



BHANG INC.

6815 Biscayne Blvd., Suite 103
Miami, Florida, USA, 33138

MANAGEMENT INFORMATION CIRCULAR

October 19, 2020

SOLICITATION OF PROXIES

This management information circular (the "**Circular**"), is furnished in connection with the solicitation of proxies by the management of Bhang Inc. (the "**Corporation**" or "**we**") to be voted at the annual and special meeting (the "**Meeting**") of holders (the "**Shareholders**") of subordinate voting shares ("**Subordinate Voting Shares**") and multiple voting shares ("**Multiple Voting Shares**") of the Corporation to be held at the offices of Miller Thomson LLP, Scotia Plaza, 40 King Street West, Suite 5800, Toronto, ON, M5H 3S1 at 11:00 a.m. (Toronto time) on Tuesday, November 24, 2020, and at any adjournment(s) or postponement(s) thereof.

In this Circular, all information provided is current as of October 19, 2020, unless otherwise indicated. All references to "\$" are to Canadian currency.

This Circular is furnished in connection with the solicitation, by or on behalf of the management of the Corporation, of proxies to be used at the Meeting. The Corporation will use the Notice-and-Access Provisions (as defined below) to conduct the solicitation of proxies in connection with this Circular. It is expected that the solicitation will be primarily by mail, but proxies may also be solicited personally, by advertisement or by telephone, by directors, officers and employees of the Corporation without special compensation, or by the Corporation's registrar and transfer agent (the "**Transfer Agent**"), Capital Transfer Agency ULC, at nominal cost. The cost of any such solicitation will be borne by the Corporation. Arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the beneficial shareholders of record as of the Record Date (as defined below).

NOTICE-AND-ACCESS

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

The use of the Notice-and-Access Provisions reduces paper waste and mailing costs to the Corporation. In order for the Corporation to utilize the Notice-and-Access Provisions to deliver proxy-related materials by posting the Circular (and if applicable, other materials) electronically on a website that is not SEDAR, the Corporation must send the notice of meeting (the "**Notice of Meeting**") to Shareholders, including beneficial Shareholders, indicating that the proxy-related materials have been posted and explaining how a Shareholder can access them or obtain a paper copy of those materials from the Corporation.

In accordance with the Notice-and-Access Provisions, the Notice of Meeting and a form of proxy (the "**Form of Proxy**") or voting instruction form (the "**VIF**"), as applicable, has been sent to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. This Circular has been posted in full on www.capitaltransferagency.ca and under the Corporation's SEDAR profile at www.sedar.com.

The Corporation will cause its Transfer Agent to deliver copies of the proxy-related materials to the Intermediaries for onward distribution to Non-Registered Shareholders. The Corporation does not intend to pay for the Intermediaries to deliver to objecting beneficial owners ("**OBOs**") the proxy-related materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* of NI 54-101. OBOs will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

Any Shareholder who wishes to receive a paper copy of this Circular free of charge must contact Capital Transfer Agency ULC at 390 Bay Street, Suite 920, Toronto, Ontario, Canada, M5H 2Y2 or by phone at 1-844-499-4482. In order to ensure that a paper copy of the Circular can be delivered to a requesting Shareholder in time for such Shareholder to review the Circular and return a Form of Proxy or VIF prior to the deadline to receive proxies, it is strongly suggested that Shareholders ensure their request is received no later than November 13, 2020.

COVID-19

This year, out of an abundance of caution, to proactively deal with the unprecedented public health impact of COVID-19, and to mitigate the risks to the health and safety of our communities, shareholders, employees and other stakeholders, although we plan to hold an in-person meeting, **we strongly recommend that you DO NOT attend the Meeting in person, particularly if you are experiencing any of the described COVID-19 symptoms or if you or someone with whom you have been in close contact has travelled to/from outside Canada within the 14 days prior to the Meeting.** We intend to quickly deal with the business at hand and there will be no refreshments or additional presentations at the Meeting. COVID-19 is causing unprecedented social and economic upheaval and we want to ensure that no one is unnecessarily exposed to any risks.

We may take additional precautionary measures in relation to the Meeting in response to further developments with COVID-19. In the event it is not possible or advisable to hold the Meeting in person, we will announce alternative arrangements for the Meeting as promptly as practicable, which may include delaying the Meeting or holding the Meeting entirely by electronic means, telephone or other communication facilities. **If you are a registered Shareholder or appointed proxyholder and are planning to attend the Meeting, please notify the Corporation within a minimum of five (5) business days' in advance of the Meeting at either the email address or phone number provided below:**

Email: j.pearson@bhangcorporation.com

Telephone: 1-406-208-3488

Public health restrictions and recommendations in place at the time of the Meeting may require the Corporation to restrict the number of people in attendance at the Meeting and therefore physical attendance by a shareholder or appointed proxyholder may not be possible.

REGISTERED SHAREHOLDERS

A Shareholder is a registered shareholder (a "**Registered Shareholder**") if shown on the register of holders of Subordinate Voting Shares or Multiple Voting Shares at the close of business on September 28, 2020 (the "**Record Date**"). In accordance with the Notice-and-Access Provisions, a Notice of Meeting and a Form of Proxy has been sent to all Registered Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed, in addition to outlining relevant dates and matters to be discussed at the Meeting. All references to Shareholders in this Circular and the Form of Proxy and Notice of Meeting are to Registered Shareholders of record on the Record Date, unless specifically stated otherwise.

Appointment of Proxy

The Form of Proxy is enclosed and, whether or not you expect to attend the Meeting, please exercise your right to vote. Shareholders who have voted by proxy may still attend the Meeting. Please complete and return the Form of Proxy in the envelope provided. The Form of Proxy must be dated and executed by the Registered Shareholder or the attorney of such Shareholder, duly authorized in writing. Proxies to be used at the Meeting must be deposited with the Transfer Agent in the envelope provided or otherwise to Capital Transfer Agency ULC, at its Toronto office located at 390 Bay Street, Suite 920, Toronto, Ontario, Canada, M5H 2Y2, **not later than 11:00 a.m. (Toronto time) on November 20, 2020 or 48 hours (excluding Saturdays, Sundays and holidays) prior to any adjournment(s) or postponement(s) thereof.** Alternatively, Registered Shareholders may choose to vote using the Internet in accordance with the instructions set out in the Form of Proxy. Voting by mail or by Internet are the only methods by which a Registered Shareholder may appoint a person as proxyholder other than the management nominees named on the Form of Proxy.

The persons named in the enclosed Form of Proxy are directors and officers of the Corporation. A Shareholder may appoint as proxyholder a person or company (who need not be a Shareholder), other than those persons named in the Form of Proxy, to attend and act on such Shareholder's behalf at the Meeting or at any adjournment(s) or postponement(s) thereof. Such right may be exercised by either inserting such other desired proxyholder's name in the blank space provided on the Form of Proxy or by completing another proper form of proxy.

Revocation of Proxy

A Registered Shareholder who has given a proxy pursuant to this solicitation may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by the Shareholder or by the attorney of such Shareholder authorized in writing or, if the Registered Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the Transfer Agent, on or before the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof at which the Form of Proxy is to be used or with the Chairman of the Meeting on the

day of the Meeting or any adjournment(s) or postponement(s) thereof, or in any other manner permitted by law.

NON-REGISTERED SHAREHOLDERS

Only Registered Shareholders or their duly appointed proxy holders are permitted to vote at the Meeting. Most Shareholders are "non-registered" Shareholders because the Subordinate Voting Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the Subordinate Voting Shares or a clearing agency or other intermediary. More particularly, a person is not a Registered Shareholder if shares are held on behalf of that person (the "**Non-Registered Shareholder**") but which are registered either: (a) in the name of an intermediary (an "**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Subordinate Voting Shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and similar plans); or (b) in the name of a clearing agency (such as the Canadian Depository for Securities Limited ("**CDS**")) of which the Intermediary is a participant. In accordance with the requirements of NI 54-101, the Corporation has distributed copies of the proxy-related materials to the clearing agencies and Intermediaries for onward distribution to Non-Registered Shareholders.

Intermediaries are required to forward the proxy-related materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Very often, Intermediaries will use service companies to forward the proxy-related materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive proxy-related materials will either:

- (i) be given a Form of Proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Subordinate Voting Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed. Because the Intermediary has already signed the Form of Proxy, this Form of Proxy is not required to be signed by the Non-Registered Shareholder when submitting the Form of Proxy. In this case, the Non-Registered Shareholder who wishes to submit an instrument of proxy should otherwise properly complete the Form of Proxy and deposit it with the Corporation as provided above; or
- (ii) more typically, be given a VIF 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, will constitute voting instructions which the Intermediary must follow. Typically, the VIF will consist of a one-page, pre-printed form. Sometimes, instead of the one-page, pre-printed form, the VIF will consist of a regular printed Form of Proxy accompanied by a page of instructions which contains a removable label containing a bar-code and other information. In order for the Form of Proxy to validly constitute a proxy authorization form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the Form of Proxy, properly complete and sign the Form of Proxy and return it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Subordinate Voting Shares are voted at the Meeting.

In either case, the purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Subordinate Voting Shares which they beneficially own. Should a Non-

Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Shareholder should strike out the names of the management's representatives named in the Form of Proxy and insert the Non-Registered Shareholder's name in the blank space provided.

The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the VIFs or Forms of Proxy to the Non-Registered Shareholders and asks the Non-Registered Shareholders to return the VIFs or Forms of Proxy to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions with respect to the voting of Subordinate Voting Shares to be represented at the Meeting by such Intermediary. A Non-Registered Shareholder receiving a VIF from Broadridge cannot use that proxy to vote Subordinate Voting Shares directly at the Meeting. The VIF must be returned to Broadridge well in advance of the Meeting in order to have the Subordinate Voting Shares voted. If you have any questions with respect to the voting of Subordinate Voting Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Subordinate Voting Shares are voted at the Meeting. Non-Registered Shareholders should carefully follow the instructions on the Form of Proxy or VIF that they receive from their Intermediary in order to vote the Subordinate Voting Shares that are held through that Intermediary.

Revocation of Voting Instructions

A Non-Registered Shareholder giving voting instructions may revoke such voting instructions by contacting his or her Intermediary in respect of such voting instructions and complying with any applicable requirements imposed by such Intermediary. An Intermediary that has submitted a Form of Proxy based on voting instructions received from a Non-Registered Shareholder may not be able to revoke a Form of Proxy if it receives insufficient notice of revocation.

VOTING OF PROXIES

On any ballot that may be called for, the Subordinate Voting Shares and Multiple Voting Shares represented by a properly executed proxy given in favour of the persons designated by management of the Corporation in the enclosed Form of Proxy will be voted or withheld from voting in accordance with the instructions given on the Form of Proxy and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Subordinate Voting Shares and Multiple Voting Shares will be voted accordingly. In the absence of such instructions, such Subordinate Voting Shares and Multiple Voting Shares **will be voted FOR the approval of all resolutions in this Circular.**

The enclosed Form of Proxy confers discretionary authority upon the persons named therein with respect to amendments to matters identified in the accompanying Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof. As of the date of this Circular, management of the Corporation is not aware of any such amendments or other matter to come before the Meeting. However, if any amendments to matters identified in the accompanying Notice of Meeting or any other matters which are not now known to management should properly come before the Meeting or any adjournment(s) or postponement(s) thereof, the Subordinate Voting Shares and Multiple Voting Shares

represented by properly executed proxies given in favour of the persons designated by management of the Corporation in the enclosed Form of Proxy will be voted on such matters in accordance with the best judgment of the named proxies.

VOTING OF SUBORDINATE VOTING SHARES AND/OR MULTIPLE VOTING SHARES AND PRINCIPAL SHAREHOLDERS THEREOF

Record Date

The Record Date for the purpose of determining the Shareholders entitled to receive notice of and vote at the Meeting has been fixed as September 28, 2020. All Shareholders of record at the close of business on the Record Date are entitled to vote the Subordinate Voting Shares and Multiple Voting Shares registered in such Shareholder's name at that date on each matter to be acted upon at the Meeting.

Description of Voting Securities

The Corporation is authorized to issue an unlimited number of Subordinate Voting Shares (also hereinafter referred to as "**SVS**") and an unlimited number of Multiple Voting Shares (also hereinafter referred to as "**MVS**").

On the Record Date, the issued and outstanding voting securities of the Corporation consisted of (i) 105,608,457 Subordinate Voting Shares, and (ii) 47,292,501 Multiple Voting Shares.

The Subordinate Voting Shares are a "*restricted security*" within the meaning of such term under applicable Canadian securities laws. Under Canadian securities laws, a "*restricted security*" means an equity security of a reporting issuer if, among other things, there is another class of securities of the reporting issuer that carries a greater number of votes per security relative to the equity security. As at the Record Date, the Multiple Voting Shares represent approximately 30.93% of the voting rights attached to outstanding securities of the Corporation and the Subordinate Voting Shares represent approximately 69.07% of the voting rights attached to outstanding securities of the Corporation.

The total number of equity shares ("**Shares**") assuming all Multiple Voting Shares are converted into Subordinate Voting Shares as at the Record Date would be 152,900,958 Shares.

Holders of Subordinate Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation will have the right to vote. At each such meeting, holders of Subordinate Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share held.

Holders of Multiple Voting Shares are entitled to notice of and to attend at any meeting of the shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation will have the right to vote. At each such meeting, holders of Multiple Voting Shares will be entitled to one vote in respect of each Subordinate Voting Share into which such Multiple Voting Share could then be converted (1,000 votes per Multiple Voting Share held).

Under applicable Canadian securities laws, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. Accordingly, the owners of approximately 90% the outstanding Multiple Voting Shares have entered into a customary coattail agreement with the Corporation and a trustee (the "**Coattail**

Agreement”). The Coattail Agreement contains provisions customary for dual class listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable provincial take-over bid legislation to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares. For more details relating to the Coattail Agreement, please see the Corporation’s Listing Statement as available under the Corporation’s SEDAR profile at www.sedar.com.

No other voting securities are issued and outstanding as of the Record Date.

Quorum

The by-laws of the Corporation provide that a quorum for the transaction of business at a meeting of Shareholders is two persons who are, or who represent by proxy, Shareholders holding in the aggregate, at least five (5%) percent of the votes attaching to all the issued and outstanding Shares entitled to be voted at the Meeting.

Principal Shareholders

To the knowledge of the directors and officers of the Corporation, as at the date hereof, no person, firm or company beneficially owns, controls or directs, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to all issued and outstanding Shares, except as follows:

Name of Shareholder	Number of Shares Owned⁽¹⁾	Percentage of Issued Shares⁽¹⁾⁽²⁾
Cannabis Growth Opportunity Corporation ⁽³⁾	37,442,833 SVS and 10,000.000 MVS (47,442,833 Shares)	34.71% of SVS and 21.15% of MVS (30.58% of Shares)
Richard Sellers	500,000 SVS and 17,382.609 MVS (17,882,609 Shares)	0.46% of SVS and 36.76% of MVS (11.53% of Shares)
Scott J. Van Rixel	10,013.876 MVS (10,013,876 Shares)	21.17% of MVS (6.45% of Shares)

Notes:

- (1) The information as to Shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been obtained by the Corporation from publicly disclosed information and/or furnished by the Shareholders listed above.
- (2) Percentage of total Shares is based on 155,150,958 Shares issued and outstanding as at the date hereof, assuming all Multiple Voting Shares are converted into Subordinate Voting Shares. As at the date hereof, 107,858,457 Subordinate Voting Shares and 47,292.501 Multiple Voting Shares are issued and outstanding.
- (3) Of Cannabis Growth Opportunity Corporation’s holdings, 14,285,714 Subordinate Voting Shares are subject to a voting and resale agreement, dated February 10, 2020, pursuant to which Cannabis Growth Opportunity Corporation is required to vote such Subordinate Voting Shares as recommended by management of the Corporation. A copy of such voting and resale agreement is available under the Corporation’s SEDAR profile at www.sedar.com.

PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

1. Financial Statements

The Corporation's (i) audited consolidated financial statements of the Corporation for the year ended December 31, 2019, and (ii) audited consolidated financial statements of the Corporation for the year ended September 30, 2018 (collectively, the "**Annual Financial Statements**"), together with reports of the auditors thereon, were sent to Shareholders who requested a copy of such documents, and are additionally available under the Corporation's profile on SEDAR at www.sedar.com. At the Meeting, the Corporation will submit to Shareholders the Annual Financial Statements and the reports of the auditors thereon. No formal action will be taken at the Meeting to approve the Annual Financial Statements.

2. Appointment of Auditors

MNP LLP, Chartered Professional Accountants, are currently the auditors of the Corporation and were first appointed on July 9, 2019 as auditor of the Corporation upon completion of the Corporation's reverse take-over transaction.

It is proposed that MNP LLP, Chartered Professional Accountants, be reappointed as auditors of the Corporation to hold such office until the next annual meeting of Shareholders or until their successors are elected or appointed and that the board of directors of the Corporation (the "**Board of Directors**" or "**Board**") be authorized to fix the remuneration of the auditors.

Unless the Shareholder directs that his or her Subordinate Voting Shares and/or Multiple Voting Shares are to be withheld from voting in connection with the appointment of the auditors, the persons named in the enclosed Form of Proxy intend to vote FOR the appointment of MNP LLP, Chartered Professional Accountants, to serve as the auditor of the Corporation until the next annual meeting of the Shareholders and to authorize the Board to fix the auditor's remuneration.

3. Election of Directors

The Corporation currently has five directors and it is intended that six directors be elected for the ensuing year. The Board has determined that a board of six members will be effective in the governance and supervision of the management of the Corporation's business and affairs upon the completion of the Meeting.

The following six persons whose names are set out below (the "**Nominees**") have been nominated by the Board for election as directors at the Meeting. Each elected director will hold office until the next annual meeting of Shareholders of the Corporation or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Corporation.

The following table sets forth the names and jurisdictions of residence of the Nominees for election as directors of the Corporation, the offices in the Corporation, if any, held by them, their principal occupations (for the past five years) and the number of Shares beneficially owned or over which control or direction is exercised. If any such individual should be unable or unwilling to serve, an event not presently anticipated, the persons named in the proxy will have the right to vote, at their discretion, for another nominee, unless a proxy withholds authority to vote for the election of directors.

Name and Municipality of Residence, Position With the Corporation	Present Principal Occupation If Different From Office Held & Principal Occupation For The Past 5 Years	Date Elected /Appointed Director⁽¹⁾	Shares Owned or Over Which Control or Direction is Exercised⁽²⁾⁽³⁾
Daniel Nauth Brampton, Ontario, Canada Director	Principal of Nauth PLC. Mr. Nauth is a legal advisor providing U.S.-Canada cross-border capital markets, M&A, corporate and securities transactions and regulatory compliance.	July 9, 2019	520,000 SVS 0.48% of SVS (520,000 Shares) (0.34% of Shares)
Jamie L. Pearson Billings, Montana, USA Director, CEO, President, COO, Secretary	CEO, President, COO and Secretary of the Corporation.	July 9, 2019	2,634,701 SVS 2.44% of SVS (2,634,701 Shares) (1.70% of Shares)
Stephen Gledhill Aurora, Ontario, Canada Director, CFO	CFO of the Corporation and Principal of Keshill Consulting Associates Inc. Mr. Gledhill is a Chartered Public Accountant.	July 9, 2019	Nil
Nick J. Richards⁽⁴⁾ Littleton, Colorado, USA Director	Partner at Greenspoon Marder, LLP, an AMLaw 200 law firm. Mr. Richards is a practicing tax attorney, adjunct professor of law and legal specialist to the United States cannabis industry, advising businesses and owners throughout the U.S.	October 8, 2020	Nil
Andrea Johnston San Francisco, California, USA Nominee	Chief Operating Officer of OpenTable, Inc. (NASDAQ: OPEN). Ms. Johnston is a seasoned executive having led sales and service teams at high-growth companies.	N/A	Nil
Jessica Billingsley Denver, Colorado, USA Nominee	Chairman and Chief Executive Officer of Akerna Corp. (NASDAQ: KERN). Ms. Billingsley is an experienced veteran in the international technology and cannabis sectors.	N/A	Nil

Notes:

- (1) If elected, each Nominee's term will continue until the next annual meeting of Shareholders at which time it will expire or until the Nominee resigns, becomes ineligible or unable to serve or until his or her successor is elected or appointed.
- (2) The number of Shares beneficially owned, or over which control or direction is exercised, not being within the direct knowledge of the Corporation, has been furnished by the respective Nominee or obtained from the System for Electronic Disclosure by Insiders ("SEDI") and may include Shares owned or controlled by their spouses and/or children and/or companies controlled by them or their spouses and/or children.
- (3) Percentage of total Shares is based on 155,150,958 Shares issued and outstanding as at the date hereof, assuming all Multiple Voting Shares are converted into Subordinate Voting Shares. As at the date hereof, 107,858,457 Subordinate Voting Shares and 47,292.501 Multiple Voting Shares are issued and outstanding.
- (4) Mr. Richards was nominated as a director by Cannabis Growth Opportunity Corporation ("CGOC") pursuant to a subscription agreement between the Corporation and CGOC, dated February 10, 2020, whereby CGOC has the right to appoint a nominee to the Corporation's board of directors. If Mr. Richards is not re-elected as a director, Mr. Richards shall be entitled to attend all meetings of the Board in a non-voting, observer capacity.

As a group, the Nominees beneficially own, control or direct, directly or indirectly, 3,154,701 Shares, representing 2.03% of the issued and outstanding Shares as at the date hereof.

The following are brief biographies of the Nominees:

Daniel Nauth (Director)

Mr. Nauth is an attorney with a practice focused on U.S.-Canada cross-border capital markets and M&A transactions which includes experience with corporate governance and regulatory compliance. Mr. Nauth advises Canadian, U.S. and other foreign companies and investment banks in a wide range of U.S.-Canada cross-border and domestic public and private equity and debt financings (including under the U.S.-Canada Multijurisdictional Disclosure System), M&A transactions, corporate commercial matters, as well as assisting companies in connection with stock exchange, OTCQX and OTCQB listings. Mr. Nauth also advises clients with respect to their regulatory and compliance matters, including continuous reporting, corporate governance and ongoing stock exchange listing requirements under United States and Canadian corporate and securities laws. Mr. Nauth has a BA (Hons.) from York University as well as a LLB/JD from Queens University. Mr. Nauth is an Ontario based attorney, licensed with the State of New York and the Law Society of Ontario.

Jamie L. Pearson (Director, CEO, President, COO, Secretary)

Ms. Pearson spent the first 25 years of her career investing in real estate. She owns a real estate investment firm, a property management company and currently owns a real estate portfolio that spans three countries. In 2015, she co-founded a cannabis agency, pairing iconic artists such as Cypress Hill and Die Antwoord with cannabis brands such as Bhang and Natural Cannabis. Ms. Pearson studied German at the University of Wuppertal (Wuppertal, Germany) has a B.A. from Vassar College and a Masters in Leadership from the University of Oregon. Ms. Pearson has personally owned cultivation operations in Northern California and Montana, has been a cannabis-friendly landlord for over 12 years and has twice been named as one of the most influential women in cannabis by High Times. She is on the advisory board of Liberty Leaf Holdings (CSE: LIB) and The Jack Herer Group.

Stephen Gledhill (Director, CFO)

Mr. Gledhill is the founder of Keshill Consulting Associates Inc., a boutique management consulting practice providing accounting, CFO and corporate secretarial services. Mr. Gledhill has over 25 years of financial-control experience and acts as CFO and Corporate Secretary for multiple publicly-traded companies, several of which he was instrumental in scaling-up and taking public. He currently serves as the CFO of , CO2 Gro Inc. (TSXV:GROW), POSaBIT Systems Corporation (CSE: PBIT), DelphX Capital Markets Inc. (DELX:TSXV) and is an independent member of the Board of Directors and Audit Chair of Grown Rogue International Inc. (GRIN:CSE). Mr. Gledhill also served as the Senior Vice President and CFO of Borealis Capital Corporation, a Toronto-based merchant bank as well as Vice President of Finance of OMERS Realty Corporation (ORC), the real estate entity of the Ontario Municipal Employees Retirement System. Mr. Gledhill is a Chartered Public Accountant and holds a Bachelor of Math Degree from the University of Waterloo.

Nick J. Richards (Director)

Mr. Richards is a Partner in the tax and cannabis practice groups at Greenspoon Marder, LLP an AMLaw 200 law firm. As a former IRS trial attorney, he represents individuals and businesses in tax audits and trials, M&A, managing tax debt, and he advises cannabis companies, both owners and investors, regarding tax and regulatory compliance matters. In addition, he is widely recognized as a leading cannabis industry attorney and has extensive experience in IRC Section 280E and BSA cash reporting requirements. Mr. Richards is also an

adjunct professor of law, proud father and husband. Mr. Richards is founding director of Cannabis Growth Opportunity Corporation (CSE: CGOC).

Andrea Johnston (Nominee)

Ms. Johnston is a seasoned executive having led sales and service teams at high-growth companies. Currently the Chief Operating Officer of OpenTable, Inc., she oversees all global B2B functions, a team of over 600 employees, and 60,000 restaurant customers. Over the last decade Ms. Johnston has a successful track record of growing revenue by 4x, EBITDA by 6x and leading high-growth sales teams responsible for customer acquisition, retention, and up-selling, resulting in a restaurant customer base that grew from 20,000 to 60,000. Prior to this, Ms. Johnston founded and held senior roles at a number of health and technology companies where she focused on building teams and systems designed to create rapid growth in e-commerce revenue and customer acquisition. Ms. Johnston holds a BA from Vassar College, an MPH from Columbia University and an MBA in Technology and Entrepreneurship from USC.

Jessica Billingsley (Nominee)

Ms. Billingsley is an experienced veteran in the international technology sector. She currently serves as Chairman of the Board and Chief Executive Officer of Akerna (Nasdaq:KERN). Jessica co-founded MJ Freeway, Akerna's wholly-owned subsidiary, in 2010 and served as President of MJ Freeway from 2010 to April 2018 and Chief Executive Officer since May 2018. An early investor in one of Colorado's first legal medical cannabis businesses, Jessica created the category of seed-to-sale technology after seeing the need first-hand. Prior to MJ Freeway, Jessica was the Founder and Chief Executive Officer of Zoco, a technology services firm with clients across the United States. Jessica founded her first business at the age of 22 and has 20 years of technology, emerging growth, and systems experience with rapidly scaling businesses. Jessica brings extensive domain expertise in p&l oversight, enterprise risk management, talent management, software applications, data analytics, machine learning, cyber security and data privacy, global supply chain management, and public relations. Jessica currently serves on the board of Vertical Wellness, a leading vertically integrated consumer focused health and wellness brand company. She served on the board of the National Cannabis Industry Association from 2012 – 2019 and has served on the board of the Cannabis Trade Federation since 2019.

Jessica was named one of Fortune's 10 most promising women entrepreneurs in 2015 and named one of Inc. Magazine's 100 Female Founders in 2018. Jessica holds a dual degree from the University of Georgia in Computer Science and Communications.

At the Meeting, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee. **Unless the Shareholder directs that his or her Subordinate Voting Shares and/or Multiple Voting Shares are to be withheld from voting in respect of any particular Nominee or Nominees, the persons named in the enclosed Form of Proxy intend to vote FOR the election of each of the six Nominees as directors of the Corporation.**

Cease Trade Orders

Other than as described below, as at the date of this Circular, no Nominee of the Corporation is, or was within 10 years prior to the date of this Circular, a director, chief executive officer or chief financial officer of any company that:

- (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued while the director, executive officer or promoter was acting in the capacity as director, chief executive officer or chief financial officer of the relevant company; or
- (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the director, executive officer or promoter 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.

On April 25, 2016, CO2 Gro Inc. (formerly, BlueOcean NutraSciences Inc.) ("**BOC**") applied to the applicable Canadian securities regulatory authorities pursuant to National Policy 12-203 – *Cease Trade Orders for Continuous Disclosure Defaults* ("**Policy 12-203**") for a Management Cease Trade Order ("**MCTO**"), which precluded members of management (including Stephen Gledhill) from trading BOC common shares until such time as the MCTO is no longer in effect. The MCTO was sought by BOC as it would not be filing its audited annual financial statements, related management discussion and analysis and applicable officer certifications (the "**BOC Annual Materials**") by the deadline date of April 29, 2016. On May 9, 2016, the OSC granted a temporary MCTO, effective until May 16, 2016. On May 16, 2016, the OSC issued a permanent MCTO in effect until 2 days following BOC filing its BOC Annual Materials with the applicable regulatory authorities. On July 19, 2016, BOC filed its BOC Annual Materials and on July 21, 2016, the MCTO was lifted.

On January 12, 2016 (further to a TSX Venture Exchange Bulletin dated January 11, 2016), Gemoscan Canada, Inc.'s ("**GES**") shares were suspended from trading on the TSX Venture Exchange for failing to maintain exchange requirements, GES having made assignment into bankruptcy. Effective January 13, 2016, GES's listing was transferred to the NEX. Stephen Gledhill served as CFO of GES from August 2010 to November 2015.

Penalties or Sanctions

As at the date of this Circular, no Nominee of the Corporation, is or has been, within 10 years prior to the date of this Circular, subject to:

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

Bankruptcies

Other than disclosed above, no Nominee of the Corporation:

- (i) is, at the date of this Circular, or has been within 10 years prior to 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

- (ii) has, within 10 years prior to 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 that person.

4. Ratification of Amended and Restated By-Law No. 1A

On July 9, 2020, the Board approved an amended and restated form of the Corporation's By-Law No. 1A (the "**Amended and Restated By-Law No. 1A**"), a copy of which is attached hereto as Appendix "A". The Corporation has recently undertaken a review of the previous by-laws of the Corporation (the "**Old By-Laws**"), particularly in light of evolving corporate governance practices and determined that it would be in the best interests of the Corporation to implement the Amended and Restated By-Law No. 1A in order to incorporate such best practices and implement certain desirable changes to update the Old By-Laws.

The Amended and Restated By-Law No. 1A is standard in its form and governs all aspects of the business and affairs of the Corporation, such as the establishment of a quorum for meetings of directors and shareholders, the conduct of such meetings, signing authorities, the establishment of committees of the Board, the appointment of officers, the description of officers' duties, the authority of persons to contract on behalf of the Corporation and similar matters. The Amended and Restated By-Law No. 1A also sets out advance notice requirements for director nominations (the "**Advance Notice Requirements**").

The Advance Notice Requirements set forth a procedure requiring advance notice to the Corporation by any Shareholder who intends to nominate any person for election as a director of the Corporation. It provides a mechanism through which Shareholders are able to receive appropriate disclosure with respect to proposed director nominees prior to a meeting. It will also provide the Corporation with the opportunity, prior to a meeting, to confirm the eligibility of a proposed director to serve as an independent director and to confirm certain other information about the proposed nominee and the nominating Shareholder that could be material to a reasonable Shareholder's understanding of such proposed nominee's independence, or lack thereof. The inclusion of advance notice requirements in a corporation's by-laws has become a common and important tool for public companies in Canada and the United States to ensure that shareholders are provided with appropriate and timely information in connection with the election of directors. The proposed timing for the delivery of a notice under the Advance Notice Requirements and the information that must be submitted are in keeping with recognized good governance principals. The Board believes that the Advance Notice Requirements will benefit Shareholders by: (i) facilitating orderly nomination and meeting processes; (ii) treating all Shareholders fairly by providing timely and adequate notice of director nominations; (iii) allowing all Shareholders to register an informed vote; and (iv) preventing the possibility of a small group of Shareholders taking advantage of a poorly attended meeting to nominate their slate of directors from the floor, thereby imposing their slate on what could be a majority of Shareholders who are unaware that this could happen.

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution, in the form set out below (the "**By-Law**

Amendment Resolution”), approving, ratifying and confirming the Amended and Restated By-Law No. 1A.

The Board recommends that Shareholders vote **FOR** the By-Law Amendment Resolution. To be effective, the By-Law Amendment Resolution must be approved by not less than a majority of the votes cast by the Shareholders present in person, or represented by proxy, and entitled to vote at the Meeting. **Unless the Shareholder directs that his or her Subordinate Voting Shares and/or Multiple Voting Shares are to be voted against the By-Law Amendment Resolution, the persons named in the enclosed Form of Proxy intend to vote FOR the By-Law Amendment Resolution.**

The text of the By-Law Amendment Resolution to be submitted to Shareholders at the Meeting is set forth below:

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the “Amended and Restated By-Law No. 1A” of Bhang Inc. in the form adopted by the Board of Directors of the Corporation on July 9, 2020 and attached as Appendix “A” to the management information circular, dated October 19, 2020, being the by-laws relating generally to the transaction of the business and affairs of the Corporation, is hereby ratified and confirmed; and
2. any director and/or officer of the Corporation be and such director or officer of the Corporation is hereby authorized and empowered, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or cause to be delivered any and all such documents and instruments and to do or to cause to be done all such other acts and things as, in the opinion of such director or officer, may be necessary or desirable in order to fulfil the intent of the foregoing paragraph of this resolution.”

5. Other Matters

Management of the Corporation knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting and this Circular. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the Form of Proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters.

STATEMENT OF EXECUTIVE COMPENSATION

Named Executive Officers

For the purposes of this Circular, “**Named Executive Officer**” or “**NEO**” of the Corporation means the following individuals: (i) a chief executive officer (“**CEO**”); (ii) a chief financial officer (“**CFO**”); (iii) each of the Corporation’s three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a NEO under (iii) except that the individual was neither an executive officer of the Corporation nor acting in a similar capacity at the end of the most recently completed financial year.

For the year ended December 31, 2019, the Corporation's NEOs consisted of five individuals as follows:

1. **Jamie L. Pearson** – Director, CEO, President, Chief Operating Officer (“**COO**”), Secretary;
2. **Stephen Gledhill** – Director and CFO;
3. **Samantha Ford Collins** – Chief Marketing Officer (“**CMO**”);
4. **Scott J. Van Rixel** – Former Director and CEO;
5. **Thomas Stein** – Former President; and
6. **Heather Vigil** – Former Vice President, Sales.

Executive and Director Compensation

The Corporation has not entered into any employment, consulting or management agreements with any of the Corporation's NEOs or Directors other than as follows.

Jamie L. Pearson (Director, CEO, President, COO, Secretary)

Ms. Pearson was appointed as Chief Operating Officer and Secretary of the Corporation on July 9, 2019. Ms. Pearson was appointed President on October 28, 2019 and CEO on December 4, 2019. On March 1, 2020, the Corporation and Ms. Pearson entered into an employment agreement whereby Ms. Pearson is entitled to an annual base salary of USD\$200,000, subject to statutory withholdings and deductions, and is eligible to earn cash performance bonuses and incentive compensation. In addition, Ms. Pearson is eligible for an annual bonus of at least US\$150,000 worth of Multiple Voting Shares plus at least US\$25,000 in cash. The actual amount of the annual bonus shall be determined based on the Corporation's results and Ms. Pearson's contributions.

Ms. Pearson's employment agreement includes termination provisions relating to: (i) the death of Ms. Pearson; (ii) Ms. Pearson's inability to render the services contemplated in the agreement, despite reasonable accommodation, for an aggregate of one hundred eighty (180) days during any three (3) year period; (iii) termination by the Corporation without cause; (iv) termination by the Corporation for cause; and (v) on ninety (30) days' written notice from Ms. Pearson to the Corporation. Ms. Pearson's employment may be terminated by the Corporation at any time without cause by the Corporation providing (i) continuation of Ms. Pearson's annual base salary for one year from the date of termination and (ii) a pro rata share of any applicable cash performance bonuses and incentive compensation, which shall vest immediately upon termination. Such termination continuation payments shall be made over a period of twelve months from the date of termination, pursuant to the Corporation's regular payroll practices. In the event that Ms. Pearson commences new employment or self-employment earning compensation which is equal to or greater than Ms. Pearson's annual base salary, such continuation payments shall terminate. In the event that Ms. Pearson terminates her employment within twelve months of a change of control as a result of a diminution of her role with the Corporation, among other factors, such termination payments shall also be applicable.

Furthermore, Ms. Pearson is indemnified by the Corporation to the maximum extent permitted by applicable law, and in the same or better manner and to the same or better extent with respect to each aspect of the indemnification as provided to any other executive of the Corporation, against all costs, charges, liabilities and expenses incurred or sustained by Ms. Pearson in connection with any action, suit or proceeding, whether civil, criminal,

administrative or investigative, to which Ms. Pearson may be made a party, or threatened to be made a party, brought by any shareholder of the Corporation directly or derivatively, or by any other third party, by reason of any act or omission by Ms. Pearson as an officer, director or employee of the Corporation or of any subsidiary or affiliate of the Corporation.

Ms. Pearson's agreement contains typical non-competition, non-solicitation and confidentiality provisions that are typical for an executive officer.

Stephen Gledhill (Director, CFO)

Mr. Gledhill was appointed as Chief Financial Officer of the Corporation on July 9, 2019 and is currently compensated with respect to such appointment in the amount of \$2,500 per month to a company which Mr. Gledhill is a principal. The Corporation and Mr. Gledhill have not entered into a formal agreement and there are no other material terms governing the employment of Mr. Gledhill.

Samantha F. Collins (CMO)

Ms. Collins was appointed as Chief Marketing Officer of the Corporation on July 9, 2019 and is currently compensated with respect to such appointment in the amount of USD \$150,000 per annum, subject to statutory withholdings and deductions. The Corporation and Ms. Collins have not entered into a formal agreement and there are no other material terms governing the employment of Ms. Collins.

Scott J. Van Rixel (Former CEO)

The Corporation retained Scott J. Van Rixel to act as Chairman and Chief Executive Officer of the Corporation pursuant to an employment agreement dated July 9, 2019 (the "**Van Rixel Employment Agreement**"). The Van Rixel Employment Agreement had a term of five (5) years, with a renewal option for two (2) year rolling periods upon the agreement of Mr. Van Rixel and the Corporation. Mr. Van Rixel was entitled to a base salary of US\$350,000.00, and was eligible to receive an annual target bonus of up to fifty percent (50%) of such base salary depending on the achievement of certain objectives set by the Compensation Committee, including other discretionary bonuses as awarded by the Board of Directors. Options to purchase shares may also be provided to Mr. Van Rixel as compensation. The Van Rixel Employment Agreement included termination provisions relating to: (i) the death of Mr. Van Rixel; (ii) Mr. Van Rixel's inability to render the services contemplated in the Van Rixel Employment Agreement, despite reasonable accommodation, for an aggregate of one hundred eighty (180) days during any three (3) year period; (iii) termination by the Corporation without cause; (iv) termination by the Corporation for cause; and (v) on ninety (90) days' written notice from Mr. Van Rixel to the Corporation. Under the Van Rixel Employment Agreement, in the event of termination without cause, Mr. Van Rixel would be entitled to receive continuation of his base salary of US\$350,000.00 plus his average annual incentive compensation for the preceding two (2) fiscal years for up to two (2) years from the date of termination. The Van Rixel Employment Agreement contained typical non-competition, non-solicitation and confidentiality provisions that are typical for an executive officer. Mr. Van Rixel resigned and terminated the Van Rixel Employment Agreement effective December 4, 2019.

Thomas Stein (Former President)

The Corporation retained Thomas Stein to act as President of Bhang Corporation, a subsidiary of the Corporation, pursuant to an employment agreement dated April 22, 2019 (the "**Stein Employment Agreement**"). Upon completion of the reverse take-over transaction on July

9, 2019, Mr. Stein was appointed as President of the Corporation. Mr. Stein received a base salary of US\$300,000.00 and was entitled to receive an annual bonus of no less than USD\$150,000 in the form of shares. The Stein Employment Agreement included termination provisions relating to: (i) the death of Mr. Stein; (ii) Mr. Stein's inability to render the services contemplated in the Stein Employment Agreement, despite reasonable accommodation, for an aggregate of one hundred eighty (180) days during any three (3) year period; (iii) termination by Bhang without cause; (iv) termination by Bhang for cause; and (v) on thirty (30) days' written notice from Mr. Stein to Bhang. Under the Stein Employment Agreement, in the event of termination without cause, Mr. Stein is entitled to receive continuation of his base salary of US\$300,000.00 for one (1) year from the date of termination, plus his pro rata share of annual incentive compensation. The Stein Employment Agreement contained typical non-competition, non-solicitation and confidentiality provisions that are typical for an executive officer. Mr. Stein ceased being President of the Corporation and the Stein Employment Agreement was terminated effective October 25, 2019.

The Corporation does not pay any fees or salaries to its officers or directors, except as disclosed in this Circular.

All directors, officers, employees, and consultants may participate in the Corporation's Equity Incentive Plan (as hereinafter defined) (see "Statement of Executive Compensation – Equity Incentive Plan" below).

Director and Named Executive Officer Compensation

The following table sets forth the compensation paid by the Corporation to each NEO and director for the two most recently completed financial years of the Corporation, excluding options and compensation securities (see "Statement of Executive Compensation – Stock Options and Other Compensation Securities" below). Each NEO and director listed below commenced their position on July 9, 2019, being the date of the completion of the Corporation's reverse take-over transaction.

Name and position	Year	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
Jamie L. Pearson Director, CEO ⁽³⁾ , President ⁽⁴⁾ , COO, Secretary	2019	159,266	Nil	Nil	Nil	Nil	159,266
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Stephen Gledhill Director, CFO	2019	18,750	Nil	Nil	Nil	Nil	18,750 ⁽²⁾
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Samantha F. Collins CMO	2019	131,791	Nil	Nil	Nil	Nil	131,791
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Scott J. Van Rixel Former Director, CEO ⁽³⁾	2019	240,000	229,719	Nil	Nil	Nil	469,719
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Thomas Stein Former President ⁽⁴⁾	2019	150,192	Nil	Nil	Nil	Nil	150,192
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Daniel Nauth Director	2019	Nil	Nil	Nil	Nil	20,272	20,272 ⁽¹⁾
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Name and position	Year	Salary, consulting fee, retainer or commission (US\$)	Bonus (US\$)	Committee or meeting fees (US\$)	Value of perquisites (US\$)	Value of all other compensation (US\$)	Total compensation (US\$)
William J. Waggoner Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
Heather Vigil Former Vice President, Sales ⁽⁵⁾	2019	122,267	Nil	Nil	Nil	Nil	122,267
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Includes fees of \$20,272 paid by the Corporation to a law firm in which Mr. Nauth is a partner prior to his appointment as a director of the Corporation.
- (2) Includes consulting fees of \$18,750 paid by the Corporation to a company in which Mr. Gledhill is a principal.
- (3) Mr. Van Rixel resigned as CEO and was replaced by Jamie L. Pearson on December 4, 2019.
- (4) Mr. Stein ceased being President of the Corporation on October 25, 2019 and was replaced by Jamie L. Pearson on October 28, 2019.
- (5) Mr. Vigil ceased being Vice President, Sales on September 8, 2020.

The following table sets forth the compensation paid by the Corporation to each NEO and director for the period between (i) October 1, 2018 and July 9, 2019, being the date of completion of the Corporation's reverse take-over transaction and (ii) the years ended September 30, 2018 and 2017, excluding options and compensation securities (see "Statement of Executive Compensation – Stock Options and Other Compensation Securities" below). Each NEO and director listed below ceased their involvement with the Corporation on July 9, 2019, being the date of the completion of the Corporation's reverse take-over transaction.

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Rob Scargill Former CEO, Interim President ⁽¹⁾	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil
Paul Andersen Former CFO	2019	22,500	Nil	Nil	Nil	79,500 ⁽²⁾	102,000
	2018	30,000	Nil	Nil	Nil	51,000 ⁽²⁾	81,000
	2017	30,000	Nil	Nil	Nil	42,000 ⁽²⁾	72,000
Peter Dimmell Former Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	8,250	Nil	Nil	8,250 ⁽³⁾
Steven Rukavina Former Director, Secretary	2019	Nil	Nil	Nil	Nil	276,352 ⁽⁴⁾	276,352
	2018	Nil	Nil	Nil	Nil	167,415 ⁽⁴⁾	167,415
	2017	Nil	Nil	Nil	Nil	106,336 ⁽⁴⁾	106,336
Richard Cooper Former Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	8,250	Nil	Nil	8,250 ⁽⁵⁾
Martin S. Cooper Former Director, Interim President and CEO	2019	22,500	Nil	Nil	Nil	Nil	22,500
	2018	19,000	Nil	Nil	Nil	Nil	19,000
	2017	60,000	Nil	Nil	Nil	Nil	60,000 ⁽⁶⁾
John Wilkinson Former Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	8,850	Nil	Nil	8,850 ⁽⁷⁾

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Wayne Richardson Former Director	2019	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Scargill joined the Corporation as Interim President and Chief Executive Officer on June 1, 2017 and resigned on November 17, 2017. Martin Cooper was appointed Interim President and Chief Executive Officer on November 17, 2017 to replace Mr. Scargill.
- (2) Accounting fees invoiced by Forbes Andersen LLP, an accounting firm in which Mr. Andersen is a partner. During the financial year ended September 30, 2017, payment of \$42,000 in accounting fees was deferred. As at September 30, 2017, total unpaid compensation owing to Forbes Andersen LLP was \$202,212 (2016 - \$150,155). During December 2017, Forbes Andersen LLP settled debt of \$201,380, pursuant to a debt settlement agreement.
- (3) During the financial year ended September 30, 2017, Mr. Dimmell deferred payment of \$8,250 in director fees. As at September 30, 2017, total unpaid compensation owing to Mr. Dimmell was \$17,750 (2016 - \$9,500). During December 2017, Mr. Dimmell waived \$10,650 in director fees owing to him and accepted common shares of the Corporation to settle the remaining debt owing to him in the amount of \$7,100.
- (4) Legal fees paid by the Corporation to WeirFoulds LLP, a law firm in which Mr. Rukavina is a partner. During the financial year ended September 30, 2017, payment of \$106,336 in legal fees was deferred. As at September 30, 2017, total unpaid legal fees and disbursements owing to WeirFoulds LLP were \$196,125 (2016 - \$120,184). During December 2017, WeirFoulds LLP settled debt of \$220,189, pursuant to a debt settlement agreement.
- (5) During the financial year ended September 30, 2017, Mr. R. Cooper deferred payment of \$8,250 in director fees. As at September 30, 2017, total unpaid compensation owing to Mr. R. Cooper was \$15,600 (2016 - \$7,350). During December 2017, Mr. Cooper waived \$9,360 in director fees owing to him and accepted common shares of the Corporation to settle the remaining debt owing to him in the amount of \$6,240.
- (6) During the financial year ended September 30, 2017, Mr. M. Cooper deferred payment of \$60,000 in salary. As at September 30, 2017, total unpaid compensation owing to Mr. M. Cooper was \$157,500 (2016 - \$97,500). During December 2017, Mr. M. Cooper agreed to a payment of \$42,750 in full satisfaction of total indebtedness of \$157,500 pursuant to a debt settlement agreement.
- (7) During the financial year ended September 30, 2017, Mr. Wilkinson deferred payment of NIL in consulting fees and \$8,850 in director fees. As at September 30, 2017, total unpaid compensation owing to Mr. Wilkinson, through Wilkinson Insight Incorporated, was \$69,054 (2016 - \$65,004). During December 2017, Wilkinson Insight Incorporated waived \$39,089 in consulting fees owing to him and accepted common shares of the Corporation to settle the remaining debt owing to Wilkinson Insight Incorporated in the amount of \$26,059. Mr. Wilkinson also agreed to waive \$9,720 in director fees owing to him and accepted common shares of the Corporation to settle the remaining debt owing to him in the amount of \$6,480 pursuant to a debt settlement agreement.

Stock Options and Other Compensation Securities

The following table sets out for each NEO and director of the Corporation all options and other compensation securities granted or issued to such NEO and director in the most recently completed financial year for services provided or to be provided, directly or indirectly, to the Corporation. No options or other compensation securities were granted to any NEO and director during the year ended September 30, 2018.

Name and position	Type of Compensation Security	No. of Compensation Securities, No. of Underlying Securities, and Percentage of Class ⁽¹⁾	Date of Grant	Exercise Price (\$)	Price of Security on Date of Grant (\$)	Price of Security at Year-End (\$)	Date of Expiry (\$)
Daniel Nauth Director	Stock Options	200,000 ⁽²⁾ (200,000 SVS) (0.18%)	July 11, 2019	0.52	0.52	0.15	July 11, 2022

Name and position	Type of Compensation Security	No. of Compensation Securities, No. of Underlying Securities, and Percentage of Class ⁽¹⁾	Date of Grant	Exercise Price (\$)	Price of Security on Date of Grant (\$)	Price of Security at Year-End (\$)	Date of Expiry (\$)
Jamie L. Pearson Director, CEO, President, COO, Secretary	Stock Options	1,500,000 ⁽³⁾ (1,500,000 SVS) (1.33%)	July 11, 2019	0.52	0.52	0.15	July 11, 2024
Stephen Gledhill Director, CFO	Stock Options	200,000 ⁽⁴⁾ (200,000 SVS) (0.18%)	July 11, 2019	0.52	0.52	0.15	July 11, 2022
William J. Waggoner Director	Stock Options	250,000 ⁽⁵⁾ (250,000 SVS) (0.22%)	July 11, 2019	0.52	0.52	0.15	July 11, 2022
Samantha Ford Collins CMO	Stock Options	275,000 ⁽⁶⁾ (275,000 SVS) (0.24%)	July 11, 2019	0.52	0.52	0.15	July 11, 2024
Scott J. Van Rixel Former Director, CEO	Stock Options	4,500,000 ⁽⁷⁾ (4,500,000 SVS) (3.99%)	July 11, 2019	0.52	0.52	0.15	July 11, 2024
Thomas Stein Former President	Stock Options	1,000,000 ⁽⁸⁾ (1,000,000 SVS) (0.89%)	July 11, 2019	0.52	0.52	0.15	July 11, 2024
Heather Vigil Former Vice President Sales	Stock Options	225,000 ⁽⁹⁾ (225,000 SVS) (0.20%)	July 11, 2019	0.52	0.52	0.15	July 11, 2024

Notes:

- (1) Percentage of class is based on 112,889,704 Shares issued and outstanding as at December 31, 2019, assuming all Multiple Voting Shares are converted into Subordinate Voting Shares. As at December 31, 2019, 51,512,502 Subordinate Voting Shares and 61,377.202 Multiple Voting Shares were issued and outstanding.
- (2) The options will vest in equal installments annually over two (2) years, as follows: (i) 100,000 options vested on July 11, 2020; and (ii) 100,000 options will vest on July 11, 2021.
- (3) The options will vest in equal installments annually over four (4) years, as follows: (i) 375,000 options vested on July 11, 2020; (ii) 375,000 options will vest on July 11, 2021; (iii) 375,000 options will vest on July 11, 2022; and (iv) 375,000 options will vest on July 11, 2023.
- (4) The options vest in equal installments annually over two (2) years, as follows: (i) 100,000 options vested on July 11, 2020; and (ii) 100,000 options will vest on July 11, 2021.
- (5) The options will vest in equal installments annually over two (2) years, as follows: (i) 125,000 Options vested on July 11, 2020; and (ii) 125,000 options will vest on July 11, 2021.
- (6) The options will vest in equal installments annually over four (4) years, as follows: (i) 68,750 options vested on July 11, 2020; (ii) 68,750 options will vest on July 11, 2021; (iii) 68,750 options will vest on July 11, 2022; and (iv) 68,750 options will vest on July 11, 2023.
- (7) Mr. Van Rixel surrendered 50% of his stock options as part of his departure as a director and officer of the Corporation.
- (8) All of Mr. Stein's options were unvested and therefore immediately expired upon him ceasing being President on October 25, 2019.
- (9) Ms. Vigil's options will expire early on September 8, 2021, being 12 months from her departure from the Corporation.

Exercise of Compensation Securities

During the most recently completed financial year, no NEO or director of the Corporation exercised any compensation securities.

Long Term Incentive Plan and Stock Appreciation Rights

Other than the Equity Incentive Plan (as described below), the Corporation does not have and does not intend to have any other long-term incentive or other plan pursuant to which cash or non-cash compensation has been or will be paid or distributed to any director or executive officer.

Equity Incentive Plan

On November 8, 2018, Shareholders of the Corporation approved an equity incentive plan (the "**Equity Incentive Plan**"), the principal terms of which are described below.

Purpose

The purpose of the Equity Incentive Plan is to enable the Corporation and its affiliated companies to: (i) promote and retain employees, officers, consultants, advisors and directors capable of assuring the future success of the Corporation, (ii) to offer such persons incentives to put forth maximum efforts, and (iii) to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership, thereby aligning the interests of such persons and Shareholders.

The Equity Incentive Plan permits the grant of (i) nonqualified stock options ("**NQSOs**") and incentive stock options ("**ISOs**") (collectively, "**Options**"), (ii) restricted stock awards, (iii) restricted stock units ("**RSUs**"), (iv) stock appreciation rights ("**SARs**"), and (v) performance compensation awards ("**PCAs**"), which are referred to herein collectively as "**Awards**," as more fully described below.

Eligibility

Any of the Corporation's employees, officers, directors, consultants (who are natural persons) are eligible to participate in the Equity Incentive Plan if selected by the Compensation Committee of the Corporation (the "**Participants**"). The basis of participation of an individual under the Equity Incentive Plan, and the type and amount of any Award that an individual will be entitled to receive under the Equity Incentive Plan, will be determined by the Compensation Committee based on its judgment as to the best interests of the Corporation and its Shareholders, and therefore cannot be determined in advance.

The maximum number of Subordinate Voting Shares that may be issued under the Equity Incentive Plan shall be determined by the Corporation's Board from time to time, but in no case shall exceed, in the aggregate, 10% of the number of Subordinate Voting Shares (including the number of Subordinate Voting Shares underlying the Multiple Voting Shares on an "as if converted" basis) then outstanding. Notwithstanding the foregoing, a maximum of 20,000,000 Subordinate Voting Shares may be issued as ISOs, subject to adjustment as provided in the Equity Incentive Plan. Any shares subject to an Award under the Equity Incentive Plan that are forfeited, cancelled, expire unexercised, are settled in cash, or are used or withheld to satisfy tax withholding obligations of a Participant shall again be available for Awards under the Equity Incentive Plan. No financial assistance or support agreements may be provided by the Corporation in connection with grants under the Equity Incentive Plan.

In the event of any dividend, recapitalization, forward or reverse stock split, reorganization, merger, amalgamation, consolidation, split-up, split-off, combination, repurchase or exchange of Subordinate Voting Shares or other securities of the Corporation, issuance of warrants or other rights to acquire Subordinate Voting Shares or other securities of the Corporation, or other similar corporate transaction or event, which affects the Subordinate Voting Shares, or unusual or nonrecurring events affecting the Corporation, or the financial statements of the Corporation, or changes in applicable rules, rulings, regulations or other requirements of any governmental body or securities exchange or inter-dealer quotation system, accounting principles or law, the Compensation Committee may make such adjustment, which is appropriate in order to prevent dilution or enlargement of the rights of Participants under the Equity Incentive Plan, to (i) the number and kind of shares which may thereafter be issued in connection with Awards, (ii) the number and kind of shares issuable in respect of outstanding Awards, (iii) the purchase price or exercise price relating to any Award or, if deemed appropriate, make provision for a cash payment with respect to any outstanding Award, and (iv) any share limit set forth in the Equity Incentive Plan.

Awards

Options

The Compensation Committee is authorized to grant Options to purchase Subordinate Voting Shares that are either ISOs meaning they are intended to satisfy the requirements of Section 422 of the United States Internal Revenue Code of 1986, as amended, (the "**Code**"), or NQSOs, meaning they are not intended to satisfy the requirements of Section 422 of the Code. Options granted under the Equity Incentive Plan will be subject to the terms and conditions established by the Compensation Committee. Under the terms of the Equity Incentive Plan, unless the Compensation Committee determines otherwise in the case of an Option substituted for another Option in connection with a corporate transaction, the exercise price of the Options will not be lower than the greater of the closing market prices of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the stock options, and (b) the date of grant of the stock options. Subject to the foregoing, Options granted under the Equity Incentive Plan will be subject to such terms, including the exercise price and the conditions and timing of exercise, as may be determined by the Compensation Committee and specified in the applicable award agreement. The maximum term of an option granted under the Equity Incentive Plan will be ten years from the date of grant (or five years in the case of an ISO granted to a 10% shareholder). Payment in respect of the exercise of an Option may be made in cash or by check, by surrender of unrestricted shares (at their fair market value on the date of exercise) or by such other method as the Compensation Committee may determine to be appropriate.

Restricted Stock Awards

A restricted stock award is a grant of Subordinate Voting Shares, which are subject to forfeiture restrictions during a restriction period. The Compensation Committee will determine the price, if any, to be paid by the Participant for each Subordinate Voting Share subject to a restricted stock award, but in any event the price may not be lower than the greater of the closing market prices of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the restricted stock, and (b) the date of grant of the restricted stock. The Compensation Committee may condition the expiration of the restriction period, if any, upon: (i) the Participant's continued service over a period of time with the Corporation or its affiliates; (ii) the achievement by the Participant, the Corporation or its affiliates of any other performance goals set by the Compensation Committee; or (iii) any combination of the above conditions as specified in the applicable award agreement. If the specified conditions are not

attained, the Participant will forfeit the portion of the restricted stock award with respect to which those conditions are not attained, and the underlying Subordinate Voting Shares will be forfeited. At the end of the restriction period, if the conditions, if any, have been satisfied, the restrictions imposed will lapse with respect to the applicable number of Subordinate Voting Shares. During the restriction period, unless otherwise provided in the applicable award agreement, a Participant will have the right to vote the shares underlying the restricted stock; however, all dividends will remain subject to restriction until the stock with respect to which the dividend was issued lapses. The Compensation Committee may, in its discretion, accelerate the vesting and delivery of shares of restricted stock. Unless otherwise provided in the applicable award agreement or as may be determined by the Compensation Committee, upon a Participant's termination of service with the Corporation, the unvested portion of a restricted stock award will be forfeited.

Restricted Stock Units

RSUs are granted in reference to a specified number of Subordinate Voting Shares and entitle the holder to receive, on achievement of specific performance goals established by the Compensation Committee, after a period of continued service with the Corporation or its affiliates or any combination of the above as set forth in the applicable award agreement, one Subordinate Voting Share for each such Subordinate Voting Share covered by the RSU; provided, that the Compensation Committee may elect to pay cash, or part cash and part Subordinate Voting Shares in lieu of delivering only Subordinate Voting Shares. The Compensation Committee may, in its discretion, accelerate the vesting of RSUs. Unless otherwise provided in the applicable award agreement or as may be determined by the Compensation Committee, upon a Participant's termination of service with the Corporation, the unvested portion of the RSUs will be forfeited. The value ascribed to the Subordinate Voting Shares covered by the RSU may not be lower than the greater of the closing market prices of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the RSUs, and (b) the date of grant of the RSUs.

Stock Appreciation Rights

An SAR entitles the recipient to receive, upon exercise of the SAR, the increase in the fair market value of a specified number of Subordinate Voting Shares from the date of the grant of the SAR and the date of exercise payable in Subordinate Voting Shares. Any grant may specify a vesting period or periods before the SAR may become exercisable and permissible dates or periods on or during which the SAR shall be exercisable. No SAR may be exercised more than ten years from the grant date. Unless otherwise provided in the applicable award agreement or as may be determined by the Compensation Committee, upon a Participant's termination of service with the Corporation, the unvested portion of a SAR will be forfeited. The value ascribed to the Subordinate Voting Shares covered by the SARs may not be lower than the greater of the closing market prices of the Subordinate Voting Shares on (a) the trading day prior to the date of grant of the SAR, and (b) the date of grant of the SAR.

Performance Compensation Awards

PCAs may be granted under the Equity Incentive Plan, which (i) may be denominated or payable in cash, Subordinate Voting Shares, or other securities, awards or other property (including, without limitation, restricted stock and RSUs), and (ii) confer on the holder thereof the right to receive payments, in whole or in part, upon the achievement of one or more objective performance goals during such performance periods as the Compensation Committee shall establish. Notwithstanding the foregoing, pursuant to the rules of the Canadian Securities Exchange ("**CSE**"), the value ascribed to the Subordinate Voting Shares covered by the PCAs may not be lower than the greater of the closing market prices of the

Subordinate Voting Shares on (a) the trading day prior to the date of grant of the PCA, and (b) the date of grant of the PCA. Subject to the terms of the Equity Incentive Plan and the policies of the CSE, the performance goals to be achieved during any performance period, the length of any performance period, the amount of any PCA granted, the amount of any payment or transfer to be made pursuant to any PCA and any other terms and conditions shall be determined by the Compensation Committee. Unless otherwise provided in the applicable award agreement or as may be determined by the Compensation Committee, upon a Participant's termination of service with the Corporation, the unvested portion of a PCA will be forfeited.

General

The Compensation Committee may impose restrictions on the grant, exercise or payment of an Award as it determines appropriate, subject to compliance with the rules and policies of the CSE (the "**CSE Policies**"). Generally, Awards granted under the Equity Incentive Plan shall be non-transferable except by will or by the laws of descent and distribution. No Participant shall have any rights as a shareholder with respect to Subordinate Voting Shares covered by Options, SARs, restricted stock awards, or RSUs, unless and until such Awards are settled in Subordinate Voting Shares.

No Award shall be exercisable, no Subordinate Voting Shares shall be issued, no certificates for Subordinate Voting Shares shall be delivered and no payment shall be made under the Equity Incentive Plan except in compliance with all applicable laws.

The Corporation's Board may amend, alter, suspend, discontinue or terminate the Equity Incentive Plan, provided that (i) such amendment, alteration, suspension, discontinuation, or termination shall be subject to the approval of the Corporation's Shareholders if such approval is necessary to comply with any tax or regulatory requirement applicable to the Equity Incentive Plan (including, without limitation, as necessary to comply with any rules or requirements of applicable securities exchange), (ii) no such amendment or termination may adversely affect Awards then outstanding without the Award holder's permission, and (iii) such amendment, alteration, suspension, discontinuation, or termination is in compliance with CSE Policies.

In the event of any reorganization, merger, consolidation, split-up, spin-off, combination, plan of arrangement, take-over bid or tender offer, repurchase or exchange of Subordinate Voting Shares or other securities of the Corporation or any other similar corporate transaction or event involving the Corporation (or the Corporation shall enter into a written agreement to undergo such a transaction or event), the Compensation Committee or the Corporation's Board may, in its sole discretion, provide for any (or a combination) of the following to be effective upon the consummation of the event (or effective immediately prior to the consummation of the event, provided that the consummation of the event subsequently occurs):

- termination of the Award, whether or not vested, in exchange for cash and/or other property, if any, equal to the amount that would have been attained upon the exercise of the vested portion of the Award or realization of the Participant's vested rights;
- the replacement of the Award with other rights or property selected by the Compensation Committee or the Corporation's Board, in its sole discretion;
- assumption of the Award by the successor or resulting issuer, or a parent or subsidiary thereof, or shall be substituted for by similar options, rights or awards covering the

stock of the successor or resulting issuer, or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares and prices;

- that the Award shall be exercisable or payable or fully vested with respect to all Subordinate Voting Shares covered thereby, notwithstanding anything to the contrary in the applicable award agreement; or
- that the Award cannot vest, be exercised or become payable after a date certain in the future, which may be the effective date of the event.

Tax Withholding

The Corporation may take such action as it deems appropriate to ensure that all applicable federal, state, local and/or foreign payroll, withholding, income or other taxes, which are the sole and absolute responsibility of a Participant, are withheld or collected from such Participant.

Pension Plan Benefits

The Corporation does not have and does not intend to implement a pension plan for its directors or executive officers.

Compensation Committee

The Compensation Committee is comprised of three members, being: William J. Waggoner (Chairman of the Compensation Committee), Daniel Nauth and Stephen Gledhill.

The Compensation Committee assists the Corporation's Board in fulfilling its responsibilities for compensation philosophy and guidelines, and fixing compensation levels for the Corporation's executive officers. In addition, the Compensation Committee is charged with reviewing the Equity Incentive Plan and proposing changes thereto, approving any Awards under the Equity Incentive Plan and recommending any other employee benefit plans, incentive awards and perquisites with respect to the Corporation's executive officers.

The Compensation Committee is also responsible for reviewing, approving and reporting to the Corporation's Board annually (or more frequently as required) on the Corporation's succession plans for its executive officers.

For more details relating to the Compensation Committee and the description of NEO compensation see section "*Corporate Governance – Compensation*".

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth details, as at December 31, 2019, of the number of securities to be issued upon exercise of outstanding options and the remaining securities available for issuance, under equity compensation plans of the Corporation.

Equity Compensation Plan Information

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities remaining available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders ⁽¹⁾	10,207,500	\$0.52	1,081,470 ⁽²⁾
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
Total	10,207,500	\$0.52	1,081,470

Notes:

- (1) The maximum number of Subordinate Voting Shares that may be issued under the Equity Incentive Plan shall be determined by the Corporation's Board from time to time, but in no case shall exceed, in the aggregate, 10% of the number of Subordinate Voting Shares (including the number of Subordinate Voting Shares underlying the Multiple Voting Shares on an "as if converted" basis) then outstanding (see "Statement of Executive Compensation – Equity Incentive Plan" above).
- (2) Represents the maximum number of Subordinate Voting Shares remaining available for future issuance upon exercise of Awards that may be granted under the Equity Incentive Plan as at December 31, 2019.

AUDIT COMMITTEE

The overall purpose of the audit committee (the "**Audit Committee**") of the Corporation is to assist the Board in its oversight of the integrity of the Corporation's financial statements and other relevant public disclosure, the Corporation's compliance with legal and regulatory requirements relating to financial reporting, the external auditors' qualifications and independence and the performance of the internal audit function and the external auditors.

Audit Committee Charter

The Board has adopted a written charter for the Audit Committee which sets out the Audit Committee's responsibility in reviewing the financial statements of the Corporation and public disclosure documents containing financial information and reporting on such review to the Board, review of the Corporation's public disclosure documents that contain financial information, oversight of the work and review of the independence of the external auditors and reviewing, evaluating and approving the internal control procedures that are implemented and maintained by management. A copy of the charter of the Audit Committee is set forth in Appendix "B" hereto (the "**Audit Committee Charter**").

Composition of the Audit Committee

The Audit Committee is comprised of three members, being: Daniel Nauth (Chairman of the Audit Committee), William J. Waggoner and Jamie L. Pearson. Mr. Nauth and Mr. Waggoner are "independent" within the meaning of NI 52-110 - *Audit Committees* ("**NI 52-110**"). All of the members of the Audit Committee are financially literate as defined by NI 52-110.

The Audit Committee assists the Corporation's Board in fulfilling its responsibilities for oversight of financial and accounting matters. The Audit Committee, among other responsibilities, reviews the financial reports and other financial information provided by the Corporation to regulatory authorities and its Shareholders and reviews the Corporation's system of internal controls regarding finance and accounting including auditing, accounting and financial reporting processes.

In addition, the Audit Committee is responsible for directing the auditors' examination of specific areas, for the selection of the Corporation's independent auditors and for the approval of all non-audit services for which its auditors may be engaged.

Relevant Education and Experience

Daniel Nauth: Mr. Nauth is a principal of Nauth PLC. Mr. Nauth has practiced corporate and securities law for many years managing all aspects of U.S.-Canada cross-border and domestic transactions and regulatory compliance needs. Mr. Nauth has experience in reviewing and evaluating financial statements of a similar nature and breadth as those of the Corporation in his service as a practicing attorney.

William J. Waggoner: Mr. Waggoner is an attorney and advisor who has experience in reviewing and evaluating financial statements of a similar nature and breadth as those of the Corporation, in his private law practice and as an advisor to a number of public and private corporations.

Jamie L. Pearson: Ms. Pearson is an experienced business executive and advisor who has experience in reviewing and evaluating financial statements of a similar nature and breadth as those of the Corporation, in her real estate investment firm and as an advisor to a number of public and private corporations.

Reliance on Certain Exemptions

Since the commencement of the Corporation's most recently completed financial year, the Corporation has not relied on the exemptions contained in sections 2.4 or an exemption, in whole or in part, granted under Part 8 of NI 52-110.

Audit Committee Oversight

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-Approval Policies and Procedures

The Audit Committee has not adopted specific policies and procedures for the engagement of non-audit services. The Audit Committee will review the engagement of the Corporation's auditors to provide non-audit services, as and when required.

External Auditor Fees

The following table summarizes the fees billed to the Corporation for services provided by its external auditors, during the fiscal years ended December 31, 2019 and September 30, 2018:

Fiscal Year	Audit Fees ⁽¹⁾	Audit Related Fees ⁽²⁾	Tax Fees ⁽³⁾	Other Fees ⁽⁴⁾	Total Fees
2019	\$318,907	Nil	Nil	Nil	\$318,907
2018	\$21,400	Nil	Nil	Nil	\$21,400

Notes:

(1) Aggregate fees billed for the Corporation's annual financial statements and services normally provided by the external auditor in connection with the Corporation's statutory and regulatory filings.

- (2) Aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported as "Audit fees", including fees with respect to review of the Corporation's prospectus.
- (3) Aggregate fees billed in each of the last two fiscal years for professional services rendered by the issuer's external auditor for tax compliance, tax advice, tax planning and assistance with tax for specific transactions.
- (4) All other fees.

Exemption

Since the Corporation is a "venture issuer" pursuant to NI 52-110, it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

CORPORATE GOVERNANCE

In accordance with National Instrument 58-101 — *Disclosure of Corporate Governance Practices*, the following describes the corporate governance practices of the Corporation.

Board of Directors

The Board facilitates its exercise of independent supervision over the Corporation's management through frequent meetings of the Board.

The Board is currently comprised of five directors, being: Daniel Nauth (Chairman), William J. Waggoner, Nick J. Richards, Jamie L. Pearson and Stephen Gledhill. Mr. Nauth, Mr. Waggoner and Mr. Richards are each "independent" directors within the meaning of NI 52-110. Ms. Pearson and Mr. Gledhill are not considered to be "independent" for the purposes of NI 52-110 as they are currently officers of the Corporation. The independent directors maintain their independence by having no direct or indirect material participation with management of the Corporation. In the view of the Board, no independent directors' other directorships or principal occupations would reasonably be expected to interfere with the exercise of a member's independent judgment.

Directorships

None of the current directors of the Corporation presently serve on the board of directors of any other reporting issuers (or the equivalent) in a Canadian jurisdiction or a foreign jurisdiction, other than as set out below:

Name of Director	Name of Other Issuer
Stephen Gledhill	Grown Rogue International Inc.
Nick J. Richards	Cannabis Growth Opportunity Corporation

Orientation and Continuing Education

The Board has not developed a formal orientation and training program for new members of the Board. New directors are briefed on strategic plans, short, medium and long term corporate objectives, business risks and mitigation strategies, corporate governance guidelines and existing company policies. New members of the Board are provided with full access to or copies of relevant financial, corporate and other information in connection with its business operations. Board members have full access to the Corporation's records at all times. Board members are encouraged to communicate with the Corporation's management and auditors to keep themselves familiar and current with industry trends and developments

and to attend related industry seminars. If the growth of the Corporation's operations warrants it, it is likely that a formal orientation process will be implemented.

The Corporation expects its directors to pursue such continuing education opportunities as may be required to ensure that they maintain the skill and knowledge necessary to fulfill their duties as members of the Board.

Ethical Business Conduct

The Board expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Corporation's business plan and to meet performance goals and objectives. To date, the Board has not adopted a formal written code of business conduct and ethics. However, the current limited size of the Corporation's operations and the small number of officers and employees allow the independent members of the Board to monitor on an ongoing basis the activities of management and to ensure that the highest standard of ethical conduct is maintained. Should the Corporation's operations grow in size and scope, the Board anticipates that it would then formulate and implement a formal code of business conduct and ethics.

Nomination of Directors

The Board does not have a nominating committee and the functions associated with such committee are currently performed by the Board as a whole. New candidates for Board membership are identified by current Board members or may be identified by Shareholders. Prior to recommending new nominees to the Board, a background search of a potential candidate is conducted to determine regulatory acceptability and interviews are carried out as to suitability.

The Board does not, at present, have a formal process in place for assessing the effectiveness of the Board as a whole, its committees or individual directors, but will consider implementing one in the future should circumstances warrant. Based on the Corporation's size, its stage of development and the number of individuals on the Board, the Board considers a formal assessment process to be inappropriate at this time. The Board evaluates its own effectiveness on an ad hoc basis. The current size of the Board is such that the entire Board takes responsibility for selecting new directors and assessing current directors.

Director Term Limits

The Corporation does not have a policy that limits the term of the directors on its Board and has not provided other mechanisms of board renewal. At this time, the Board does not believe that it is in the best interest of the Corporation to establish term limits on a director's mandate or a mandatory retirement age. The Board is of the opinion that term limits may disadvantage the Corporation through the loss of beneficial contributions of directors who have developed increasing knowledge of the Corporation, its operations, and the industry over a period of time.

Diversity Policy

The Corporation's senior management and the members of its Board have diverse backgrounds and expertise and were selected on the belief that the Corporation and its stakeholders would benefit from such a broad range of talent and experiences. The Board considers merit as the key requirement for board and executive appointments, and as such, it has not adopted any target number or percentage, or a range of target numbers or

percentages, respecting the representation of women, Indigenous peoples, persons with disabilities, or members of visible minorities (collectively, "members of designated groups") on the Board or in senior management roles.

The Corporation has not adopted a written diversity policy and seeks to attract and maintain diversity at the executive and board of directors' levels informally through the recruitment efforts of management in discussion with directors prior to proposing nominees to the Board as a whole for consideration. Although the level of representation of members of designated groups is one of many factors taken into consideration in making Board and executive officer appointments, emphasis is placed on hiring or advancing the most qualified individuals. As at the date of this Circular, three members of designated groups currently hold positions on the Board or in senior management.

Compensation

The Compensation Committee is responsible for ensuring that the Corporation has in place an appropriate plan for executive compensation and for making recommendations to the Board with respect to the compensation of the Corporation's NEOs, directors and senior management. The compensation for the Corporation's NEOs, in particular, its Chief Executive Officer and Chief Financial Officer, and for directors of the Corporation was, in each case, determined and reviewed, from time to time, by the Compensation Committee as it deems appropriate. Going forward, this practice is expected to be continued by the Compensation Committee. To determine compensation payable, the Compensation Committee reviews compensation paid to NEOs and directors, in companies of similar size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the NEOs and directors while taking into account the financial and other resources of the Corporation.

The compensation of NEOs and senior management of the Corporation typically includes three major elements: (a) base salaries; (b) equity-based compensation; and (c) cash bonuses.

Base Salaries

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to the Corporation's success, the position and responsibilities of such NEO and competitive industry pay practices for other high growth, premium brand companies of similar size and revenue growth potential.

Equity-Based Compensation

Shareholders approved the Equity Incentive Plan which enables the Corporation and its affiliated companies to: (i) promote and retain employees, officers, consultants, advisors and directors capable of assuring the future success of the Corporation, (ii) to offer such persons incentives to put forth maximum efforts, and (iii) to compensate such persons through various stock and cash-based arrangements and provide them with opportunities for stock ownership, thereby aligning the interests of such persons and Shareholders.

Cash Bonuses

Annual bonuses will be awarded based on qualitative and quantitative performance standards and will reward performance of each NEO individually. The determination of an NEO's performance may vary from year to year depending on economic conditions and conditions in

the cannabis industry and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance.

Other Board Committees

Other than the Audit Committee and the Compensation Committee, the Board has no other committees. The directors are regularly informed of or are actively involved in the operations of the Corporation. The scope and size of the Corporation's operations and development does not currently warrant an increase in the size of the Board or the formation of additional committees, however, the Board periodically examines its size and constitution and may from time to time establish ad hoc committees to deal with specific situations.

Assessments

Individual director and board effectiveness assessments are done on an informal basis and are determined by examining a number of factors including, but not limited to, attendance at and participation in meetings, meeting preparedness, ability to communicate ideas clearly and overall contribution to effective Board performance.

OTHER INFORMATION

Aggregate Indebtedness

No current or former executive officer, director or employee of the Corporation is as of the date hereof indebted to the Corporation or another entity, where in the latter case, the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Indebtedness of Directors and Executive Officers under Securities Purchase and Other Programs

No individual who is or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, each Nominee and each associate of any such director, executive officer or Nominee currently has or at any time since the beginning of the most recently completed financial year has been indebted to the Corporation or whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

Management Contracts

The Corporation's management functions are performed by its NEOs and the Corporation has no management agreements or arrangements in place under which such management functions are performed by persons other than its senior officers and directors. See "*Statement of Executive Compensation – Executive and Director Compensation*".

Interest of Informed Persons in Material Transactions

Other than as described below, no informed person (within the meaning of applicable securities laws) of the Corporation or Nominee, or any of their respective associates or affiliates, has had any material interest, direct or indirect, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation.

On February 10, 2020, the Corporation announced that it received a commitment from long-term investor CGOC to invest up to \$1,500,000 in a non-brokered private placement offering (the "**Offering**") of units (the "**Units**") with each Unit comprising of one Subordinate Voting Share in the capital of the Corporation and one share purchase warrant (the "**Warrants**"). Each Warrant is exercisable into one Subordinate Voting Share at a price of \$0.175 per share for a period of 24 months. The first tranche of the Offering for gross proceeds of approximately \$500,000 was completed on February 10, 2020 with 3,571,428 Units being issued by the Corporation at a price of \$0.14 per Unit.

In connection with the Offering, the Corporation agreed to provide CGOC with a pre-emptive right to participate in future offerings of Corporation's shares in order to maintain its percentage of ownership at the time of such offering. In addition, the Corporation has agreed to nominate one board member recommended by CGOC at future shareholder meetings that are called to elect directors and the ability, while CGOC does not have its nominee on the Corporation's board, to appoint a board observer.

In addition, CGOC and the Corporation have entered into subscription agreements on February 10, 2020 to exchange approximately \$2,000,000 worth of each other's shares (the "**Share Swap**"). Under the terms of the Share Swap, the Corporation received 3,149,606 common shares of CGOC at a price of \$0.635 per share, and CGOC received 14,285,714 Subordinate Voting Shares at a price of \$0.14 per share. As part of the Share Swap, each of CGOC and the Corporation have signed a voting and resale agreement providing that each party will be required to vote the shares acquired under the Share Swap as recommended by the other party and will be restricted from trading the shares for a period of 18 months.

Pursuant to a settlement agreement dated July 17, 2020 (the "**Settlement Agreement**"), the Corporation and CGOC settled two convertible promissory notes in the aggregate principal amount of \$600,000 (collectively, the "**Notes**") by the Corporation issuing to CGOC a total of 6,666,667 Subordinate Voting Shares at a deemed price of \$0.09 per share. Furthermore, CGOC has settled and released all other rights and remedies available under its forbearance agreement with the Corporation entered into on April 22, 2020 and prior financings in exchange for a lump sum payment of \$1,152,857 which was satisfied by the Corporation with (i) the issuance of 12,809,524 Subordinate Voting Shares at a deemed price of \$0.09 per share, and (ii) the issuance of warrants for the purchase of 5,261,905 Subordinate Voting Shares, exercisable for a period of 24 months from the date of issuance at an exercise price of \$0.15 per share.

The Corporation and CGOC also entered into an operating credit facility on July 17, 2020 (the "**Credit Facility**") whereby CGOC shall provide up to the aggregate principal amount of \$1,000,000 to the Corporation for general working capital purposes. The Credit Facility bears an interest rate of 8% per year and will mature 36 months from the date of entry. The Credit Facility is secured by a charge on all of the current and future assets of the Corporation and its subsidiaries pursuant to general security agreements. All advances and accrued interest on the Credit Facility are convertible into Subordinate Voting Shares at a price of \$0.15 per share. In connection with the Credit Facility, the Corporation issued to CGOC warrants for the purchase of 6,666,667 Subordinate Voting Shares, exercisable for a period of 24 months from the date of issuance at an exercise price of \$0.15 per share. The Credit Facility replaced the funding obligations of CGOC as set out in the subscription agreement with the Corporation dated February 10, 2020.

Interest of Certain Persons or Companies in Matters to be Acted Upon

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director

or executive officer of the Corporation since the commencement of the Corporation's last completed financial year, each proposed nominee for election as a director of the Corporation or of any associate or affiliate of any of such persons, in any matter to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

Directors and Officers Insurance

The Corporation maintains directors and officers' liability insurance for the Corporation and its subsidiaries.

ADDITIONAL INFORMATION

Shareholders may obtain additional information in connection with the Corporation on SEDAR at www.sedar.com. Alternatively, Shareholders may contact the Corporation (i) by mail at 6815 Biscayne Blvd., Suite 103, Miami, Florida, USA, 33138 or (ii) by e-mail at j.pearson@bhangcorporation.com.

Financial information regarding the Corporation is provided in the Corporation's audited annual consolidated financial statements for the financial years ended December 31, 2019 and 2018 and the accompanying management's discussion and analysis.

CERTIFICATION

The undersigned hereby certifies that the contents and the mailing of this Circular to Shareholders have been approved by the Corporation's Board of Directors.

DATED at Toronto, Ontario, this 19th day of October, 2020.

BY ORDER OF THE BOARD OF DIRECTORS OF BHANG INC.

"Jamie L. Pearson"

Jamie L. Pearson
Director & Chief Executive Officer

APPENDIX "A"

AMENDED AND RESTATED BY-LAW NO. 1A

(see attached)

BHANG INC.

AMENDED AND RESTATED BY-LAW NO. 1A

A by-law relating generally to the conduct of the affairs of BHANG INC.

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of BHANG INC. (hereinafter called the "**Corporation**") as follows:

DEFINITIONS

1. In this by-law and all other by-laws of the Corporation, unless the context otherwise specifies or requires:
 - (a) "**Act**" means the *Business Corporations Act* (Ontario), as from time to time amended, and every statute that may be substituted therefor and, in the case of such amendment or substitution, any reference in the by-laws of the Corporation shall be read as referring to the amended or substituted provisions therefore;
 - (b) "**articles**" means the Articles of Amalgamation of the Corporation as from time to time amended or restated;
 - (c) "**Associate**" has the meaning given in National Instrument 45-106 – *Prospectus Exemptions*, as may be amended from time to time;
 - (d) "**Board**" means the board of directors of the Corporation;
 - (e) "**Corporation**" means Bhang Inc.;
 - (f) "**director**" means an individual who is duly elected or appointed as a director of the Corporation;
 - (g) "**officer**" means any officer of the Corporation appointed by the Board;
 - (h) "**public announcement**" means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com;
 - (i) "**shareholder**" means a shareholder of the Corporation;
 - (j) all terms contained in the by-laws which are defined in the Act shall have the meanings given to such terms in the Act;
 - (k) words importing the singular number only shall include the plural and vice-versa; words importing the masculine gender shall include the feminine and neuter genders; and
 - (l) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

REGISTERED OFFICE

2. The Corporation may from time to time (i) by resolution of the directors change the address of the registered office of the Corporation within the municipality or geographic township within Ontario specified in its articles, and (ii) by a special resolution of the shareholders, change the municipality or geographic township within Ontario in which its registered office is situated.

SEAL

3. The Corporation may, but need not, adopt a corporate seal, and if one is adopted, it may be changed from time to time by the board. An instrument or agreement executed on behalf of the Corporation by a director, an officer or an agent of the Corporation is not invalid merely because the corporate seal, if any, is not affixed thereto.

DIRECTORS

4. Number and powers. The number of directors of the Corporation shall be such number as shall be determined from time to time by the directors, subject to such minimum and maximum number of directors as is set out in the articles of the Corporation. Notwithstanding the foregoing, if the Corporation is an "offering corporation" as defined in paragraph 1(1) of the Act, there shall be a minimum of three directors. Not less than 25% of the directors shall be resident Canadians. Subject to any unanimous shareholder agreement, the directors shall manage or supervise the management of the business and affairs of the Corporation and may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by the Act, the articles, the by-laws, any special resolution of the Corporation, a unanimous shareholder agreement or by statute expressly directed or required to be done in some other manner.

Notwithstanding any vacancy among the directors the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office.

Subject to the Act and to the Corporation's articles, where there is a quorum of directors in office and a vacancy occurs, the directors remaining in office may appoint a qualified person to hold office for the unexpired term of the predecessor director.

5. Duties. Every director and officer of the Corporation in exercising their powers and discharging their duties shall:
 - (a) act honestly and in good faith with a view to the best interests of the Corporation;
and
 - (b) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Every director and officer of the Corporation shall comply with the Act, the regulations thereunder, the Corporation's articles and by-laws and any unanimous shareholder agreement.

6. Qualification. Every director shall be an individual eighteen (18) or more years of age and no one who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director.

7. Term of office. A director's term of office (subject to the provisions, if any, of the Corporation's articles, and subject to his or her election for an expressly stated term) shall be from the date of the meeting at which he or she is elected or appointed until the close of the annual meeting of shareholders next following his or her election or appointment or until his or her successor is elected or appointed.
8. Vacation of office. The office of a director shall be vacated if:
 - (a) the person dies or, subject to the Act, sends to the Corporation a written resignation and such resignation, if not effective upon receipt by the Corporation, becomes effective in accordance with its terms;
 - (b) the person is removed from office in accordance with the Act;
 - (c) the person has the status of bankrupt; or
 - (d) the person has been found under the *Substitute Decisions Act* or under the *Mental Health Act* to be incapable of managing property or has been found to be incapable by a court in Canada or elsewhere.
9. Election and removal. Directors shall be elected by the shareholders by ordinary resolution on a show of hands unless a poll is demanded and if a poll is demanded such election shall be by ballot. Except for those directors elected for an expressly stated term, all the directors then in office shall cease to hold office at the close of the meeting of shareholders at which directors are to be elected but, if qualified, are eligible for re-election. Subject to subsection 122(2) of the Act, the shareholders of the Corporation may by ordinary resolution at an annual or special meeting remove any director before the expiration of their term of office and may, by a majority of the votes cast at the meeting, elect any person in their stead for the remainder of their term in accordance with Paragraph 11.

Whenever at any election of directors of the Corporation the number or the minimum number of directors required by the articles or herein is not elected by reason of the disqualification, incapacity or the death of any candidates, the directors elected at that meeting may exercise all the powers of the directors if the number of directors so elected constitutes a quorum pending the holding of a meeting of shareholders in accordance with subsection 124(3) of the Act.

A retiring director shall cease to hold office at the close of the meeting at which their successor is elected unless such meeting was called for the purpose of removing him or her from office as a director in which case the director so removed shall vacate office forthwith upon the passing of the resolution for their removal.
10. Validity of acts. An act done by a director or by an officer is not invalid by reason only of any defect that is thereafter discovered in their appointment, election or qualification.
11. Advance Notice of a Director Nominee. Subject to the provisions of the Act and the articles of the Corporation, only persons who are nominated in accordance with the procedures set out in this Paragraph 11 shall be eligible for election as directors of the Corporation.
 - (a) Nominations of persons for election to the board may only be made at an annual general meeting of shareholders, or at a special meeting of shareholders

called for any purpose which includes the election of directors to the board, as follows:

- (i) by or at the discretion of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting (provided that any such proposed nominee provides to the Corporation a duly completed personal information form in respect of the proposed nominee in the form prescribed from time to time by the principal stock exchange on which the securities of the Corporation are then listed for trading);
 - (ii) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition to call a shareholders meeting made in accordance with the provisions of the Act; or
 - (iii) by any person (a "**Nominating Shareholder**") who: (A) is, at the close of business on the date of the giving of the notice provided for in Paragraph 11(c) below and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form in accordance with the procedures set forth below in this Paragraph 11.
- (b) For the avoidance of doubt, the foregoing Paragraph 11(a) shall be the exclusive means for any person to bring nominations for election to the board at or in connection with any annual or special meeting of shareholders of the Corporation. In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation in accordance with this Paragraph 11.
- (c) For a nomination made by a Nominating Shareholder to be timely notice (a "**Timely Notice**"), the Nominating Shareholder's notice must be in written form prepared in accordance with Paragraph 11(d) and received by the Secretary of the Corporation at the principal executive offices of the Corporation;
- (i) in the case of an annual general meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual general meeting of shareholders; provided, however, if the first public announcement made by the Corporation of the date of the annual general meeting is less than 50 days prior to the meeting date (the "**Notice Date**"), not later than the close of business on the 10th day following the Notice Date; and
 - (ii) in the case of a special meeting (which is not also an annual general meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Corporation.

- (d) To be in proper written form, a Nominating Shareholder's notice to the Secretary must comply with this Paragraph 11 and:
- (i) disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a "**Proposed Nominee**"):
 - (A) their name, age, business and residential address, principal occupation or employment for the past five years, and status as a "resident Canadian" (as such term is defined in the Act);
 - (B) their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
 - (C) any relationships, agreements, arrangements or understandings, including financial, compensation and indemnity related relationships, agreements, arrangements or understandings, between the Proposed Nominee or any affiliates or Associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee and the Nominating Shareholder;
 - (D) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities laws;
 - (E) a duly completed personal information form in respect of the Proposed Nominee in the form prescribed from time to time by the principal stock exchange on which the securities of the Corporation are then listed for trading; and
 - (F) a statement as to whether the Proposed Nominee would be an "independent" director (within the meaning of sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators, as such provisions may be amended from time to time) if elected as a director of the Corporation, and the reasons and basis for such determination; and
 - (ii) disclose or include, as applicable, as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:
 - (A) their name, business and residential address;
 - (B) any direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;

- (C) any relationships, agreements, arrangements or understandings, including financial, compensation and indemnity related relationships, agreements, arrangements or understandings, between the Nominating Shareholder or any affiliates or Associates of, or any person or entity acting jointly or in concert with, the Nominating Shareholder and any Proposed Nominee;
- (D) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or Associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board;
- (E) their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
- (F) any direct or indirect interest of such person in any contract with the Corporation or with any of the Corporation's affiliates or principal competitors;
- (G) a representation and proof that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
- (H) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder of the Corporation in connection with such nomination or otherwise solicit proxies or votes from shareholders of the Corporation in support of such nomination; and
- (I) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities laws.

The Corporation may require any Proposed Nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such Proposed Nominee.

- (e) All information to be provided in a Timely Notice pursuant to Paragraph 11(c) shall be provided as of the record date for determining shareholders entitled to vote at the meeting (if such date shall then have been publicly announced) and as of the date of such notice. The Nominating Shareholder shall update such information to the extent necessary so that it is true and correct as of the date that

is ten (10) business days prior to the date of the meeting, or any adjournment or postponement thereof.

- (f) To be eligible to be a candidate for election as a director and to be duly nominated, a Proposed Nominee must have previously delivered to the Secretary at the registered office of the Corporation, not less than five days prior to the date of the meeting of shareholders, a written representation and agreement (in form provided by the Corporation) that the Proposed Nominee, if elected as a director, will comply with all applicable corporate governance, conflict of interest, confidentiality and insider trading policies and guidelines of the Corporation in effect during the Proposed Nominee's term in office as a director. Upon the request of a Proposed Nominee or a Nominating Shareholder, the Secretary shall provide copies of all such policies and guidelines then in effect.
- (g) Notwithstanding any other provision of this by-law, any notice, or other document or information required to be given to the Secretary pursuant to this Paragraph 11 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the principal executive offices of the Corporation, email (at the address as aforesaid and provided that receipt of confirmation of such email has been received) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day in Toronto, Ontario, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.
- (h) Additional Matters
 - (i) Nothing in this Paragraph 11 shall obligate the Corporation or the board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Corporation or board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.
 - (ii) The chair of any meeting of shareholders of the Corporation shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Paragraph 11, and if any proposed nomination is not in compliance with such provisions, may declare that such defective nomination shall not be considered at any meeting of shareholders.
 - (iii) Despite any other provision of this by-law, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Corporation to present the nomination of the Proposed Nominee, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.

- (iv) Notwithstanding any of the foregoing, the board may, in its sole discretion, waive any requirement of this Paragraph 11. In no event shall any adjournment or postponement of a meeting of shareholders of the Corporation or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice.

MEETINGS OF DIRECTORS

- 12. Place of meeting. Meetings of directors and of any committee of directors may be held at any place within or outside Ontario and in any financial year a majority of the meetings of the board of directors need not be held at a place within Canada. A meeting of directors may be convened by the Chairman of the Board (if any), the President or any director at any time and the Secretary shall upon direction of any of the foregoing convene a meeting of directors. A quorum of the directors may, at any time, call a meeting of the directors for the transaction of any business the general nature of which is specified in the notice calling the meeting.
- 13. Notice. Notice of the time and place for the holding of any such meeting shall be sent to each director not less than 2 days (exclusive of the day on which the notice is sent but inclusive of the day for which notice is given) before the date of the meeting; provided that meetings of the directors or of any committee of directors may be held at any time without formal notice if all the directors are present (except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the absent directors have waived notice.

Notice of the time and place for the holding of any meeting of directors or any committee of directors may be given by delivery, facsimile, e-mail or other electronic means that produces a written copy.

For the first meeting of directors to be held following the election of directors at an annual or special meeting of the shareholders or for a meeting of directors at which a director is appointed to fill a vacancy in the board, no notice of such meeting need be given to the newly elected or appointed director or directors in order for the meeting to be duly constituted, provided a quorum of the directors is present.

The accidental failure to give notice of a meeting of directors to any director entitled to a notice or any error in a notice not affecting its substance does not invalidate any action taken at the meeting to which the notice relates.

- 14. Waiver of notice. Notice of any meeting of directors or of any committee of directors or any irregularity in any meeting or in the notice thereof may be waived in any manner by any director and such waiver may be validly given either before or after the meeting to which such waiver relates. Attendance of a director at a meeting of directors is a waiver of notice of the meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.
- 15. Remote participation. Where all the directors of the Corporation present at or participating in the meeting consent thereto (either before or after the meeting), a director may participate in a meeting of directors or of any committee of directors by means of such telephone, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and

a director participating in a meeting by such means shall be deemed for the purposes of the Act to be present at that meeting. If the majority of the directors participating in the meeting are then in Canada, the meeting shall be deemed to be held in Canada.

16. Adjournment. Any meeting of directors or of any committee of directors may be adjourned from time to time by the chairman of the meeting, with the consent of the meeting, to a fixed time and place and no notice of the time and place for the holding of the adjourned meeting need be given to any director if the time and place of the adjourned meeting is announced at the original meeting. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment and a quorum is present thereat. The directors who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its adjournment.
17. Quorum and voting. A majority of the number of directors or minimum number of directors required by the articles shall constitute a quorum for the transaction of business. Subject to subsection 124(1) of the Act, no business shall be transacted by the directors except at a meeting of directors at which a quorum is present and at which not less than 25% of the directors present are resident Canadians, except where:
 - (i) a resident Canadian director who is unable to be present approves in writing or by telephone or other communication facilities the business transacted at the meeting; and
 - (ii) 25% of resident Canadians would have been present had that director been present at the meeting.

Questions arising at any meeting of directors shall be decided by a majority of votes. In case of an equality of votes, the chairman of the meeting shall not be entitled to a second or casting vote.

18. Chairperson of Meetings. The chairperson of any meeting of directors will be the first mentioned of the following officers (if appointed) who is a director and is present at the meeting: Chairman of the board, President, Senior Vice-President or any other Vice-President. If none of the Chairman of the board, President or Senior Vice-President is present at the meeting, and if more than one Vice-President is present, the first Vice-President to arrive will be chairperson of the meeting. If none of the foregoing officers is present, the directors present may choose one of their number to be chairperson of the meeting.
19. Resolution in Lieu of Meeting. A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of directors or committee of directors is as valid as if it had been passed at a meeting of directors or committee of directors. A resolution in writing may be signed in one or more counterparts, all of which together constitute the same resolution. A facsimile or electronic reproduction of a signed counterpart of a resolution in writing is as valid as an originally signed counterpart.
20. Borrowing Power. Without authorization of the shareholders, the directors may authorize the Corporation to:
 - (i) borrow money on the credit of the Corporation;

- (ii) issue, reissue, sell or pledge debt obligations of the Corporation;
- (iii) subject to the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (iv) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

The directors, by resolution, may delegate to a director, a committee of directors or an officer all or any of the powers conferred on them by the by-laws of the Corporation.

COMMITTEES OF DIRECTORS

21. General. The directors may from time to time appoint from their number a committee of directors and may delegate to such committee any of the powers of the directors, except those which under the Act must be exercised by the board itself.
22. Audit Committee. If the Corporation is an "offering corporation" as defined in paragraph 1(1) of the Act, the board of directors shall, and otherwise the directors may, appoint annually from among their number an audit committee to be composed of not fewer than 3 directors, the majority of whom are not officers or employees of the Corporation or any of its affiliates to hold office until the next annual meeting of the shareholders.

Each member of the audit committee shall serve during the pleasure of the board of directors and, in any event, only so long as such person shall be a director. The directors may fill vacancies in the audit committee by election from among their number.

The audit committee shall have power to fix its quorum at not less than a majority of its members and to determine its own rules of procedure subject to any regulations imposed by the board of directors from time to time and to the following paragraph.

The auditor of the Corporation is entitled to receive notice of every meeting of the audit committee and, at the expense of the Corporation, to attend and be heard thereat; and, if so requested by a member of the audit committee, shall attend every meeting of the committee held during the term of office of the auditor. The auditor of the Corporation or any member of the audit committee may call a meeting of the committee.

The audit committee shall review the quarterly and annual financial statements of the Corporation and shall report thereon to the board of directors of the Corporation prior to approval thereof by the board of directors and shall have such other powers and duties as may from time to time by resolution be assigned to it by the board.

REMUNERATION OF DIRECTORS, OFFICERS AND EMPLOYEES

23. The remuneration to be paid to the directors of the Corporation shall be such as the directors shall from time to time by resolution determine. The directors may also by resolution award special remuneration to any director in undertaking any special services on the Corporation's behalf other than the normal work ordinarily required of a director of a corporation. The confirmation of any such resolution or resolutions by the shareholders shall not be required. The directors may fix the remuneration of the officers and employees of the Corporation. The directors, officers and employees shall also be entitled

to be paid their travelling and other expenses properly incurred by them in connection with the affairs of the Corporation.

SUBMISSION OF CONTRACTS OR TRANSACTIONS TO
SHAREHOLDERS FOR APPROVAL

24. The directors in their discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of the shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or by-laws) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified and/or confirmed by every shareholder of the Corporation.

FOR THE PROTECTION OF DIRECTORS AND OFFICERS

25. No director or officer for the time being of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense suffered or incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or corporation including any person, firm or corporation with whom or which any moneys, securities or effects shall be lodged or deposited or for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of their respective office of trust or in relation thereto, unless the same shall happen by or through their failure to exercise the powers and to discharge the duties of their office honestly and in good faith with a view to the best interests of the Corporation, and in connection therewith to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances, provided that nothing herein contained shall relieve a director or officer from the duty to act in accordance with the Act or regulations made thereunder or relieve him or her from liability for a breach thereof. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board of directors. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer, or shall be a member of a firm or a shareholder, director or officer of a body corporate which is employed by or performs services for the Corporation, the fact of such individual being a shareholder, director or officer of the Corporation shall not disentitle such director or officer or such firm or body corporate, as the case may be, from receiving proper remuneration for such services.

INDEMNITIES TO DIRECTORS AND OTHERS

26. Subject to subsections 136(3) and (4) of the Act, the Corporation shall indemnify a director or officer of the Corporation, a former director or officer of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of

which the Corporation is or was a shareholder or creditor, and his heirs and legal representatives, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by him or her in respect of any civil, criminal or administrative action or proceeding to which he or she is made a party by reason of being or having been a director or officer of such corporation or body corporate, if

- (a) he or she acted honestly and in good faith with a view to the best interests of the Corporation; and
- (b) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he or she had reasonable grounds for believing that their conduct was lawful.

The Corporation is hereby authorized to execute agreements evidencing its indemnity in favour of the foregoing persons to the full extent permitted by law.

INSURANCE

- 27. The Corporation may purchase and maintain insurance for the benefit of a person referred to in Paragraph 26 above against the liabilities and in the amounts the Act permits.

OFFICERS

- 28. Appointment of officers. The directors shall annually or as often as may be required appoint a President, Chief Executive Officer, Chief Financial Officer or Treasurer and Secretary, and if deemed advisable may annually or as often as may be required appoint a Chairman of the Board and one or more Vice-Presidents. None of such officers, except the Chairman of the Board, need be a director of the Corporation. Any director may be appointed to any office of the Corporation. Two or more of such offices may be held by the same person and two persons may individually hold any of such combined offices. The directors may from time to time appoint such other officers, employees and agents as they shall deem necessary who shall have such titles, authority and shall perform such functions and duties as may from time to time be prescribed by the directors, and such functions may, subject to the Act and applicable law, be the same or similar to the descriptions set out in Sections 31-36.
- 29. Removal of officers, etc. All officers, employees and agents, in the absence of agreement to the contrary, shall be subject to removal by resolution of the directors at any time, with or without cause.
- 30. Duties of officers may be delegated. In case of the absence or inability or refusal to act of any officer of the Corporation or for any other reason that the directors may deem sufficient, the directors may delegate all or any of the powers of such officer to any other officer or to any director for the time being.
- 31. Chairman of the Board. The Chairman of the Board (if any), shall when present preside at all meetings of the directors, any committee of the directors and, unless otherwise agreed by the Chairman and the board, any meeting of shareholders, shall sign such documents as may require his or her signature in accordance with the by-laws of the Corporation and shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by resolution of the directors or as are incident

to their office. The Chairman of the Board may, but need not, also be the Chief Executive Officer.

32. President. The President shall exercise general supervision over the business and affairs of the Corporation. In the absence of the Chairman of the Board (if any), and if the President is also a director of the Corporation, the President shall, when present, preside at all meetings of the directors, any committee of the directors and, unless otherwise agreed by the Chairman and the board, any meeting of shareholders, he or she shall sign such contracts, documents or instruments in writing as require his or her signature and shall have such other powers and shall perform such other duties as may from time to time be assigned to him or her by resolution of the directors or as are incident to his or her office.
33. Vice-President. The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall be vested with all the powers and shall perform all the duties of the President in the absence or inability or refusal to act of the President, provided, however, that a Vice-President who is not a director shall not preside as chairman at any meeting of directors. The Vice-President or, if more than one, the Vice-Presidents in order of seniority, shall sign such contracts, documents or instruments in writing as require his, her or their signatures and shall also have such other powers and duties as may from time to time be assigned to him, her or them by resolution of the directors.
34. Secretary. The Secretary shall give or cause to be given notices for all meetings of the directors, any committee of the directors and shareholders when directed to do so and shall have charge of the minute books of the Corporation and, subject to the provisions of Paragraph 54 hereof, of the documents and registers referred to in subsections 140(1) and (2) of the Act. He or she shall sign such contracts, documents or instruments in writing as require his or her signature and shall have such other powers and duties as may from time to time be assigned to him or her by resolution of the directors or as are incident to his or her office.
35. Chief Financial Officer or Treasurer. Subject to the provisions of any resolution of the directors, the Treasurer shall have the care and custody of all the funds and securities of the Corporation and shall deposit the same in the name of the Corporation in such bank or banks or with such other depositary or depositaries as the directors may by resolution direct. He or she shall prepare and maintain adequate accounting records. He or she shall sign such contracts, documents or instruments in writing as require his or her signature and shall have such other powers and duties as may from time to time be assigned to him or her by resolution of the directors or as are incident to his or her office. He or she may be required to give such bond for the faithful performance of his or her duties as the directors in their uncontrolled discretion may require and no director shall be liable for failure to require any such bond or for the insufficiency of any such bond or for any loss by reason of the failure of the Corporation to receive any indemnity thereby provided.
36. Chief Executive Officer. The directors may from time to time appoint from their number a Chief Executive Officer and may delegate to the Chief Executive Officer any of the powers of the directors subject to the limits on authority provided by subsection 127(3) of the Act. A Chief Executive Officer shall conform to all lawful orders given to him or her by the directors of the Corporation and shall at all reasonable times give to the directors or any of them all information they may require regarding the affairs of the Corporation. Any

agent or employee appointed by a Chief Executive Officer shall be subject to discharge by the directors.

37. Vacancies. If the office of Chairman of the Board, Chief Executive Officer, President, Vice-President, Secretary, Chief Financial Officer or Treasurer, or any other office created by the directors pursuant to Paragraph 28 hereof shall be or become vacant by reason of death, resignation or in any other manner whatsoever, the directors shall in the case of the President or the Secretary and may in the case of the other officers appoint an officer to fill such vacancy.
38. Term of Office. The board, in its discretion, may remove any officer of the Corporation, without prejudice to the rights of such officer under any employment contract. Otherwise each officer of the Corporation shall hold office until his or her successor is elected or appointed or until his or her earlier resignation.
39. Agents and Attorneys. The board may appoint agents or attorneys of the Corporation within or outside Canada with such powers and duties as it may deem fit.
40. Conflict of Interest. An officer who is a party to, or who is a director or officer of or has a material interest in any person who is a party to, a material contract or proposed material contract with the Corporation shall disclose his or her interest in any material contract or proposed material contract with the Corporation shall disclose the nature and extent of his or her interest at the time and in the manner provided by the Act.

SHAREHOLDERS' MEETINGS

41. Annual or special meetings. Subject to subsection 104(1) of the Act, the directors of the Corporation,
 - (a) shall call an annual meeting of shareholders not later than eighteen months after the Corporation comes into existence and subsequently not later than fifteen months after holding the last preceding annual meeting; and
 - (b) may at any time call a special meeting of shareholders.
42. Place of meetings. Subject to the articles and any unanimous shareholder agreement, a meeting of the shareholders of the Corporation may be held at such place in or outside Ontario as the directors may determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located.
43. Notice. A notice stating the day, hour and place of meeting and, if special business is to be transacted thereat, stating (or accompanied by a statement of) (i) the nature of that business in sufficient detail to permit the shareholder to form a reasoned judgment thereon, and (ii) the text of any special resolution or by-law to be submitted to the meeting, shall be served by sending such notice to each person who is entitled to notice of such meeting and who on the record date for notice appears on the records of the Corporation or its transfer agent is a shareholder entitled to vote at the meeting and to each director of the Corporation and to the auditor of the Corporation in accordance with the provisions of Paragraph 61 hereof not less than 21 days (or such longer period as may be required by applicable securities laws) and not more than 50 days (exclusive of the day of mailing and of the day for which notice is given) before the date (if the Corporation is an offering corporation as such term is defined in the Act) or not less than 10 days before the date (if

the Corporation is not an offering corporation) of every meeting; provided that a meeting of shareholders may be held for any purpose at any date and time and at any place without notice if all the shareholders and other persons entitled to notice of such meeting are present in person or represented by proxy at the meeting (except where the shareholder or such other person attends the meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called) or if all the shareholders and other persons entitled to notice of such meeting and not present in person nor represented by proxy thereat waive notice of the meeting. Notice of any meeting of shareholders or the time for the giving of any such notice or any irregularity in any such meeting or in the notice thereof may be waived in any manner by any shareholder, the duly appointed proxy of any shareholder, any director or the auditor of the Corporation and any other person entitled to attend a meeting of shareholders, and any such waiver may be validly given either before or after the meeting to which such waiver relates.

The auditor of the Corporation is entitled to attend any meeting of shareholders of the Corporation and to receive all notices and other communications relating to any such meeting that a shareholder is entitled to receive.

44. Omission of notice. The accidental omission to give notice of any meeting to or the non-receipt of any notice by any person shall not invalidate any resolution passed or any proceeding taken at any meeting of shareholders.
45. Record dates for notice of meetings. Subject to subsection 95(4) of the Act, the directors may fix in advance a date as the record date for the determination of shareholders entitled to receive notice of a meeting of shareholders, but such record date shall not precede by more than 60 days or by less than 30 days the date on which the meeting is to be held. Notice of such record date shall be given not less than seven days before the record date, by advertisement in a newspaper published or distributed in the place where the Corporation has its registered office and in each place in Canada where it has a transfer agent or where a transfer of the Corporation's shares may be recorded, and, where applicable, by written notice to each stock exchange in Canada on which the Corporation's shares are listed for trading.

If no record date is fixed, the record date for the determination of the shareholders entitled to receive notice of a meeting of the shareholders shall be

- (i) at the close of business on the day immediately preceding the day on which notice is given; or
 - (ii) if no notice is given, the day on which the meeting is held.
46. Votes. Every question submitted to any meeting of shareholders shall be decided in the first instance on a show of hands and in case of an equality of votes the chairman of the meeting shall both on a show of hands and at a poll have a second or casting vote in addition to the vote or votes to which he or she may be entitled as a shareholder or proxy nominee.

At any meeting, unless a poll is demanded by a shareholder or proxyholder entitled to vote at the meeting, either before or after any vote by a show of hands, a declaration by the Chairman of the meeting that a resolution has been carried or carried unanimously or by a particular majority or lost or not carried by a particular majority shall be evidence of the

fact without proof of the number or proportion of votes recorded in favour of or against the motion.

In the absence of the Chairman of the Board (if any), Chief Executive Officer, the President and any Vice-President, and if no other person is agreed by the Chairman and the board to chair the meeting within 15 minutes from the start time fixed for the meeting, the shareholders present entitled to vote shall choose another director as chairman of the meeting and if no director is present or if all the directors present decline to take the chair then the shareholders present shall choose one of their number to be chairman.

If at any meeting a poll is demanded on the election of a chairman or on the question of adjournment or termination, the poll shall be taken forthwith without adjournment. If a poll is demanded on any other question or as to the election of directors, the poll shall be taken by ballot in such manner and either at once or later at the meeting or after adjournment as the chairman of the meeting directs. The result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. A demand for a poll may be made either before or after any vote by show of hands and may be withdrawn.

Where two or more persons hold the same share or shares jointly, any one of such persons present at a meeting of shareholders has the right, in the absence of the other or others, to vote in respect of such share or shares, but if more than one of such persons are present or represented by proxy and vote, they shall vote together as one on the share or shares jointly held by them.

47. Persons Entitled to be Present. The only persons entitled to be present at a meeting of the shareholders shall be those entitled to attend or vote at the meeting, the directors, officers, auditor, legal counsel of the Corporation and others who, although not entitled to attend or vote, are entitled or required under any provision of the Act, the articles, by-laws or a unanimous shareholder agreement to be present at the meeting. Any other person may be admitted only on the invitation of the chairperson of the meeting or with the consent of the meeting.
48. Proxies. Votes at meetings of the shareholders may be given either personally or by proxy. At every meeting at which a shareholder is entitled to vote, every shareholder present in person and every proxyholder shall have one (1) vote on a show of hands. Upon a poll at which a shareholder is entitled to vote every shareholder present in person or by proxy shall (subject to the provisions, if any, of the Corporation's articles) have one (1) vote for every share registered in their name.

Every shareholder, including a shareholder that is a body corporate, entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxyholder or proxyholders or one or more alternate proxyholders, who need not be shareholders, as nominee to attend and act at the meeting in the manner, to the extent and with the authority conferred by the proxy.

A proxy shall be executed by the shareholder or attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized. If the Corporation is an "offering corporation" as defined in paragraph 1(1) of the Act, any such proxy appointing a proxyholder to attend and act at a meeting is only valid at the meeting in respect of which it is given or any adjournment thereof.

An instrument appointing a proxyholder may be in the following form or in such other form which complies with the regulations made under the Act and other applicable law and which the directors may approve from time to time:

"The undersigned shareholder of BHANG INC. hereby appoints
of _____, whom failing,

Of _____ as the nominee of the undersigned to attend and act for and on behalf of the undersigned at the meeting of the shareholders of the said Corporation to be held on the _____ day of _____, 20____ and at any adjournment thereof in the same manner, to the same extent and with the same power as if the undersigned were personally present at the said meeting or such adjournment thereof.

Dated the _____ day of _____, 20____.

Signature of Shareholder

This form of proxy must be signed by a shareholder or their attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized."

The directors may from time to time pass regulations regarding the lodging of instruments appointing a proxyholder at some place or places other than the place at which a meeting or adjourned meeting of shareholders is to be held and for particulars of such instruments to be e-mailed, faxed, sent in writing or otherwise communicated by electronic means that produces a written copy before the meeting or adjourned meeting to the Corporation or any agent of the Corporation appointed for the purpose of receiving such particulars and providing that instruments appointing a proxyholder so lodged may be voted upon as though the instruments themselves were produced at the meeting or adjourned meeting and votes given in accordance with such regulations shall be valid and shall be counted. The chairman of the meeting of shareholders may, subject to any regulations made as aforesaid, in his or her discretion accept e-mail, fax or written communication, or electronic communication that produces a written copy, as to the authority of anyone claiming to vote on behalf of and to represent a shareholder notwithstanding that no instrument of proxy conferring such authority has been lodged with the Corporation, and any votes given in accordance with such e-mail, fax, written or electronic communication accepted by the chairman of the meeting shall be valid and shall be counted.

49. Adjournment. The chairman of the meeting may with the consent of the meeting adjourn any meeting of shareholders from time to time to a fixed time and place and if the meeting is adjourned for less than thirty (30) days no notice of the time and place for the holding of the adjourned meeting need be given to any shareholder, other than by announcement at the earliest meeting that is adjourned. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting shall be given as for an original meeting but, unless the meeting is adjourned by one or more adjournments for an aggregate of more than ninety (90) days, section 111 and section 112 of the Act do not apply. Any adjourned meeting shall be duly constituted if held in accordance with the terms of the adjournment, provided that a quorum is present thereat. The persons who formed a quorum at the original meeting are not required to form the quorum at the adjourned meeting. If there is no quorum present at the adjourned meeting, the original meeting shall be deemed to have terminated forthwith after its

adjournment. Any business may be brought before or dealt with at any adjourned meeting which might have been brought before or dealt with at the original meeting in accordance with the notice calling the same.

50. Quorum. Two (2) persons present and each holding or representing by proxy at least one (1) issued share of the Corporation shall be a quorum of any meeting of shareholders for the choice of a chairman of the meeting and for the adjournment of the meeting to a fixed time and place but may not transact any other business; for all other purposes a quorum for any meeting shall be persons present not being less than two (2) in number and holding or representing by proxy not less than 5% of the votes attaching to all the issued shares of the Corporation. If a quorum is present at the opening of a meeting of shareholders, the shareholders present may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting.

Notwithstanding the foregoing, if the Corporation has only one shareholder, or only one shareholder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting and a quorum for such meeting.

SHARES AND TRANSFERS

51. Issuance. Subject to the articles of the Corporation and any unanimous shareholder agreement, shares in the Corporation may be issued at such time and issued to such persons and for such consideration as the directors may determine.
52. Security certificates. Security certificates (and the form of transfer power on the reverse side thereof) shall (subject to compliance with section 56 of the Act) be in such form as the directors may from time to time by resolution approve and, subject to subsection 55(3) of the Act, such certificates shall be signed manually by at least one director or officer of the Corporation or by or on behalf of a registrar, transfer agent, branch transfer agent or issuing or other authenticating agent of the Corporation, or by a trustee who certifies it in accordance with a trust indenture, and any additional signatures required on a security certificate may be printed or otherwise mechanically reproduced thereon. Notwithstanding any change in the persons holding an office between the time of actual signing and the issuance of any certificate and notwithstanding that a person signing may not have held office at the date of issuance of such certificate, any such certificate so signed shall be valid and binding upon the Corporation.
53. Transfer agents. For each class of securities and warrants issued by the Corporation, the directors may from time to time by resolution appoint or remove,
- (a) a trustee, transfer agent or other agent to keep the securities register and the register of transfer and one or more persons or agents to keep branch registers; and
 - (b) a registrar, trustee or agent to maintain a record of issued security certificates and warrants,

and subject to section 48 of the Act, one person may be appointed for the purposes of both clauses (a) and (b) in respect of all securities and warrants of the Corporation or any class or classes thereof.

54. Surrender of security certificates. Subject to the Act, no transfer of a security issued by the Corporation shall be recorded or registered unless and until (i) the certificate representing the security to be transferred has been surrendered and cancelled or (ii) if no security certificate has been issued by the Corporation in respect of such share, a duly executed security transfer power in respect thereof has been presented for registration.
55. Defaced, destroyed, stolen or lost security certificates. In case of the defacement, destruction, theft or loss of a security certificate, the fact of such defacement, destruction, theft or loss shall be reported by the owner to the Corporation or to an agent of the Corporation (if any) acting on behalf of the Corporation, with a statement verified by oath or statutory declaration as to the defacement, destruction, theft or loss and the circumstances concerning the same and with a request for the issuance of a new security certificate to replace the one so defaced, destroyed, stolen or lost. Upon the giving to the Corporation (or, if there be an agent, hereinafter in this paragraph referred to as the "Corporation's agent", then to the Corporation and the Corporation's agent) of an indemnity bond of a surety company in such form as is approved by the directors or by the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer of the Corporation, indemnifying the Corporation (and the Corporation's agent if any) against all loss, damage and expense, which the Corporation and/or the Corporation's agent may suffer or be liable for by reason of the issuance of a new security certificate to such shareholder, and provided the Corporation or the Corporation's agent does not have notice that the security has been acquired by a bona fide purchaser, a new security certificate may be issued in replacement of the one defaced, destroyed, stolen or lost, if such issuance is ordered and authorized by any one of the Chairman of the Board (if any), the President, a Vice-President, the Secretary or the Treasurer of the Corporation or by resolution of the directors.

DIVIDENDS

56. The directors may from time to time by resolution declare and the Corporation may pay dividends on its issued shares, subject to the provisions (if any) of the Corporation's articles.

The directors shall not declare and the Corporation shall not pay a dividend if there are reasonable grounds for believing that:

- (a) the Corporation is, or, after the payment, would be unable to pay its liabilities as they become due; or
- (b) the realizable value of the Corporation's assets would thereby be less than the aggregate of its liabilities and stated capital of all classes.

The directors may declare and the Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and, subject to section 38 of the Act, the Corporation may pay a dividend in money or property.

57. In case several persons are registered as the joint holders of any securities of the Corporation, any one of such persons may give effectual receipts for all dividends and payments on account of dividends, principal, interest and/or redemption payments on redemption of securities (if any) subject to redemption in respect of such securities.

58. To the extent permitted by law, any dividend or other distribution that remains unclaimed after a period of two years from the date on which the dividend has been declared to be payable is forfeited and will revert to the Corporation.

RECORD DATES

59. Subject to section 95 of the Act, the directors may fix in advance a date as the record date for the determination of shareholders (i) entitled to receive payment of a dividend, (ii) entitled to participate in a liquidation or distribution, or (iii) for any other purpose except the right to receive notice of or to vote at a meeting of shareholders, but such record date shall not precede by more than 50 days the particular action to be taken.

If no record is fixed, the record date for the determination of shareholders for any purpose, other than to establish a record date for the determination of shareholders entitled to receive notice of a meeting of shareholders or to vote, shall be the close of business on the day on which the directors pass the resolution relating thereto.

VOTING SECURITIES IN OTHER ISSUERS

60. All securities of any other body corporate or issuer of securities carrying voting rights held from time to time by the Corporation may be voted at all meetings of shareholders, bondholders, debenture holders or holders of such securities, as the case may be, of such other body corporate or issuer and in such manner and by such person or persons as the directors of the Corporation shall from time to time determine and authorize by resolution. The duly authorized signing officers of the Corporation may also from time to time execute and deliver for and on behalf of the Corporation proxies and/or arrange for the issuance of voting certificates and/or other evidence of the right to vote in such names as they may determine without the necessity of a resolution or other action by the directors.

NOTICES, ETC.

61. Service. Any notice or other document required to be given or sent by the Corporation to any shareholder or director of the Corporation shall be delivered personally or sent by prepaid mail or by e-mail, fax or other electronic means that produces a written copy addressed to:
- (a) the shareholder at his or her latest address as shown on the records of the Corporation or its transfer agent; and
 - (b) the director at his or her latest address as shown in the records of the Corporation or in the last notice filed under the Corporations Information Act, whichever is the more current.

With respect to every notice or other document sent by prepaid mail it shall be sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed and put into a post office or into a post office letter box and shall be deemed to be received by the addressee on the fifth day after mailing.

62. If the Corporation sends a notice or document to a shareholder and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notices or documents to the shareholder until he or she informs the Corporation in writing of his or her new address.

63. Shares registered in more than one name. All notices or other documents shall, with respect to any shares in the capital of the Corporation registered in more than one name, be given to whichever of such persons is named first in the records of the Corporation and any notice or other document so given shall be sufficient notice or delivery of such document to all the holders of such shares.
64. Persons becoming entitled by operation of law. Every person who by operation of law, transfer or by any other means whatsoever shall become entitled to any shares in the capital of the Corporation shall be bound by every notice or other document in respect of such shares which prior to the name and address of the shareholder being entered on the records of the Corporation shall have been duly given to the person or persons from whom he or she derives their title to such shares.
65. Deceased shareholder. Any notice or other document delivered or sent by post or left at the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder be then deceased and whether or not the Corporation has notice of his or her decease, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with other persons) until some other person be entered in his or her stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or other document on his or her heirs, executors or administrators and all persons (if any) interested with him or her in such shares.
66. Signatures to notices. The signature of any director or officer of the Corporation to any notice may be written, printed or otherwise mechanically reproduced.
67. Computation of time. Where a given number of days' notice or notice extending over any period is required to be given under any provisions of the articles or by-laws of the Corporation, the day of service, posting or other communication of the notice shall not be counted in such number of days or other period, and such number of days or other period shall commence on the day following the day of service, posting or other communication of the notice and shall terminate at midnight of the last day of the period except that if the last day of the period falls on a Sunday or holiday the period shall terminate at midnight of the day next following that is not a Sunday or holiday.
68. Proof of service. A certificate of any officer of the Corporation in office at the time of the making of the certificate or of an agent of the Corporation as to facts in relation to the mailing or delivery or service of any notice or other documents to any shareholder, director, officer or auditor or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer or auditor of the Corporation, as the case may be.

CHEQUES, DRAFTS, NOTES, ETC.

69. All cheques, drafts or orders for the payment of money and all notes, acceptances and bills of exchange shall be signed by such officer or officers or other person or persons, whether or not officers of the Corporation, and in such manner as the directors may from time to time designate by resolution.

CUSTODY OF SECURITIES

70. All securities (including warrants) owned by the Corporation may, if the directors determine it to be appropriate, be lodged (in the name of the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the directors, with such other depositaries or in such other manner as may be determined from time to time by the directors.

All securities (including warrants) belonging to the Corporation may be issued and held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with right of survivorship) and shall be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

EXECUTION OF CONTRACTS, ETC.

71. Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed by any officer or director and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The directors are authorized from time to time by resolution to appoint any officer or director, or officers or directors, or any other person or persons on behalf of the Corporation either to sign contracts, documents or instruments in writing generally or to sign specific contracts, documents or instruments in writing.

The corporate seal of the Corporation may, when required, be affixed to contracts, documents or instruments in writing signed as aforesaid or by an officer or officers, person or persons appointed as aforesaid by resolution of the board of directors.

The term "contracts, documents or instruments in writing" as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, immovable or movable, powers of attorney, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writings.

In particular, without limiting the generality of the foregoing, such officers and/or directors are authorized to sell, assign, transfer, exchange, convert or convey all securities owned by or registered in the name of the Corporation and to sign and execute (under the seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such securities.

The signature or signatures of any such officer or director of the Corporation and/or of any other officer or officers, person or persons appointed as aforesaid by resolution of the directors may, if specifically authorized by resolution of the directors, be printed, engraved, lithographed or otherwise mechanically reproduced upon all contracts, documents or instruments in writing or bonds, debentures or other securities of the Corporation executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or securities of the Corporation on which the signature or signatures of any of the foregoing officers, directors or persons shall be so reproduced, by authorization by resolution of the directors, shall be deemed to have been manually signed by such officers, directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and

notwithstanding that the officers, directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or securities of the Corporation.

ENFORCEMENT OF LIEN FOR INDEBTEDNESS

72. Unless the Corporation has shares listed on a stock exchange recognized by the Ontario Securities Commission, the Corporation has a lien on shares registered in the name of a shareholder or their legal representative for a debt of that shareholder to the Corporation. The directors of the Corporation may authorize the Corporation to apply any dividends or other distributions paid or payable on or in respect of the share or shares in respect of which the Corporation has such a lien in repayment of the debt of that shareholder to the Corporation.

FINANCIAL YEAR

73. The financial year of the Corporation shall terminate on such day in each year as the board of directors may from time to time by resolution determine.

PARAMOUNTCY

74. In the event of any conflict between any provision of this by-law and the Act or the articles, the provision of the Act or the articles shall prevail.

REPEAL

75. All previous by-laws of the Corporation are repealed as of the coming into force of this by-law provided that such repeal shall not affect the previous operation of any by-law so repealed or affect the validity of any act done or right, privilege, obligation, or liability acquired or incurred under or the validity of any contract or agreement made pursuant to any such by-law prior to its repeal. All officers and persons acting under any by-law so repealed shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or the board with continuing effect passed under any repealed by-law shall continue to be valid except to the extent inconsistent with this by-law and until amended or repealed.

ENACTED the 9th day of July, 2020 and confirmed by the shareholders the ____ day of _____, 2020.

WITNESS the corporate seal of the Corporation.

APPENDIX "B"

AUDIT COMMITTEE CHARTER

(see attached)

BHANG INC.

AUDIT COMMITTEE CHARTER

A. Nature and Scope of the Audit Committee

The Audit Committee (the "**Committee**") is a standing committee appointed by the Board of Directors (the "**Board**"), and is established to fulfill applicable public company obligations respecting audit committees. The Board has delegated to the Committee certain of its responsibilities for oversight of the financial reporting process to ensure that the audit function is conducted independently of the Corporation's management ("**Management**").

The function of the Committee is oversight. It is not the duty or responsibility of the Committee or its members (i) to plan or conduct audits, (ii) to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles or (iii) to conduct other types of auditing or accounting reviews or similar procedures or investigations. The Committee and its Chair are members of the Board of the Corporation, appointed to the Committee by the Board to provide broad oversight of the financial, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day to day operation or performance of such activities.

Management is responsible for the preparation, presentation and integrity of the Corporation's financial statements. Management is also responsible for maintaining appropriate accounting and financial reporting principles and policies and systems of risk assessment and internal controls and procedures designed to provide reasonable assurance that assets are safeguarded and transactions are properly authorized, recorded and reported and to assure the effectiveness and efficiency of operations, the reliability of financial reporting and compliance with accounting standards and applicable laws and regulations. Management will monitor and report on the adequacy and effectiveness of the system of internal controls. The external auditors are responsible for planning and carrying out an audit of the Corporation's annual financial statements in accordance with generally accepted auditing standards in order to provide reasonable assurance that, among other things, such financial statements are in accordance with generally accepted accounting principles.

Except as set out below, the Committee does not have decision-making authority but rather conveys its findings and recommendations to the Board for consideration and decision by the Board.

B. Procedures, Powers and Duties

The Committee shall have the following procedures, powers and duties:

1. **General**

- (a) *Composition* - The Committee shall be composed of at least three (3) members. The majority of the members of the Committee shall be "independent" directors (as that term is defined from time to time under the requirements or guidelines for audit committee service under applicable securities laws). Committee members shall serve for a term of one (1) year unless they resign, and may be re-appointed to serve consecutive terms. A member of the Committee shall be the secretary of

the Committee and shall act as secretary at any meeting of the Committee, and if the secretary is absent, the Chair of the meeting shall appoint a person, who need not be a director, to act as secretary of the meeting.

All members of the Committee must be "financially literate" (as that term is defined from time to time under the requirements or guidelines for audit committee service under applicable securities laws), subject to an available exemption in applicable securities laws.

- (b) *Appointment and Replacement of Committee Members* - Any member of the Committee may be removed or replaced at any time by the Board and shall automatically cease to be a member of the Committee upon ceasing to be a director. The Board may fill vacancies on the Committee by appointing another director to the Committee. The Board shall fill any vacancy if the membership of the Committee is less than three directors. Whenever there is a vacancy on the Committee, the remaining members may exercise all its power as long as a quorum remains in office. Subject to the foregoing, the members of the Committee shall be appointed by the Board annually and each member of the Committee shall remain on the Committee until the next annual meeting of shareholders after his or her election or until his or her successor shall be duly elected and qualified.
- (c) *Committee Chair* - Unless a Chair of the Committee is designated by the full Board, the members of the Committee may designate the Chair by majority vote of the full Committee. The Chair of the Committee shall be responsible for leadership of the Committee, including preparing the agenda, presiding over the meetings, making committee assignments and reporting to the Board. If the Chair is absent, the Committee members shall choose one (1) of their number to be Chair.
- (d) *Conflicts of Interest* - If a Committee member faces a potential or actual conflict of interest relating to a matter before the Committee, that member shall be responsible for alerting the Committee Chair. If the Committee Chair faces a potential or actual conflict of interest, the Committee Chair shall advise the Chair of the Board. If the Committee Chair, or the Chair of the Board, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict shall disclose to the Committee the member's interest and shall not participate in consideration of the matter and shall not vote on the matter.
- (e) *Compensation of Committee Members* - The members of the Committee shall be entitled to receive such remuneration for acting as members of the Committee as the Board may from time to time determine. No member of the Committee shall receive from the Corporation or any of its affiliates any compensation for acting as member of the Committee other than the fees to which he or she is entitled as a director or a member of a committee of the board of the Corporation or any of its affiliates.
- (f) *Quorum and Meetings* - A majority of the members of the Committee shall constitute a quorum for the transaction of business at any meeting of the Committee. The Committee shall meet at least four (4) times per year, and may meet more often if required.

- (g) *Separate Executive Meetings* - The Committee shall meet periodically with the Chief Financial Officer and the external auditors in separate executive sessions to discuss any matters that the Committee or each of these individuals or groups believes should be discussed privately, and such persons shall have unrestricted access to the Committee to bring forward matters requiring the Committee's attention. However, the Committee may also meet periodically without management present.
- (h) *Process* - The Committee shall establish its own procedures, including the timing and place of meetings and such other procedures as it considers necessary or advisable. The Chair shall approve the agenda for the meetings and ensure that properly prepared agenda materials are circulated to members with sufficient time for study prior to a meeting.
- (i) *Professional Assistance* - The Committee may require the external auditors to perform such supplemental reviews or audits as the Committee may deem desirable. In addition, the Committee may retain at the Corporation's expense such special legal, accounting, financial or other consultants (and determine their compensation) as the Committee may determine to be necessary to carry out its duties.
- (j) *Reliance* - Absent actual knowledge to the contrary (which shall be promptly reported to the Board), each member of the Committee shall be entitled to rely on (i) the integrity of those persons or organizations within and outside the Corporation from whom it receives information, (ii) the accuracy of the financial and other information provided to the Committee by such persons or organizations and (iii) representations made by Management and the external auditors as to any information technology, internal audit and other non-audit services provided by the external auditors to the Corporation and its subsidiaries.
- (k) *Reporting to the Board* - The minutes of Committee meetings shall accurately record the significant discussions of and decisions made by the Committee, including all recommendations to be made by the Committee to the Board, and shall be distributed to Committee members, with copies to the Chief Executive Officer of the Corporation and to the external auditors.
- (l) *Powers of the Committee* -
 - (i) *Access* - The Committee is entitled to full access to all books, records, facilities, and personnel of the Corporation and its subsidiaries. The Committee may require such officers, directors and employees of the Corporation and its subsidiaries and others as it may see fit from time to time to provide any information about the Corporation and its subsidiaries it may deem appropriate and to attend and assist at meetings of the Committee;
 - (ii) *Delegation* - The Committee may delegate from time to time to any person or committee of persons any of the Committee's responsibilities that lawfully may be delegated; and

- (iii) *Adoption of Policies and Procedures* - The Committee may adopt policies and procedures for carrying out its responsibilities.

2. Responsibilities of the Committee - External Auditors

- (a) *Selection and Oversight of the External Auditors*
 - (i) The external auditors are ultimately accountable to the Committee and the Board as the representatives of the shareholders of the Corporation and the Committee shall so instruct the external auditors. The external auditors must report directly to the Committee and the Committee shall have authority to communicate directly with the external auditors. The Committee shall evaluate the performance of the external auditors and make recommendations to the Board on the reappointment or appointment of the external auditors of the Corporation to be proposed in the Corporation's management proxy circular for shareholder approval and shall have authority to make recommendations regarding the interim filling of vacancies arising due to auditor resignation.
 - (ii) The Committee shall recommend the terms of engagement and the compensation to be paid by the Corporation to the external auditors with respect to the conduct of the annual audit. The Committee shall adopt policies and procedures for the pre-approval by a Committee member of non-audit services to be rendered by the external auditors, which policies and procedures shall (i) include reasonable detail with respect to the services covered; (ii) require that the Committee be informed of each non-audit service; and (iii) not include delegation of the Committee's responsibilities to Management. Any preapproval of non-audit services by a Committee member must be disclosed to the full Committee at its next scheduled meeting. All non-audit services to be provided to the Corporation or any of its affiliates by the external auditors or any of their affiliates which are not covered by pre-approval policies and procedures adopted by the Committee shall be subject to pre-approval by the Committee, and such authority to pre-approve non-audit services may be delegated to one (1) or more Committee members.
 - (iii) The Committee shall review, as it deems necessary, the independence of the external auditors and shall make recommendations to the Board on appropriate actions to be taken which the Committee deems necessary to protect and enhance the independence of the external auditors. In connection with such review, the Committee shall:
 - (a) actively engage in a dialogue with the external auditors about all relationships or services that may impact the objectivity and independence of the external auditors;
 - (b) require that the external auditors, as the Committee deems necessary, submit a formal written statement delineating all relationships between the Corporation and its subsidiaries, on the one hand, and the external auditors and their affiliates on the other hand;

- (c) obtain from the external auditors confirmation of compliance with standards promulgated by applicable auditing regulatory and professional bodies standards, including compliance with prohibitions on the provision of certain non-audit services by external auditors to the Corporation and its affiliates; and
- (d) review and approve the disclosure in the management information circular of the fees paid in the financial year to the external auditors by category.
- (iv) The Committee shall review and approve policies of the Corporation restricting the hiring by the Corporation of employees or former employees of current and former external auditors.
- (v) The Committee shall require the external auditors to provide to the Committee, and the Committee shall review and discuss with the external auditors, all reports which the external auditors are required to provide to the Committee or the Board under rules, policies or practices of professional or regulatory bodies applicable to the external auditors, and any other reports which the Committee may require. Such reports shall include:
 - (a) a description of the external auditors' internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review, of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five (5) years, respecting one (1) or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues; and
 - (b) a report describing (i) all critical accounting policies and practices to be used in the annual audit, (ii) all alternative treatments of financial information within generally accepted accounting principles related to material items that have been discussed with Management, ramifications of the use of such alternative disclosures and treatments, and the treatment preferred by the external auditors and (iii) other material written communication between the external auditors and Management, such as any management letter or schedule of unadjusted differences.
- (vi) The Committee shall be directly responsible for overseeing the work of the external auditors engaged for the purpose of preparing an audit report, or other audit, review or attest services for the Corporation. The Committee shall be responsible for resolving disagreements between Management and the external auditors regarding financial reporting.

3. Oversight and Monitoring of Audits

- (a) The Committee shall discuss with the external auditors any difficulties or disputes that arose with Management during the course of the audit and the adequacy of Management's responses in correcting audit-related deficiencies.

- (b) The Committee shall review with Management the results of external audits and any internal audits which may be completed.

4. Oversight and Review of Accounting Principles and Practices

- (a) The Committee shall, as it deems necessary, oversee, review and discuss with Management and the external auditors:
 - (i) the quality, appropriateness and acceptability of the Corporation's accounting principles and practices used in its financial reporting, changes in the Corporation's accounting principles or practices and the application of particular accounting principles and disclosure practices by Management to new transactions or events;
 - (ii) all significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including the effects of alternative methods within generally accepted accounting principles on the financial statements and any "second opinions" sought by Management from an independent auditor with respect to the accounting treatment of a particular item;
 - (iii) disagreements between Management and the external auditors regarding financial reporting or the application of any accounting principles or practices and resolve such disputes;
 - (iv) any material change to the Corporation's auditing and accounting principles and practices as recommended by Management or the external auditors or which may result from proposed changes to applicable generally accepted accounting principles;
 - (v) the effect of regulatory and accounting initiatives on the Corporation's financial statements and other financial disclosures;
 - (vi) any legal matter, claim or contingency that could have a significant impact on the financial statements (including tax assessments), the Corporation's compliance policies and any material reports, inquiries or other correspondence received from regulators or governmental agencies and the manner in which any such legal matter, claim or contingency has been disclosed in the Corporation's financial statements;
 - (vii) the treatment for financial reporting purposes of any significant transactions which are not a normal part of the Corporation's operations; and
 - (viii) the use of any "pro forma" or "adjusted" information not in accordance with generally accepted accounting principles.

5. Oversight and Monitoring of Internal Controls

- (a) The Committee shall, as it deems necessary, exercise oversight of, review and discuss with Management and the external auditors:

- (i) the adequacy and effectiveness of the Corporation's internal accounting and financial controls and the recommendations of Management and the external auditors for the improvement of accounting practices and internal controls;
- (ii) any material weaknesses in the internal control environment, including with respect to computerized information system controls and security; and
- (iii) Management's compliance with the Corporation's processes, procedures and internal controls.

6. Communications with Others

- (a) The Committee shall establish and monitor procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or audit matters, and for the anonymous submission by employees of concerns regarding questionable accounting or auditing matters, including the Corporation's Whistleblower Policy. The Committee shall periodically review these procedures and any significant complaints received with Management, and the external auditors.

7. Oversight and Monitoring of the Corporation's Financial Disclosures

- (a) The Committee shall:
 - (i) prior to the release of any summary of interim financial results, including any associated press release or the filing of such report with the applicable regulators, review with Management and the external auditors the Corporation's interim consolidated financial statements and related MD&A and associated press release;
 - (ii) review with Management and the external auditors the Corporation's annual audited consolidated financial statements and related MD&A and associated press release, and report on the results of such review to the full Board prior to the approval and release to shareholders of such results by the Board;
 - (iii) review with Management and the external auditors the Corporation's annual report and any financial information of the Corporation not previously reviewed by the Committee and approved and released by the Board contained or incorporated by reference in any prospectus, management proxy circular, offering memoranda or government or regulatory filing of the Corporation, and shall report on the results of such review to the full Board prior to the approval and release of such results by the Board; and
 - (iv) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure documents that contain information extracted or derived from the Corporation's audited and unaudited financial

statements, (other than the documents referred to above), and periodically assess the adequacy of those procedures and systems.

- (b) As part of the process by which the Committee shall satisfy itself as to the reliability of the public disclosure documents that contain audited and unaudited financial information, the Committee shall require each of the Chief Executive Officer and the Chief Financial Officer to provide a certificate certifying in respect of each annual and quarterly report the matters such officers are required to certify in connection with the filing of such reports under applicable securities laws.

8. Oversight of Finance Matters

- (a) Appointments of the key financial executives involved in the financial reporting process of the Corporation, including the Chief Financial Officer, shall require the prior review of the Committee.

9. Additional Responsibilities

- (a) The Committee shall review and/or approve any other matter specifically delegated to the Committee by the Board and undertake on behalf of the Board such other activities as may be necessary or desirable to assist the Board in fulfilling its oversight responsibilities with respect to financial reporting.

C. Performance Evaluation

The Committee shall review and reassess the adequacy of this Charter annually or otherwise as it deems appropriate and recommend changes to the Board. The performance of the Committee shall be periodically evaluated with reference to this Charter and otherwise as required under applicable securities laws or stock exchange rules.

The Committee shall ensure that this Charter, as approved by the Committee, is disclosed in accordance with all applicable securities laws or regulatory requirements in the Corporation's annual management proxy circular and AIF.