transaction or series of transactions.

- (i) **“Company”** means Consortium Inc.;
- (j) **“Compensation Committee”** means the Compensation Committee of the Board or such other committee of the Board to which the Board has delegated responsibility

for administration of the Plan or, if the Board has not made such delegation, “Compensation Committee” shall mean the Board;

- (k) “**Effective Date**” has the meaning ascribed thereto by Section 3.1 of this Plan;
- (l) “**Eligible Contractor**” means any individual, other than a director, officer or employee, who: (i) is engaged to provide on a bona fide basis consulting, technical, management or other services to the Company or an Affiliate under a written contract between the Company or an Affiliate and the individual or a company of which the individual consultant is an employee; and (ii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate;
- (m) “**Eligible Person**” means director, officer, or employee of the Company or its Affiliates as well as an Eligible Contractor;
- (n) “**Employer**” in respect of a Participant means the entity which employs or receives services from, as applicable, such Participant, which may be the Company or an Affiliate;
- (o) “**Exchange**” means the Canadian Securities Exchange, or such stock exchanges or other organized markets on which the Shares are listed or posted for trading;
- (p) “**Fair Market Value**” means, as at a particular date, for the purpose of calculating the Award Payout,
  - (i) if the Shares are listed on the CSE, the greater of: (i) the weighted average of the trading price per Share on the CSE for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date,
  - (ii) if the Shares are not listed on the CSE, the value established by the Board based on the volume weighted average price per Share traded on any other public exchange on which the Shares are listed over the same period, or
  - (iii) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (q) “**Insider**” in relation to the Company means:
  - (i) a director or senior officer of the Company;
  - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Company; or

- (iii) a person that beneficially owns or controls, directly or indirectly, Shares and/or Proportionate Voting Shares carrying more than 10% of the voting rights attached to the Outstanding Issue.
- (r) **“Merger and Acquisition Transaction”** means:
  - (i) any merger;
  - (ii) any acquisition;
  - (iii) any amalgamation;
  - (iv) any offer for Shares and/or Proportionate Voting Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
  - (v) any arrangement or other scheme of reorganization;that results in a Change in Control;
- (s) **“Outstanding Issue”** at the time of any issuance of Shares or grant of a Restricted Award means the number of Shares that are outstanding (assuming the conversion of all outstanding Proportionate Voting Shares into Shares) immediately prior to the issue of the Shares or grant of a Restricted Award in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the Exchange;
- (t) **“Participant”** means an Eligible Person designated to be granted an Award under this Plan;
- (u) **“Permitted Assign”** in respect of a Participant means:
  - (i) an executor or administrator for the estate of the Participant upon the death of the Participant, or
  - (ii) a committee or duly appointed attorney of the Participant, upon the Participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs.
- (v) **“Plan”** means this plan, as the same may from time to time be supplemented or amended and in effect;
- (w) **“Proportionate Voting Shares”** means the proportionate voting shares in the capital of the Company;

- (x) **“Related Group of Persons”** in respect of a person means:
  - (i) the person together with any one or more of the person’s Associates or Affiliates; and
  - (ii) any two or more persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
    - (A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Company; or
    - (B) the exercise of voting rights attached to the securities of the Company beneficially owned by such persons, or over which such persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Company;
  - (iii) despite the above Section 2.1(x)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Company, and not executing principal transactions for its own account or performing services beyond customary dealer’s functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons; and
- (y) **“Restricted Award”** means restricted share unit award granted pursuant to Section 8.1, for which the form of Award Agreement is attached hereto as Schedule “A”;
- (z) **“Securities Act”** means the *Securities Act* (Ontario), as amended from time to time;
- (aa) **“Shares”** means the common shares in the capital of the Company; and
- (bb) **“Shareholder”** means a holder of Shares and/or Proportionate Voting Shares.

### ARTICLE 3 EFFECTIVE DATE OF PLAN

- 3.1 The effective date of the Plan is May 17, 2021 (the **“Effective Date”**), or such other date as the Board may determine, subject to the approval of the Plan, if necessary, by disinterested Shareholders and the Exchange.

**ARTICLE 4**  
**ADMINISTRATION OF PLAN**

- 4.1 The Board may at any time appoint a committee of the Board (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board, this Plan will be administered by the Board, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board). The Board will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.
- 4.2 The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, in good faith, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 4.3 No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with the Plan and all members of the Committee shall, in addition to their rights as directors of the Company, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made in good faith.
- 4.4 The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary for the implementation of the Plan and of the rules and regulations established for administering the Plan.
- 4.5 The Company shall maintain a register in which shall be recorded:
- (a) the name and address of each Participant; and
  - (b) the number of Restricted Awards granted to each Participant.
- 4.6 The Compensation Committee shall from time to time determine the Eligible Persons who may participate in the Plan. The Compensation Committee shall from time to time determine the Eligible Persons to whom Restricted Awards shall be granted and the provisions and restrictions with respect to such grant, all such determinations to be made in accordance with the terms and conditions of the Plan, and the Compensation Committee may take into consideration the present and potential contributions of and the services rendered by the particular Participant to the success of the Company and its Affiliates and any other factors which the Compensation Committee deems appropriate and relevant.

- 4.7 The Company will be responsible for all costs relating to the administration of the Plan.
- 4.8 Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Company and the rights of Participants under the Plan shall be general unsecured obligations of the Company.
- 4.9 The Company is authorized to take such steps as may be necessary to ensure all Applicable Withholding Taxes are withheld, deducted and remitted as required by law.

**ARTICLE 5  
SHARES AVAILABLE FOR AWARDS**

- 5.1 Subject to adjustment as provided in Article 16 of this Plan, the aggregate number of Shares that may be issuable pursuant to this Plan combined with all of the Company's other security based compensation arrangements, including the Company's stock option plan, shall not exceed 10% of the Outstanding Issue.
- 5.2 For purposes of Section 5.1 and subject to Section 5.3, the number of Shares covered by a Restricted Award or to which a Restricted Award relates shall be counted on the date of grant of such Restricted Award against the aggregate number of Shares available for granting Restricted Awards under this Plan.
- 5.3 If an outstanding Restricted Award for any reason expires or is terminated or cancelled without having been settled in full, the Shares shall again be available for issuance under this Plan.
- 5.4 The Board will reserve for issuance from time to time out of the authorized but unissued Shares sufficient Shares to provide for issuance of all Shares which are issuable under all Restricted Awards.
- 5.5 Fractional Restricted Awards are permitted under this Plan.

**ARTICLE 6  
GRANT OF AWARDS**

- 6.1 Subject to the provisions of this Plan, the Compensation Committee may from time to time grant to any Eligible Person one or more Restricted Awards as the Compensation Committee deems appropriate.
- 6.2 The date on which a Restricted Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Restricted Award or such other future date as may be specified by the Compensation Committee at the time of such authorization (including, but not limited to, the date the Award Agreement is entered into pursuant to Section 6.4).

- 6.3 The number of Shares that may be issued under any Restricted Award will be determined by the Compensation Committee, provided that:
- (a) the number of Shares reserved for issuance to any one Participant pursuant to this Plan combined with all of the Company's other security based arrangements, including the Company's stock option plan, within any one year period shall not, in aggregate, exceed 5% of the Outstanding Issue; and
  - (b) the number of Shares:
    - (i) issuable, at any time, to Participants that are Insiders; and
    - (ii) issued to Participants that are Insiders within any one year period;
- pursuant to this Plan, or when combined with all of the Company's other security based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Shares shall not, in aggregate, exceed 10% of the Outstanding Issue.
- 6.4 Each Restricted Award will be evidenced by an Award Agreement which incorporates such terms and conditions (including all vesting conditions) as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Company of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions determined by the Compensation Committee and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Restricted Award is granted and on behalf of the Company by any member of the Compensation Committee or any officer of the Company or such other person as the Compensation Committee may designate for such purpose.
- 6.5 The Board or the Committee may, in its sole discretion, determine: (i) the time during which Restricted Awards shall vest and whether there shall be any other conditions or performance criteria to vesting; (ii) the method of vesting; or (iii) that no vesting restriction shall exist. In the absence of any determination by the Board or the Compensation Committee to the contrary, Restricted Awards will vest three years after the date of grant.

## **ARTICLE 7 ELIGIBILITY**

- 7.1 Any Eligible Person shall be eligible to be designated a Participant. The Company and a Participant shall confirm that any Eligible Person that is an employee is a *bona fide* employee of the Company or its Affiliates. In determining whether an Eligible Person shall receive a Restricted Award and the terms of any Restricted Award, the Compensation Committee may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Company, and such other factors as the Compensation Committee, in its discretion, shall deem relevant.

**ARTICLE 8**  
**RESTRICTED AWARD GRANTS**

- 8.1 The Compensation Committee is hereby authorized to grant Restricted Awards to an Eligible Person subject to the terms of this Plan. Each vested, whole Restricted Award granted under this Plan shall be denominated or payable in Shares or, at the option of the Company in cash, and shall confer on the holder thereof the right to receive one Share from treasury (subject to adjustment in accordance with this Plan), upon the completion of certain conditions during such periods as the Compensation Committee shall establish (with such date on which all such conditions are satisfied and the Restricted Awards fully vested being referred to as the “**Participant’s Entitlement Date**”). Subject to the terms of this Plan, the conditions to be completed during any period, the length of any period, the amount of any Restricted Award granted, the number of treasury Shares receivable pursuant to any Restricted Award and any other terms and conditions of the Restricted Award shall be determined by the Compensation Committee at the time of grant. A Restricted Award will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of this Plan, as the Compensation Committee shall determine.
- 8.2 In the event that the Employer elects to satisfy its payment obligation in cash, on the Participant's Entitlement Date, the Restricted Award shall be redeemed and paid by the Affiliate that is the Employer of the Participant to the Participant subject to Article 13. The Fair Market Value of the Award Payout shall, after deduction of any applicable taxes and other source deductions required to be withheld by the applicable Affiliate, be paid in cash.
- 8.3 Except as otherwise determined by the Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant’s employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Company, waive in whole or in part any or all remaining restrictions or conditions with respect to any such Restricted Award.

**ARTICLE 9**  
**GENERAL TERMS OF RESTRICTED AWARDS**

- 9.1 Restricted Awards may be granted for no cash consideration.
- 9.2 Restricted Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to or in tandem with any award granted under any plan of the Company or any Affiliate. Restricted Awards granted in addition to or in tandem with awards granted under any such other plan of the Company or any Affiliate may be granted either at the same time as or at a different time from the grant of such other awards.



- 9.3 All Shares delivered pursuant to a Restricted Award shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable, applicable Canadian provincial or foreign securities laws and regulatory requirements, applicable Exchange policies and rules, and applicable Canadian corporate laws, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Shares to reflect such restrictions. If the Shares are traded on a securities exchange, the Company shall not be required to deliver any Shares covered by a Restricted Award unless and until such Shares have been listed and posted for trading on such securities exchange.

#### **ARTICLE 10 CHANGE IN STATUS**

- 10.1 A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Restricted Award was granted to such Participant will not result in the termination of the Restricted Award granted to such Participant provided that such Participant remains an Eligible Person.

#### **ARTICLE 11 NON-TRANSFERABILITY OF RESTRICTED AWARDS**

- 11.1 Each Award Agreement will provide that the Restricted Award granted thereunder is not transferable or assignable to anyone other than a Permitted Assign.

#### **ARTICLE 12 REPRESENTATIONS AND COVENANTS OF PARTICIPANTS**

- 12.1 Each Award Agreement will contain representations and covenants of the Participant that:
- (a) the Participant is a director, officer or employee of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
  - (b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the Company or its Affiliates;
  - (c) the Participant is aware that the grant of the Restricted Award and the issuance by the Company of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws.

**ARTICLE 13  
WITHHOLDING TAX**

- 13.1 Each Participant shall be responsible for all taxes in respect of the Plan and in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder. The Company makes no guarantee to any person regarding the tax consequences of becoming a Participant in the Plan and none of the Company, its Affiliates or any of their respective employees or representatives shall have any liability to any Participant with respect thereto. The Company shall be entitled to take all reasonable and necessary steps and to obtain all reasonable or necessary indemnities, assurances, payments or undertakings to satisfy any obligation to pay or withhold an amount on account of Applicable Withholding Taxes. Without limiting the generality of the foregoing, the Company may for such purposes withhold or offset such amounts from any salary or other amounts otherwise due or to become due from the Company to the Participant or may require that a Participant pay such amounts to the Company.
- 13.2 The Participant will be solely responsible for paying any Applicable Withholding Taxes arising from the grant, vesting or issuance or payment of underlying Shares or cash of any Restricted Award and payment is to be made in a manner satisfactory to the Company. Notwithstanding the foregoing, the Company will have the right to withhold from any Restricted Award or any Shares issuable pursuant to a Restricted Award or from any cash amounts otherwise due or to become due from the Company to the Participant, an amount equal to any such taxes.

**ARTICLE 14  
CONDITIONS**

- 14.1 Notwithstanding any provision in this Plan, other than Section 6.5, or an Award Agreement, the Company's obligation to issue Shares to a Participant pursuant to the terms of any Restricted Award will be subject to, if applicable:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Company will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
  - (b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Company or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

**ARTICLE 15**  
**SUSPENSION, AMENDMENT OR TERMINATION OF PLAN**

- 15.1 The Compensation Committee will have the right at any time and from time to time to suspend or terminate this Plan and, subject to Section 15.2, may:
- (a) with the prior approval of disinterested Shareholders of the Company by ordinary resolution (if required by the Exchange) make any amendment to any Restricted Award Agreement or this Plan, including any amendment that would:
    - (i) increase the number of Shares, or rolling maximum, reserved for issuance under this Plan as set out in Section 5.1;
    - (ii) extend the term of a Restricted Award beyond its original expiry time;
    - (iii) result in any modification to this Section 15.1; or
  - (b) without the prior approval of holders of Restricted Awards and without limiting the generality of the foregoing, the Compensation Committee may make any other amendments not listed in (a) above to any Award Agreement or this Plan, as follows:
    - (i) amendments of a clerical nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
    - (ii) amendments to reflect any requirements of any regulatory authorities to which the Company is subject, including the Exchange;
    - (iii) amendments to any vesting provisions of a Restricted Award; and
    - (iv) amendments to the expiration date of a Restricted Award that does not extend the term of a Restricted Award past the original date of expiration for such Restricted Award.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Company is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to this Plan or amendments to any Award Agreement.

- 15.2 In exercising its rights pursuant to Section 15.1, the Compensation Committee will not have the right to affect in a manner that is materially adverse to, or that materially impairs, the benefits and rights of any Participant under any Restricted Award previously granted under this Plan except: (a) with the consent of such Participant; (b) as permitted pursuant to Article 16; or (c) for the purpose of complying with the requirements of any regulatory authorities to which the Company is subject, including the Exchange.

- 15.3 The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Restricted Awards have been vested in full (including the issuance of any underlying Shares or cash payment in lieu thereof) or have otherwise expired.

## **ARTICLE 16 ADJUSTMENTS**

- 16.1 In the event of any Share distribution, Share split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of the Company's assets to the Shareholders, or any other change affecting the Shares, the Restricted Awards of each Participant and the Restricted Awards outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Restricted Awards will be granted to such Participant to compensate for a downward fluctuation in the market price of the Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.
- 16.2 In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Compensation Committee shall determine in an appropriate and equitable manner:
- (a) any adjustment to the number and type of Shares (or other securities) that thereafter shall be made the subject of Restricted Awards; and
  - (b) the number and type of Shares (or other securities) subject to outstanding Restricted Awards; and
  - (c) determine the manner in which all unvested Restricted Awards granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Restricted Awards by the Participants, the time for the fulfilment of any conditions or restrictions on such vesting, and the time for the expiry of such Restricted Awards.

Subsections (a) through (c) of this Section 16.2 may be utilized independently of, successively with, or in combination with each other and Section 16.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Restricted Awards in any other manner. All determinations by the Compensation Committee under this Article 16 will be final, binding and conclusive for all purposes.

- 16.3 Notwithstanding anything else in this Plan, any unvested Restricted Awards issued to a Participant at the time of a Merger and Acquisition Transaction shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as

such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Company or its Affiliates within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Shares (or other securities) resulting from a Merger and Acquisition Transaction is impractical or impossible. In the event this Section 16.3 is applicable, the Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of Restricted Awards.

- 16.4 The grant of any Restricted Awards under this Plan will in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

## **ARTICLE 17 GENERAL**

- 17.1 Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a Shareholder of the Company with respect to any Shares reserved for the purpose of any Restricted Award.
- 17.2 Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Company or its Affiliates or affect in any way the right of the Company or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Company or its Affiliates or any present or future retirement policy of the Company or its Affiliates, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Company or its Affiliates. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of this Plan.
- 17.3 Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board in connection with any allotment and issuance of Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.
- 17.4 The Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

- 17.5 References herein to any gender include all genders and to the plural includes the singular and vice versa. The division of this Plan into Sections and Articles and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.
- 17.6 This Plan and any Award Agreement may be executed and transmitted by facsimile or other means of electronic communication (including pdf, docusign or verified electronic authorization/signature), which signatures or authorizations shall be binding upon the parties as if they were original signatures.
- 17.7 This Plan and any Award Agreement may be executed and/or authorized in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

**SCHEDULE “A”**

**FORM OF AWARD AGREEMENT**

**CANSORTIUM INC.**  
(the “**Company**”)

**RESTRICTED SHARE UNIT AWARD PLAN AWARD AGREEMENT**

This Award Agreement (the “**Agreement**”) is entered into between the Company and the Participant named below pursuant to the Company’s Restricted Share Unit Award Plan (the “**Plan**”). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

This Agreement confirms that:

1. on \_\_\_\_\_, 20\_\_\_\_ (the “**Award Date**”);
2. \_\_\_\_\_ (the “**Participant**”);
3. was granted \_\_\_\_\_ Restricted Awards in respect of employment services to be rendered by the Participant to the Company or its Affiliates each of which entitles the Participant to receive one Share upon vesting, provided the following conditions are met:
  - (a) **[conditions of vesting to be included at time of grant.]**
4. the vesting of the Restricted Awards shall occur on the following schedule:

<u>Vesting Date</u>	<u>Percentage Vested</u>
<b>[Timing of vesting to be included at time of grant.]</b>	
5. the Company shall issue to the Participant all amounts receivable by the Participant all Shares receivable by the Participant pursuant to this Agreement from treasury;
6. by execution of this Agreement and acceptance of the Restricted Awards hereby granted, the Participant hereby represents and warrants to the Company that the Participant:
  - (a) is director, officer or employee of the Company or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
  - (b) has not been induced to enter into such Agreement by the expectation of employment or continued employment with the Company or its Affiliates;

- (c) is aware that the grant of the Restricted Award and the issuance by the Company of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws;
- 7. without restricting the generality of Section 4.9 of the Plan, the Company is expressly authorized to withhold and remit all Applicable Withholding Taxes arising as a consequence of the issuance, transfer, amendment or vesting of a Restricted Award granted pursuant to this Agreement or the issuance of Shares thereunder, (the “**Applicable Withholding Taxes Amount**”), in any of the following ways or any combination thereof:
  - (a) by requiring the Participant, as a precondition to the Company’s obligation to issue Shares from treasury, to pay to the Company in cash the Applicable Withholding Taxes Amount, to be remitted by the Company to the appropriate government authorities for the Participant’s account;
  - (b) by offset against any salary or other amounts otherwise due or to become due from the Company to the Participant and remitting such amounts to the appropriate government authorities for the Participant’s account; and
  - (c) by selling, as the Participant’s agent, a sufficient number of the Shares issued to the Participant in payment and settlement of the Restricted Awards to raise, net of commissions and other related expenses, cash in an amount not less than the Applicable Withholding Taxes Amount and remitting the Applicable Withholding Taxes Amount to the appropriate government authorities for the Participant’s account, and the Participant hereby irrevocably appoints the Company as the Participant’s agent to effect such sale or sales and receive the proceeds therefrom;
- 8. upon the termination of a Participant’s employment, including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled;

otherwise all on the terms and subject to the conditions and restrictions set out in the Plan.



By signing this Agreement, the Participant acknowledges that the Participant has been provided with a copy of the Plan and has read and understands the Plan (or has sought legal and/or financial advice to inform themselves as to the operation of the Plan and the results of Participant's participation in the Plan) and agrees to the terms and conditions of the Plan and this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**CANSORTIUM INC.**

By: \_\_\_\_\_  
Authorized Signatory

**SIGNED, SEALED AND DELIVERED )  
in the presence of: )**

\_\_\_\_\_  
Witness Name (Print): )

\_\_\_\_\_  
Witness Signature )

\_\_\_\_\_  
Participant Name (Print): )

\_\_\_\_\_  
Participant Signature )

\_\_\_\_\_  
Participant Address )

\_\_\_\_\_  
Participant Email )