



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**TO BE HELD ON NOVEMBER 20, 2018**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**DATED OCTOBER 17, 2018**



# NATIONAL ACCESS CANNABIS CORP.

56 Aberfoyle Crescent  
Toronto, Ontario M8X 2W4

## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the “**Meeting**”) of holders (the “**Shareholders**”) of common shares (“**Common Shares**”) of National Access Cannabis Corp. (“**NAC**” or the “**Corporation**”) will be held at the office of Borden Ladner Gervais LLP at 1900, 520 – 3<sup>rd</sup> Avenue SW, Calgary, Alberta on November 20, 2018, at 9:00 a.m. (Calgary time), for the following purposes:

1. to receive the audited financial statements of NAC for the financial year ended August 31, 2017, together with the notes thereto and the auditors’ report thereon;
2. to fix the number of directors to be elected for the ensuing year at five (5);
3. to elect the board of directors of NAC (the “**Board**”) for the ensuing year;
4. to appoint MNP LLP, Chartered Accountants, as auditors of NAC for the ensuing year, at a remuneration to be fixed by the Board;
5. to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying information circular prepared for the purposes of the Meeting (“**Information Circular**”), approving NAC’s stock option plan;
6. to consider, and if deemed advisable, to approve, with or without variation, a special resolution to amend the articles of the Corporation to permit meetings of the Shareholders to be held at any location in any Province of Canada;
7. to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying Information Circular, to approve, adopt, ratify and confirm the repeal and replacement of the by-laws of the Corporation; and
8. to transact such further and other business as may properly be brought before the Meeting or any adjournment thereof.

The details of all matters proposed to be put before the Shareholders at the Meeting are set forth in the Information Circular accompanying this Notice of Meeting.

**A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be received by TSX Trust Company, Attention: Proxy Department, 301 -100 Adelaide Street West, Toronto, Ontario M5H 4H1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the Meeting or any adjournment or postponement thereof. Registered Shareholders may also use the internet (www.voteproxyonline.com) to transmit their voting instructions.**

**The proxyholder has discretion under the accompanying form of proxy to consider such further and other business as may properly be brought before the Meeting or any adjournment thereof. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.**

If you are an unregistered holder of Common Shares and receive these materials through your broker or through another intermediary, please complete the form of proxy or voting instruction form provided to you by your broker

or other intermediary in accordance with the instructions provided therein. Late forms of proxy may be accepted or rejected by the Chairman of the Meeting in his sole discretion and the Chairman is under no obligation to accept or reject any particular late form of proxy.

The record date for the Meeting has been fixed at the close of business on October 23, 2018 (the “**Record Date**”). Only Shareholders of record as at the Record Date are entitled to receive notice of the Meeting. Shareholders of record will be entitled to vote those Common Shares included in the list of Shareholders prepared as at the Record Date. If a Shareholder transfers Common Shares after the Record Date and the transferee of those Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that the transferee owns such Common Shares, demands, at least 10 days before the Meeting, that the transferee’s name be included in the list of Shareholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Common Shares at the Meeting.

**DATED** at the City of Calgary, in the Province of Alberta, this 17<sup>th</sup> day of October, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
NATIONAL ACCESS CANNABIS CORP.**

*(signed) “Mark Goliger”*

---

**Mark Goliger**

**Chief Executive Officer and Director**

**ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON TUESDAY NOVEMBER 20, 2018**

**MANAGEMENT INFORMATION CIRCULAR**

**GENERAL**

This management information circular (the “**Information Circular**”) is furnished to holders (“**Shareholders**”) of common shares (“**Common Shares**”) of National Access Cannabis Corp. (the “**Corporation**”) in connection with the solicitation of proxies by the management of the Corporation for use at the annual and special meeting (the “**Meeting**”) of Shareholders to be held at the offices of Borden Ladner Gervais LLP at 1900, 520 – 3<sup>rd</sup> Avenue SW, Calgary, Alberta, on Tuesday, November 20, 2018, at 9:00 a.m. (Calgary Time), and at any adjournment or postponement thereof, for the purposes set forth in the accompanying Notice of Annual and Special Meeting (the “**Notice of Meeting**”).

The information contained herein is given as of October 17, 2018, except where otherwise indicated. Enclosed herewith is an instrument of proxy for use at the Meeting. Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and Shareholders are urged to vote on matters to be considered in person or by proxy.

**PERSONS MAKING THE SOLICITATION**

This solicitation is made on behalf of the management of the Corporation. The costs incurred in the preparation of both the form of proxy and this Information Circular will be borne by the Corporation. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication by directors, officers, employees or agents of the Corporation who will not be directly compensated therefor. Any third party costs thereof will be borne by the Corporation.

The Corporation will not be providing the Notice of Meeting, the Information Circular or the form of proxy to registered Shareholders or Beneficial Shareholders (as defined herein) through the use of notice-and-access, as such term is defined in NI 54-101.

**PROXY RELATED INFORMATION**

**Appointment and Revocation of Proxies**

Those Shareholders desiring to be represented at the Meeting by proxy must deposit their respective forms of proxy with TSX Trust Company (“**TSX Trust**”), Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the Meeting or any adjournment or postponement thereof. A proxy must be executed by the Shareholder or by his attorney authorized in writing, or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized. A proxy is valid only at the Meeting in respect of which it is given or any adjournment or postponement of the Meeting.

Registered Shareholders may also use the internet ([www.voteproxyonline.com](http://www.voteproxyonline.com)) to vote their Common Shares. Shareholders will be prompted to enter the control number which is located on the form of proxy when voting by the internet. Votes by the internet must be received not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Alberta) prior to the time of the Meeting or any adjournment or postponement thereof. The internet may also be used to appoint a proxyholder to attend and vote at the Meeting on the Shareholder’s behalf and to convey a Shareholder’s voting instructions.

**The persons named in the enclosed form of proxy are officers and directors of the Corporation. Each Shareholder submitting a proxy has the right to appoint a person, who need not be a Shareholder, to represent him or it at the Meeting other than the persons designated in the form of proxy furnished by the Corporation. A Shareholder may exercise this right by inserting the name of the desired representative in the blank space provided in the form of proxy or by completing another form of proxy and, in either case, depositing the proxy with TSX Trust, at the place and within the time specified above for the deposit of proxies.**

A Shareholder who has submitted a proxy may revoke it at any time prior to the exercise thereof. If a person who has given a proxy attends personally at the Meeting at which such proxy is to be voted, such person may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or by the Shareholder's attorney authorized in writing (or if the Shareholder is a corporation, under its seal or by an officer or attorney thereof duly authorized), deposited at TSX Trust Company, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof or with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof, and upon either of such deposits, the proxy is revoked.

### **Exercise of Discretion**

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the Shareholder where voting is by way of a show of hands or by ballot and, if the Shareholder specifies a choice with respect to any matter to be voted upon, the Common Shares represented by the proxy will be voted in accordance with such instructions. **In the absence of any such instructions, the persons whose names appear on the enclosed form of proxy will vote in favour of the matters set forth in the Notice of Meeting and in this Information Circular.**

**The enclosed form of proxy confers discretionary authority on the persons named therein with respect to any amendments or variations of those matters specified in the form of proxy and Notice of Meeting and with respect to any other matters which may be properly brought before the Meeting or any adjournment or postponement thereof. If any such amendment, variation or other matter should come before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote such proxies in accordance with their best judgment, unless the Shareholder has specified to the contrary or that Common Shares are to be withheld from voting. At the time of printing this Information Circular, management of the Corporation knows of no such amendment, variation or other matter.**

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set forth in this section is of significant importance to many shareholders, as a substantial number of shareholders do not hold Common Shares in their own name.** Shareholders who do not hold their Common Shares in their own name (referred to herein as “**Beneficial Shareholders**”) are advised that only proxies from shareholders of record can be recognized and voted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity.

There are two kinds of Beneficial Shareholders – those who object to their name being made known to the issuers of securities which they own (called “**OBOs**” for Objecting Beneficial Owners) and those who do not object to the issuers of securities they own knowing who they are (called “**NOBOs**” for Non-Objecting Beneficial Owners).

The Corporation has decided to take advantage of those provisions of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) that permit it to directly deliver proxy-related materials to NOBOs of the Corporation who have not waived the right to receive such materials. As a result, NOBOs of the Corporation can expect to receive a form of proxy from the Corporation's registrar and transfer agent, TSX Trust. These proxies are to be completed and returned to TSX Trust following the instructions provided in the form. TSX Trust will tabulate the results of the proxies received from NOBOs and will provide appropriate instructions at the Meeting with respect to the Common Shares represented by the proxies received by it. Should a NOBO of the Corporation wish to vote at the Meeting in person, the NOBO must, as set forth in the form of proxy, print their name in the Appointee box and return it to TSX Trust. This will grant the NOBO the right to attend the Meeting and vote in person. NOBOs of the Corporation that wish to change their vote must, in sufficient time in advance of the Meeting, contact TSX Trust to change their vote. These securityholder materials are being sent to registered and nonregistered owners of the securities. If you are a non-registered owner, and the Corporation or its

agent has sent these materials directly to you, your name, address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the securities on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for: (i) delivering these materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from OBOs in advance of the Meeting. Every intermediary/broker has its own mailing procedures and provides its own return instructions which should be carefully followed by OBOs in order to ensure that their Common Shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). The Corporation does not know the names of the OBOs. As a result, OBOs will not be recognized at the Meeting for the purposes of voting their Common Shares in person or by proxy, without following the procedures set out by their broker or its agent. Broadridge typically mails the proxy-related materials to the OBOs along with a scannable voting instruction form (“**VIF**”). The OBO is requested to complete and return their voting instructions to them as directed. Broadridge then tabulates the results of all instructions received and provides the appropriate instructions respecting the voting of the Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a VIF cannot use that VIF to vote Common Shares directly at the Meeting as the Beneficial Shareholder’s voting instructions must be returned, as directed, well in advance of the Meeting in order to have 4 the Common Shares voted. Beneficial Shareholders may revoke their VIFs in accordance with the procedure established by their broker or its agent. Management of the Corporation does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the Meeting materials and Form 54-101F7 – *Request for Voting Instructions Made by Intermediary*, and in the case of an OBO, the OBO will not receive the Meeting materials unless the OBO’s intermediary assumes the cost of delivery.

If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance. All references to shareholders in this Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to shareholders of record, unless specifically stated otherwise.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

### **Voting Rights**

The authorized share capital of the Corporation consists of an unlimited number of Common Shares without nominal or par value and an unlimited number of preferred shares (“**Preferred Shares**”) without nominal or par value and issuable in series. As at the date of this Information Circular, 159,308,933 Common Shares and no Preferred Shares are issued and outstanding. Each Common Share carries the right to one vote on any matter properly coming before the Meeting or any adjournment or postponement thereof.

### **Record Date**

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting or any adjournment or postponement thereof is October 23, 2018 (the “**Record Date**”).

The Corporation will prepare or cause to be prepared a list of the Shareholders recorded as holders of Common Shares on its register of Shareholders as of the close of business on the Record Date, each of whom shall be entitled to vote the Common Shares shown opposite their name on the list at the Meeting or any adjournment or postponement thereof, except to the extent that: (i) any such Shareholder has transferred ownership of any of their Common Shares subsequent to the Record Date; and (ii) the transferee produces properly endorsed share certificates evidencing the transfer or otherwise establishes that the transferee owns the transferred Common Shares and demands, not later than ten (10) days before the Meeting, that they be included on the list of Shareholders entitled to vote at the Meeting, in which case the transferee will be entitled to vote the transferred Common Shares at the Meeting or any adjournment or postponement thereof.

In addition, persons who are Beneficial Shareholders as of the Record Date will be entitled to exercise their voting rights in accordance with the procedures established under NI 54-101. See “*Advice to Beneficial Shareholders*”.

## Principal Holders of Common Shares

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

## Quorum

Under the by-laws of the Corporation, a quorum of Shareholders is present at a meeting if at least two individuals are present in person, each of whom is entitled to vote at a meeting, and who hold or represent by proxy in the aggregate not less than five percent of the total number of shares entitled to be voted at the meeting. If any share entitled to be voted at a meeting of Shareholders is held by two or more persons jointly, the persons or those of them who attend the meeting of Shareholders constitute only one Shareholder for the purpose of determining whether a quorum of Shareholders is present.

## MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the board of directors of the Corporation (the “**Board**”), the only matters to be brought before the Meeting are those matters set forth in the Notice of Meeting.

### 1. Financial Statements

At the Meeting, the audited financial statements of the Corporation for the financial year ended August 31, 2017, together with the notes thereto and the auditors’ report thereon (the “**Financial Statements**”), will be presented. Shareholder approval of the Financial Statements is not required and no formal action will be taken at the Meeting to approve the Financial Statements.

In accordance with applicable laws, the Financial Statements have been delivered to Beneficial Shareholders who have requested copies of the Corporation’s annual financial statements and to registered Shareholders who have not informed the Corporation in writing that they do not wish to receive copies of annual financial statements of the Corporation. The Financial Statements are available on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com) under the Corporation’s profile.

### 2. Fixing Number of Directors to be Elected at the Meeting

At the Meeting, it will be proposed that five (5) directors be elected to hold office for the next ensuing year, subject to the provisions of the articles of the Corporation (the “**Articles**”) relating to subsequent appointments by the Board. Management therefore intends to place before the Meeting, for approval, with or without modification, a resolution fixing the number of directors to be elected until the next annual meeting of Shareholders, subject to the Articles of the Corporation relating to subsequent appointments by the Board, at five (5) members. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the fixing of the number of directors is as follows:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the shareholders of National Access Cannabis Corp. (the “**Corporation**”) that:

1. the number of directors to be elected at the Meeting for the ensuing year or otherwise as authorized by the shareholders of the Corporation be and is hereby fixed at five (5); and
2. any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of**

**proxy to vote proxies in favour of the ordinary resolution fixing the number of directors to be elected at the Meeting at five (5).**

### **3. Election of Directors**

The Corporation currently has five (5) directors, all of whom are being nominated for re-election. At the Meeting, Shareholders will be asked to elect the five (5) nominees set forth in the table below as directors of the Corporation, to hold office until the next annual general meeting of Shareholders or until their successors are duly elected or appointed. Each of the nominees elected as a director of the Corporation will hold office until the next annual general meeting of Shareholders or until his/her successor is duly elected or appointed or his or her office is vacated earlier in accordance with the Articles and the provisions of the *Business Corporations Act* (Alberta).

Each director nominee will be elected on an individual basis and not as a member of a slate. Management does not contemplate that any of such nominees will be unable to serve as directors.

The following is a brief description of the nominees, including the name and province or state and country of residence of each of the nominees, the date each first became a director of the Corporation, their principal occupation during the past five (5) years and the number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each of the foregoing as of the date of this Information Circular.

**The Board believes the election of the below named nominees as directors of the Corporation is in the best interests of the Corporation, and recommends that the Shareholders vote IN FAVOUR of electing the nominees. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the election of the nominees set forth in the table below as directors of the Corporation.**

<u>Name and Municipality of Residence</u>	<u>Director Since</u>	<u>Principal Occupation for Past Five Years</u>	<u>Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly<sup>(1)</sup></u>
Rocco Meliambro <sup>(2)</sup> <i>Ontario, Canada</i>	August 30, 2017	Mr. Meliambro has been a self-employed business consultant from 2000 to present.	9,676,860
Marc Lustig <sup>(2)</sup> <i>British Columbia, Canada</i>	August 30, 2017	Mr. Lustig has been the chief executive officer of CannaRoyalty Corp. from 2014 to present. Prior to this, he was the head of capital investments of Dundee Capital Markets from 2012 to 2014.	500,000
Christian Sinclair <sup>(2)</sup> <i>Manitoba, Canada</i>	January 26, 2018	Mr. Sinclair has been the Chief of Opaskawayak Cree Nation from 2016 to present. He was self-employed from 2014 to 2016 and was a director of Cree Construction Business Consultant from 2006 to 2014.	Nil
Felipe Campusano, <i>Ontario, Canada</i>	May 7, 2018	Mr. Campusano has been self-employed as a pharmacist since 2002.	553,351
Mark Goliger <sup>(3)</sup> <i>Ontario, Canada</i>	September 10, 2018	Mr. Goliger has been the chief executive officer of the Corporation from 2017 to present. He has also been the director of Next Innovations from 2008 to present. Mr. Goliger acted as chief operating officer of Qualicare Family Home Care from 2016 to 2017 and as chief operating officer of Right At Home Canada from 2012 to 2016.	1,500,000

**Notes:**

- (1) Information respecting the number of Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, as at the date of this Information Circular has been furnished to the Corporation by the above named individuals.
- (2) Member of the audit committee of the Corporation.
- (3) Mark Goliger has acted as Chief Executive Officer of the Corporation since August 30, 2017.

*Cease Trade Orders*

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation), that: (i) was subject to a cease trade order (including a management 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, in each case that was in effect for a period of more than thirty (30) consecutive days (collectively, an “**Order**”), that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

*Bankruptcies*

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons): (i) is, as at the date of this Information Circular, or has been within ten (10) years before the date of this Information 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 the ten (10) years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

*Penalties and Sanctions*

To the knowledge of the Corporation, no proposed director of the Corporation (nor any personal holding company of any of such persons) has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

**4. Appointment of Auditors**

Management of the Corporation intends to nominate MNP LLP (“**MNP**”), Chartered Accountants, of Ottawa, Ontario, for appointment as the auditors of the Corporation, to hold office for the ensuing year until the close of the next annual general meeting of Shareholders or until MNP is removed from office or resigns, at a remuneration to be fixed by the Board. MNP have been the auditors of the Corporation since August 30, 2017.

At the Meeting, shareholders will be asked to pass an ordinary resolution appointing MNP to serve as auditors of the Corporation to hold office until the close of the next annual meeting of shareholders or until such firm is removed from office or resigns as provided by law, at a remuneration to be fixed by the Board.

**The Board believes the appointment of MNP as auditors of the Corporation is in the best interests of the Corporation, and recommends that the Shareholders vote IN FAVOUR of appointing MNP as the auditors of the Corporation. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the appointment of MNP as auditors of the Corporation.**

## 5. Approval of the Stock Option Plan

Pursuant to the policies of the TSX Venture Exchange (“TSXV”), listed issuers are permitted to have “rolling” stock option plans reserving a maximum of 10% of the issued shares of the listed issuer at the time of the stock option grant (“**Rolling Plan**”). The incentive stock option plan of the Corporation (“**Option Plan**”) is considered to be a Rolling Plan. The policies of the TSXV require that Rolling Plans be approved annually by the shareholders of listed issuers. That approval is being sought at the Meeting and accordingly shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution approving the Option Plan for the ensuing year. For a discussion of the other terms of the Option Plan, see “*Statement of Executive Compensation – Compensation Discussion and Analysis – Director and named executive officer compensation, including compensation securities – Stock option plans and other incentive plans*”.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Option Plan is as follows:

“**BE IT HEREBY RESOLVED** as an ordinary resolution of the shareholders of National Access Cannabis Corp. (the “**Corporation**”) that:

1. the stock option plan (the “**Option Plan**”) of the Corporation, substantially in the form attached as Schedule “A” to the information circular of the Corporation dated October 17, 2018, be and is hereby approved and adopted as the stock option plan of the Corporation;
2. the form of Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Corporation; and
3. any officer or director of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute, deliver and file all such documents and to take all such other action(s) as may be deemed necessary or desirable for the implementation of this resolution and any matters contemplated thereby.”

The foregoing special resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution approving the Option Plan for the ensuing year.**

## 6. Amendment of Articles – Location of Meetings of Shareholders

At the Meeting, the Shareholders will be asked to approve a special resolution (being a resolution passed by not less than 66 2/3% of the votes cast by those Shareholders of the Corporation who, being entitled to do so, vote in person or by proxy at the Meeting) authorizing an amendment to the Corporation’s articles to permit meetings of shareholders to be held outside of Alberta pursuant to subsection 131(4) of the Business Corporations Act (*Alberta*) (“**ABCA**”). As the shareholder base of the Corporation has broadened geographically, this will provide greater flexibility to the Corporation to hold meetings of shareholders at locations outside of Alberta from time to time.

The text of the special resolution which management intends to place before the Meeting to approve the amendment to the Corporation’s articles is as follows:

“**BE IT HEREBY RESOLVED** as a special resolution of the shareholders of the National Access Cannabis Corp. (the “**Corporation**”) that:

1. the articles of the Corporation be amended to provide that meetings of shareholders of the Corporation may be held at any location in any Province of Canada as set forth in the information circular of the Corporation dated October 17, 2018; and
2. any officer or director of the Corporation be and is hereby authorized and directed for and on behalf of the Corporation (whether under its corporate seal or otherwise) to execute, deliver and file all such documents (including Articles of Amendment) and to take all such other action(s) as may be deemed necessary or

desirable for the implementation of this special resolution, provided that the directors of the Corporation may, in their sole discretion and without further approval of the shareholders, revoke and rescind the foregoing resolution before it is acted upon.”

The foregoing ordinary resolution must be approved by not less than 66 2/3% of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the above resolution is in the best interests of the Corporation and recommends that the Shareholders vote IN FAVOUR of the resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the special resolution approving the amendment to the articles.**

## 7. Confirmation of Repeal and Replacement of the Corporation’s By-laws

At the Meeting, Shareholders will be asked to approve an ordinary resolution (being a resolution passed by a majority of the votes cast by those Shareholders who, being entitled to do so, vote in person or by proxy at the Meeting) confirming the repeal and replacement of the Corporation’s by-laws.

On October 17, 2018, the Board approved the repeal and replacement of the Corporation’s by-laws to reflect technological advancements and general corporate practices including advance notice provisions regarding the nomination of directors and electronic voting as summarized below. A copy of the new by-laws (the “**New By-laws**”) is attached as Schedule “B” hereto.

The following is a summary of the principal provisions of the New By-laws and is qualified in its entirety by reference to the full text of the New By-laws, a copy of which is attached to this Information Circular as Schedule “B” and is also available on the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Shareholders are urged to review the New By-laws.

### *Advance Notice By-law*

The New By-laws include a provision for the advance notice for nomination of directors (the “**Advance Notice Requirement**”) for shareholders who wish to nominate their own directors at an annual or special shareholders’ meeting. The Advance Notice Requirement does not apply with respect to the Meeting and must be approved by the Shareholders at the Meeting in order to take effect.

#### *Purpose of the Advance Notice Requirement*

The purpose of the Advance Notice Requirement is to provide Shareholders, the Board and management of the Corporation with a clear and reasonable framework for the nominations of directors to ensure that shareholders will have sufficient time and information to consider proposed director nominees and to ensure the orderly conduct of business at shareholder meetings. Among other things, the Advance Notice Requirement fixes a deadline by which shareholders must submit director nominations to the Corporation prior to any meeting of shareholders at which directors are to be elected and specifies the information that a nominating shareholder must include in the notice in order for director nominees to be eligible for nomination and election at any such meeting. As a result, all shareholders will receive adequate notice of director nominations and sufficient information in respect of all nominees so that they can cast an informed vote.

#### *Summary of Terms of the Advance Notice Requirement*

The Advance Notice Requirement provides that advance notice to the Corporation must be made in circumstances where nominations of persons for election to the Board are made by Shareholders other than pursuant to: (a) a “proposal” made in accordance with the ABCA; (b) a requisition of a meeting pursuant to the ABCA; or (c) by any person (a “**Nominating Shareholder**”) who: (i) at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for in the Advance Notice Requirement and at the close of business on the record date for notice of such meeting, is entered into the securities register of the Corporation as a holder of one or more shares of the Corporation carrying the right to vote at such meeting or who beneficially owns shares of the Corporation that are entitled to be voted at such meeting and provides evidence of such beneficial ownership to the Corporation; and (ii) complies with the notice procedures set forth in the Advance Notice Requirement.

In the case of an annual meeting of shareholders, notice to the Corporation must be given not less than 30 days prior to the date of the annual meeting; provided, however, that in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual meeting was

made, notice may be given not later than the close of business on the 10th day following such public announcement. In the case of a special meeting of shareholders (which is not also an annual meeting) called for any purpose including the election of directors, notice to the Corporation must be given not later than the close of business on the 15th day following the date on which the first public announcement of the date of the special meeting of shareholders was made. In the event of an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof, a new time period shall commence for the giving of timely notice.

### ***Electronic Voting***

The New By-laws contain a provision for electronic voting formally establishing that shareholders may vote by electronic means in accordance with the ABCA.

### ***Meetings Held Outside Alberta***

The New By-laws contain a provision for meetings to be held outside of Alberta.

### ***Approval of New By-laws by Shareholders***

At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, adopt, ratify and confirm to the New By-laws by ordinary resolution (the “**New By-laws Resolution**”). The text of the ordinary resolution which management intends to place before the Meeting for the approval of the New By-laws Resolution is as follows:

“**BE IT RESOLVED**, as an ordinary resolution of the shareholders of National Access Cannabis Corp. (the “**Corporation**”), that:

1. the repeal and replacement of the Corporation’s by-laws as approved by the board of directors of the Corporation on October 17, 2018, is hereby approved and confirmed without amendment;
2. any one director or officer of the Corporation is hereby authorized and directed for and in the name of and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing; and
3. notwithstanding the passing of this resolution by the shareholders of the Corporation, the board of directors of the Corporation may revoke this resolution before it is acted upon, without further approval of the shareholders of the Corporation, if the board of directors of the Corporation determines, acting in its sole and absolute discretion, that such revocation is in the best interests of the Corporation.”

The New By-laws Resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **The Board believes the passing of the New By-laws Resolution is in the best interests of the Company and recommends that the Shareholders vote IN FAVOUR of the New By-laws Resolution. Unless otherwise directed to the contrary, it is the intention of the persons named in the enclosed form of proxy to vote proxies in favour of the ordinary resolution approving the New By-laws for the ensuing year.**

If the Shareholders approve the New By-laws Resolution at the Meeting, the New By-laws will become effective on the date of the Meeting. The Corporation’s existing by-laws are not impacted by the New By-laws and will continue in effect, unamended, regardless of whether or not the New By-laws Resolution is approved at the Meeting.

## **8. Other Business**

Management is not aware of any other matters to come before the Meeting, other than those set out in the Notice of Meeting. **If other matters come before the Meeting, it is the intention of the management designees named in the instrument of proxy to vote the same in accordance with their best judgment in such matters.**

## EXECUTIVE COMPENSATION

### Oversight and description of director and Named Executive Officer compensation

#### *Compensation Objectives and Process*

The Board is responsible for setting the overall compensation strategy of the Corporation and administering the Corporation's executive compensation program with input from the chief executive office (the "CEO") of the Corporation in respect of all executive officers, other than the CEO. The Corporation's executive compensation program is available to the "Named Executive Officers" or "NEOs" of the Corporation which is defined by applicable securities legislation to mean each of the following individuals, namely: (a) each individual who, in respect of the company, during any part of the most recently completed financial year, served as CEO, including an individual performing functions similar to a chief executive officer; (b) each individual who, in respect of the company, during any part of the most recently completed financial year, served as chief financial officer (the "CFO"), including an individual performing functions similar to a chief financial officer; (c) in respect of the company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(f) of NI 51-102F6V for that financial year; and (d) each individual who would be a named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the company, and was not acting in a similar capacity, at the end of that financial year.

Mark Goliger was appointed as CEO and Michael Best was appointed as CFO of the Corporation on August 30, 2017. Christopher Kane was appointed as Chief Operating Officer of the Corporation on December 11, 2017. Mark Goliger, Michael Best and Christopher Kane were the only Named Executive Officers of the Corporation for the financial year ended August 31, 2018 and any reference to Named Executive Officers of the Corporation herein includes Mark Goliger, Michael Best and Christopher Kane.

The objective of the Corporation's executive compensation program is to motivate, reward and retain management talent that is needed to achieve the Corporation's business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of the Corporation. In evaluating performance, the Board gives consideration to the Corporation's long-term interests and quantitative financial objectives, as well as to the qualitative aspects of the individual's performance and achievements.

Compensation for the Board of the Corporation, if any, is also determined by the Board on an annual basis.

#### *Risks of Compensation Policies and Practices*

The Corporation's compensation program is designed to provide directors and executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Board noted the following facts that discourage the Corporation's executives from taking unnecessary or excessive risk: (i) the Corporation's business strategy and related compensation philosophy; and (ii) the effective balance, in each case, between near-term and long-term focus, corporate and individual performance, and financial and non-financial performance.

Based on this review, the Board believes that the Corporation's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

#### *Financial Instruments*

The Corporation has not implemented any policies which restrict its executive officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

### *Elements of Compensation*

The executive compensation program is comprised of three principal components: base salaries, bonuses and a stock option plan, which is designed to provide a combination of cash and equity-based compensation to effectively retain and motivate the executive officers to achieve the corporate goals and objectives of the Corporation. Each component of the proposed executive compensation program is described below.

#### *Base Salaries*

Executive officers are paid a base salary to compensate them for providing the leadership and specific skills needed to fulfill their responsibilities. The payment of base salaries is an important component of the Corporation's compensation program and serves to attract and retain qualified individuals. The base salaries for the executive officers are reviewed annually by the Board and determined by considering the contributions made by the executive officers, how their compensation levels relate to compensation packages that would be achievable by such officers from other opportunities and publicly available salary data. Salaries of the executive officers are not determined based on benchmarks or a specific formula.

#### *Bonuses*

The Board may from time to time approve bonus payments to reward executive officers for their contribution to the achievement of annual corporate goals and objectives. Bonuses also serve as a retention incentive for executive officers so that they remain in the employ of the Corporation. The payment of bonuses is consistent with the overall objective of the Corporation to reward performance.

#### *Stock Options*

With respect to the granting of stock options ("**Options**") to purchase Common Shares of the Corporation pursuant to the Corporation's Option Plan, the CEO of the Corporation recommends to the Board the individual equity incentive awards for each executive officer and director. The Board takes these recommendations into consideration when making final decisions on compensation for those executive officers and directors. The Board does not use formulas or benchmarks for each grant, but is restricted by the policies of the TSXV and the terms of the Option Plan in how many Options it may grant. Options under the Option Plan are awarded to executive officers and directors by the Board based upon the level of responsibility and contribution of the individuals towards the Corporation's goals and objectives. Previous grants of Options to a particular individual are taken into account when considering future grants of Options to that particular individual.

#### *Significant Events Affecting Compensation*

The Board approved updated executive employment agreements dated August 20, 2018 for the Named Executive Officers. The agreements include provisions for salary and bonus adjustments and updates to termination pay and change of control provisions. A discussion of the new employment agreements is set forth below under the heading "*Executive Compensation – Employment, consulting and management agreements*".

### **Director and named executive officer compensation, excluding compensation securities**

Securities legislation requires the disclosure of the compensation received by each of the Named Executive Officer and directors of the Corporation for the two most recently completed financial years. The following table is a summary of compensation paid during the year ended August 31, 2018 and August 31, 2017 to the Corporation's Named Executive Officers in connection with their employment as officers of the Corporation and to the directors of the Corporation.

Name and principal position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$)	Total Compensation (\$)
Mark Goliger, Chief Executive Officer and Director <sup>(3)</sup>	2018	\$202,385	nil	nil	nil	\$18,000	\$220,385
	2017	\$600	nil	nil	nil	nil	\$600
Mike Best, Chief Financial Officer	2018	\$151,734	nil	nil	nil	nil	\$151,734
	2017	\$600	nil	nil	nil	nil	\$600
Christopher Kane, Chief Operating Officer	2018	\$146,349	nil	nil	nil	nil	\$146,349
	2017	nil	nil	nil	nil	nil	nil
Chuck Rifici, Director	2018	nil	nil	nil	nil	nil	nil
	2017	nil	nil	nil	nil	nil	nil
Rocco Meliambro, Director	2018	\$80,000	nil	nil	nil	nil	\$80,000
	2017	nil	nil	nil	nil	nil	nil
Marc Lustig, Director	2018	\$75,000	nil	\$25,000	nil	nil	\$100,000
	2017	nil	nil	nil	nil	nil	nil
Christian Sinclair, Director <sup>(4)</sup>	2018	nil	nil	\$12,500	nil	nil	\$12,500
	2017	nil	nil	nil	nil	nil	nil
Felipe Campusano, Director <sup>(5)</sup>	2018	nil	nil	\$12,500	nil	nil	\$12,500
	2017	nil	nil	nil	nil	nil	nil
John Gillis, Former Director <sup>(6)</sup>	2018	nil	nil	nil	nil	nil	nil
	2017	nil	nil	nil	nil	nil	nil
Jeff Hunt, Former Director <sup>(7)</sup>	2018	nil	nil	nil	nil	nil	nil
	2017	nil	nil	nil	nil	nil	nil

Notes:

- (1) The 2018 year end was from August 31, 2017 to August 31, 2018 and the 2017 year end was from August 31, 2016 to August 31, 2017. From August 31, 2016 to August 30, 2017, the Corporation was a Capital Pool Company (“CPC”) (as such term is defined in the policies of the TSXV). On August 30, 2017, the Corporation completed its Qualifying Transaction (as such term is defined in the policies of the TSXV) and changed its year end from December 31 to August 31. Pursuant to Policy 2.4 – *Capital Pool Companies* of the TSXV, prior to August 30, 2017 while the Corporation was a CPC, no compensation of any kind could be provided to the Corporation’s director or executive officers, directly or indirectly, by any means, including payment of salary, other than compensation that may be provided by way of Options to purchase Common Shares the Corporation pursuant to the Corporation’s Option Plan.
- (2) None of the Named Executive Officers or directors received perquisites that are not generally available to all employees that in aggregate are greater than: (i) \$15,000, if the NEO or director’s total salary for the financial year is \$150,000 or less; (ii) 10% of the NEO or director’s salary for the financial year, if the NEO or director’s total salary for the financial year is greater than \$150,000 but less than \$500,000; or (iii) \$50,000, if the NEO or director’s total salary for the financial year is \$500,000 or greater.

- (3) Mr. Goliger was elected as a director on September 10, 2018. All amounts paid to Mr. Goliger was in respect of his position as an officer of the Corporation.
- (4) Mr. Sinclair was elected as a director on January 26, 2018.
- (5) Mr. Campusano was elected as a director on May 7, 2018.
- (6) Mr. Gillis was a director from August 30, 2017 to January 26, 2018.
- (7) Mr. Hunt was a director from August 30, 2017 to May 7, 2018.

### Stock options and other compensation securities

The following table provides information regarding all compensation securities granted or issued to each Named Executive Officer and director of the Corporation for the most recently completed financial year end of August 31, 2018.

Compensation Securities							
Name and position	Type of Compensation Security	Number of compensation securities, number of underlying securities and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry Date
		(#)		(\$)	(\$)	(\$)	
Mark Goliger, Chief Executive Officer and Director <sup>(2)</sup>	Stock Options	350,000	February 27, 2018	\$0.85	\$0.87	\$1.10	February 27, 2023
Mike Best, Chief Financial Officer <sup>(3)</sup>	Stock Options	250,000	February 27, 2018	\$0.85	\$0.87	\$1.10	February 27, 2023
Christopher Kane, Chief Operating Officer <sup>(4)</sup>	Stock Options	250,000	December 21, 2017	\$0.51	\$0.49	\$1.10	December 21, 2022
	Stock Options	300,000	May 7, 2018	\$0.86	\$0.80	\$1.10	May 7, 2023
Chuck Rifici, Director <sup>(5)</sup>	Stock Options	125,000	February 27, 2018	\$0.85	\$0.87	\$1.10	February 27, 2023
Rocco Meliambro, Director <sup>(6)</sup>	Stock Options	125,000	February 27, 2018	\$0.85	\$0.87	\$1.10	February 27, 2023
Marc Lustig, Director <sup>(7)</sup>	Stock Options	125,000	February 27, 2018	\$0.85	\$0.87	\$1.10	February 27, 2023
	Stock Options	300,000	May 7, 2018	\$0.86	\$0.80	\$1.10	May 7, 2023
Christian Sinclair, Director <sup>(8)</sup>	Stock Options	125,000	February 27, 2018	\$0.85	\$0.87	\$1.10	February 27, 2023
Felipe Campusano, Director <sup>(9)</sup>	nil	nil	nil	nil	nil	nil	nil
John Gillis, Former Director <sup>(10)</sup>	Stock Options	125,000	February 27, 2018	\$0.85	\$0.87	\$1.10	February 27, 2023
Jeff Hunt, Former Director <sup>(11)</sup>	Stock Options	125,000	February 27, 2018	\$0.85	\$0.87	\$1.10	February 27, 2023

**Notes:**

- (1) The number of underlying Common Shares for each Named Executive Officer or director is equal to the number of Options that were granted to that Named Executive Officer or director. The Options are subject to the terms and conditions of the

Option Plan, a copy of which is attached as Schedule “A” to the management information circular of the Corporation dated May 9, 2017 and filed on the Corporation’s SEDAR profile at www.sedar.com.

- (2) Mr. Goliger was elected as a director on September 10, 2018. On August 31, 2018, being the last day of the most recently completed financial year, Mr. Goliger held a total of 1,100,000 Options. The 350,000 Options granted on February 27, 2018 vest 1/12<sup>th</sup> per month.
- (3) On August 31, 2018, being the last day of the most recently completed financial year, Mr. Best held a total of 850,000 Options. The 250,000 Options granted on February 27, 2018 vest 1/12<sup>th</sup> per month.
- (4) Mr. Kane was appointed as Chief Operating Officer on December 11, 2017. On August 31, 2018, being the last day of the most recently completed financial year, Mr. Kane held a total of 550,000 Options. The 300,000 Options granted on May 7, 2018 vest 1/12<sup>th</sup> per month.
- (5) On August 31, 2018, being the last day of the most recently completed financial year, Mr. Rifici held a total of 1,125,000 Options. The 125,000 Options granted on February 27, 2018 vest 1/12<sup>th</sup> per month.
- (6) On August 31, 2018, being the last day of the most recently completed financial year, Mr. Meliambro held a total of 1,125,000 Options. The 125,000 Options granted on February 27, 2018 vest 1/12<sup>th</sup> per month.
- (7) On August 31, 2018, being the last day of the most recently completed financial year, Mr. Lustig held a total of 425,000 Options. The 125,000 Options granted on February 27, 2018 and the 300,000 Options granted on May 7, 2018 vest 1/12<sup>th</sup> per month.
- (8) Mr. Sinclair was elected as a director on January 26, 2018. The 125,000 Options granted on February 27, 2018 vest 1/12<sup>th</sup> per month.
- (9) Mr. Campusano was elected as a director on May 7, 2018.
- (10) Mr. Gillis was a director from August 30, 2017 to January 26, 2018. Mr. Gillis was granted 125,000 Options on February 27, 2018 as compensation for his role as a consultant of the Corporation, such Options vesting 1/12<sup>th</sup> per month.
- (11) Mr. Hunt was a director from August 30, 2017 to May 7, 2018. On August 31, 2018, being the last day of the most recently completed financial year, Mr. Hunt held a total of 875,000 Options. The 125,000 Options granted on February 27, 2018 vest 1/12<sup>th</sup> per month.

The following table discloses each exercise by a director or NEO of compensation securities for the year ended August 31, 2018.

Name and position	Type of Compensation on Security	Number of underlying securities exercised	Exercise price per security	Date of exercise	Closing price per security on date of exercise	Difference between exercise price and closing price on date of exercise	Total value on exercise date
		(#)	(\$)	(\$)	(\$)	(\$)	(\$)
Mark Goliger, <i>Chief Executive Officer</i>	Stock Options	nil	nil	nil	nil	nil	nil
Mike Best, <i>Chief Financial Officer</i>	Stock Options	nil	nil	nil	nil	nil	nil
Christopher Kane, <i>Chief Operating Officer</i>	Stock Options	nil	nil	nil	nil	nil	nil
Chuck Rifici, <i>Director</i>	Stock Options	nil	nil	nil	nil	nil	nil
Rocco Meliambro, <i>Director</i>	Stock Options	nil	nil	nil	nil	nil	nil
Marc Lustig, <i>Director</i>	Stock Options	nil	nil	nil	nil	nil	nil
Christian Sinclair, <i>Director</i>	Stock Options	nil	nil	nil	nil	nil	nil
Felipe Campusano, <i>Director</i>	Stock Options	nil	nil	nil	nil	nil	nil
John Gillis, <i>Former Director</i>	Stock Options	nil	nil	nil	nil	nil	nil
Jeff Hunt, <i>Former Director</i>	Stock Options	250,000	\$0.15	May 11, 2018	\$0.80	\$0.60	\$200,000

## **Stock option plans and other incentive plans**

The Option Plan was approved by the shareholders of the Corporation on June 6, 2017. As the Corporation completed its Qualifying Transaction on August 30, 2017, the Board has approved certain amendments to the Option Plan to address that the Corporation is no longer a Capital Pool Company (as such term is defined in the policies of the TSXV). The Option Plan provides that the Board of the Corporation may from time to time, in its discretion, and in accordance with TSXV requirements, grant to directors, officers, employees and technical consultants to the Corporation, non-transferable Options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the issued and outstanding Common Shares. The exercise price of the options shall be fixed by the Board at the date of grant, provided that such price shall not be less than that permitted by any stock exchange upon which the Common Shares are then listed and posted for trading. Such options will be exercisable for a period of up to 10 years from the date of grant, but such term may be shortened by the Board in any stock option agreement, and all options will be subject to early termination in accordance with the provisions of the Option Plan relating to the cessation of the optionee as a director, officer, employee or consultant, either due to termination of employment or due to death or permanent disability. In connection with the foregoing, the number of Common Shares reserved for issuance to any individual director or officer will not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to all technical consultants will not exceed two percent (2%) of the issued and outstanding Common Shares. Options granted to any optionee that does not continue as a director, officer, technical consultant or employee of the Corporation post closing of the Qualifying Transaction (as such term is defined in the policies of the TSXV), have a maximum term of the later of 12 months after completion of the Qualifying Transaction and 90 days following cessation of the optionee's position with the Corporation, provided that if the cessation of office, directorship, or technical consulting arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option.

Providing a proprietary interest in the Corporation provides an incentive to contribute to the future success and prosperity of the Corporation, thus enhancing the value of the Common Shares for the benefit of all shareholders and increasing the ability of the Corporation to attract and retain persons of experience by aligning the interests of executives and employees with the growth and profitability of the Corporation. The longer-term focus of the Option Plan contemplates and balances the short-term elements of the compensation program of the Corporation.

The Option Plan is administered by the Board and all decisions and implementations of the Board respecting the Option Plan or options granted thereunder shall be conclusive and binding on the Corporation and on the optionees. The Board may, at any time and from time to time, grant options under the Option Plan on terms and conditions to be determined by the Board from time to time, subject to the conditions contained in the Option Plan and subject to the policies of the TSXV.

As of August 31, 2018: (i) the Corporation has 8,151,892 stock options outstanding under the Option Plan; and (ii) there remains for issuance under the Option Plan 7,776,501 options, which together represents 10% of the currently outstanding Common Shares.

### **Employment, consulting and management agreements**

Other than as provided for at common law and as disclosed below, there is no agreement or arrangement that provides for payments to the Named Executive Officers or directors at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in the Named Executive Officers' or directors' responsibilities.

#### *Mark Goliger – Chief Executive Officer*

On March 25, 2017, the Corporation entered into an employment agreement with Mark Goliger in connection with his role as CEO for an indefinite term. The employment contract provided for the payment of a base salary of \$200,000 per year together with benefits (see "Director and named executive officer compensation, excluding compensation securities" and "Compensation Securities" table above).

On August 20, 2018, the Corporation entered into a new employment agreement with Mark Goliger in connection with his role as CEO for an indefinite term. The employment contract provides for the payment of a base salary of

\$275,000 per year together with benefits including a \$750 per month vehicle allowance, a health insurance benefit plan capped at \$1,500 per month, cell phone expenses, and reimbursement of all reasonable business expenses. The employment contract also provides for bonus payments as follows:

- If the annual revenue of the Corporation in the previous calendar year is greater than \$50,000,000 but less than \$100,000,000, Mr. Goliger will receive a bonus of \$325,000;
- If the annual revenue of the Corporation is greater than \$100,000,000 but less than \$150,000,000, Mr. Goliger will receive a bonus of \$360,000;
- If the annual revenue of the Corporation is greater than \$100,000,000 but less than \$200,000,000, Mr. Goliger will receive a bonus of \$385,000;
- If the annual revenue of the Corporation is greater than \$200,000,000 but less than \$250,000,000, Mr. Goliger will receive a bonus of \$410,000;
- If the annual revenue of the Corporation is greater than \$250,000,000 but less than \$300,000,000, Mr. Goliger will receive a bonus of \$425,000; and
- If the annual revenue of the Corporation is greater than \$300,000,000, Mr. Goliger will receive a bonus of \$440,000.

The Base Salary, including all of the amounts set out above, shall also be increased at a rate of two percent (2%) per annum plus the annual rate of inflation. In addition, the Corporation shall pay Mark Goliger a one-time bonus of \$1,000 for each retail cannabis store opened by the Corporation or by the Corporation's subsidiaries or Affiliates, payable at the end of each fiscal year of the Corporation.

Mr. Goliger is entitled to terminate the employment agreement and his employment with the Corporation at any time by providing four weeks' prior written notice to the Corporation. The Corporation is entitled to terminate Mr. Goliger's employment at any time, without cause, by providing written notice of the termination, all accrued but unpaid base salary, vacation pay and expenses properly incurred in the carrying out of his duties to the date of termination and a lump sum payment in the amount of Mr. Goliger's base salary in the year of termination less required withholdings ("**Termination Pay**"). Pursuant to the employment agreement, Mr. Goliger is entitled to terminate the agreement within 60 days of a change of control provided one of the following occurs: the assignment to Mr. Goliger of any duties inconsistent with the CEO position; a reduction in the base salary of more than 5%; or the failure of the Corporation to obtain a satisfactory agreement from a successor to assume and agree to perform the employment agreement. Upon a change of control, Mr. Goliger is entitled to the Termination Pay. Change of control events for the purposes of the employment agreement include such events as: (i) a takeover bid or otherwise, provided that a majority of the Board after the takeover bid is different than the Board immediately prior to the takeover bid; (ii) an acquisition of 50% or more of the voting units of the Corporation; (iii) the sale of substantially all of the assets of the Corporation; (iv) the passing of a resolution by the Board to substantially liquidate the assets or wind up the Corporation; or (v) any other event which in the opinion of the Board constitutes a change of control.

*Michael Best – Chief Financial Officer*

On October 17, 2016, the Corporation entered into an employment agreement with Michael Best in connection with his role as CFO for an indefinite term. The employment agreement provided for the payment of a base salary of \$120,000 per year (see "Director and named executive officer compensation, excluding compensation securities" and "Compensation Securities" table above).

On August 20, 2018, the Corporation entered into a new employment agreement with Michael Best in connection with his role as CFO for an indefinite term. The employment contract provides for the payment of a base salary of \$200,000 per year together with benefits including a \$500 per month vehicle allowance, and up \$80 per week gas allowance and reimbursement of all reasonable business expenses. Mr. Best is entitled to terminate the employment agreement and his employment with the Corporation at any time by providing four weeks' prior written notice to the Corporation. The Corporation is entitled to terminate Mr. Best's employment at any time, without cause, by providing written notice of the termination, all accrued but unpaid base salary, vacation pay and expenses properly incurred in the carrying out of his duties to the date of termination and a lump sum payment \$200,000 less required withholdings ("**Termination Pay**"). Pursuant to the employment agreement, Mr. Best is entitled to terminate the agreement within 60 days of a change of control provided one of the following occurs: the assignment to Mr. Best of any duties inconsistent with the CFO position; a reduction in the base salary of more than 5%; or the failure of the Corporation to obtain a satisfactory agreement from a successor to assume and agree to perform the employment agreement. Upon a change of control, Mr. Best is entitled to the Termination Pay. Change of control events for the

purposes of the employment agreement include such events as: (i) a takeover bid or otherwise, provided that a majority of the Board after the takeover bid is different than the Board immediately prior to the takeover bid; (ii) an acquisition of 50% or more of the voting units of the Corporation; (iii) the sale of substantially all of the assets of the Corporation; (iv) the passing of a resolution by the Board to substantially liquidate the assets or wind up the Corporation; or (v) any other event which in the opinion of the Board constitutes a change of control.

#### *Christopher Kane – Chief Operating Officer*

On December 11, 2017, the Corporation entered into an employment agreement with Christopher Kane in connection with his role as Chief Operating Officer for an indefinite term. The employment agreement provides for the payment of a base salary of \$200,000 per year. The Corporation shall pay the Executive a one-time bonus of \$1,000 for each retail cannabis store opened by the Corporation or by the Corporation's subsidiaries or Affiliates, payable at the end of each fiscal year of the Corporation.

On August 20, 2018, the Corporation entered into a new employment agreement with Christopher Kane in connection with his role as Chief Operating Officer for an indefinite term. The employment contract provides for the payment of a base salary of \$200,000 per year together with benefits including a \$500 per month vehicle allowance, and up \$80 per week gas allowance and reimbursement of all reasonable business expenses. The Corporation shall pay Christopher Kane a one-time bonus of \$1,000 for each retail cannabis store opened by the Corporation or by the Corporation's subsidiaries or Affiliates, payable at the end of each fiscal year of the Corporation.

Mr. Kane is entitled to terminate the employment agreement and his employment with the Corporation at any time by providing four weeks' prior written notice to the Corporation. The Corporation is entitled to terminate Mr. Kane's employment at any time, without cause, by providing written notice of the termination, all accrued but unpaid base salary, vacation pay and expenses properly incurred in the carrying out of his duties to the date of termination and a lump sum payment \$200,000 less required withholdings ("**Termination Pay**"). Pursuant to the employment agreement, Mr. Kane is entitled to terminate the agreement within 60 days of a change of control provided one of the following occurs: the assignment to Mr. Kane of any duties inconsistent with the Chief Operating Officer position; a reduction in the base salary of more than 5%; or the failure of the Corporation to obtain a satisfactory agreement from a successor to assume and agree to perform the employment agreement. Upon a change of control, Mr. Kane is entitled to the Termination Pay. Change of control events for the purposes of the employment agreement include such events as: (i) a takeover bid or otherwise, provided that a majority of the Board after the takeover bid is different than the Board immediately prior to the takeover bid; (ii) an acquisition of 50% or more of the voting units of the Corporation; (iii) the sale of substantially all of the assets of the Corporation; (iv) the passing of a resolution by the Board to substantially liquidate the assets or wind up the Corporation; or (v) any other event which in the opinion of the Board constitutes a change of control.

#### *Stock Option Plan*

The form of stock option agreement used for the grant of Options to Named Executive Officers and directors provides that in the event of a Reorganization (as defined herein), the Option holder will receive, upon exercise of the Option, the securities or properties to which the holder of the number of shares then deliverable upon the exercise of the Option would have been entitled upon a Reorganization, and the Corporation will take steps in connection with such Reorganization as may be necessary to assure that the provisions of the stock option agreement shall thereafter be applicable, in relation to any securities or property thereafter deliverable upon the exercise of the Option.

A "**Reorganization**" occurs when the Corporation, at any time, arranges with or merges into another corporation, or the Common Shares of the Corporation are increased, decreased, changed into or exchange for a different number or kind of shares or securities of the Corporation, or another corporation or entity, through re-organization, re-capitalization, re-classification, stock dividend, subdivision, consolidation, take-over bid, exempt take-over bid, issuer bid or exempt issuer bid, or other change in control of the Corporation. A sale of all or substantially all of the assets of the Corporation for consideration (apart from the assumption of obligations), consisting primarily of securities, is deemed to be a Reorganization.

The form of stock option agreement also provides that in the event of a change of control, the Corporation shall, immediately upon receipt of notice of a bona fide offer for Common Shares (either to the Option holder or the shareholders of the Corporation) in which such offer is accepted in whole or in part and results in the offeror exercising control of the Corporation within the meaning of the *Securities Act* (Alberta), notify the Option holder

with full particulars. The Option (including any unvested Options) may be exercised in whole or in part by the Option holder so as to permit the Option holder to tender Common Shares received upon such exercise pursuant to the offer. If the change of control transaction does not proceed, the Common Shares shall be returned by the Option holder to the Corporation and reinstated as authorized by unissued Common Shares and the terms of the stock option agreement shall again apply to the Options. The Corporation shall refund the exercise price to the Option holder.

#### *Estimated Incremental Payments*

The following table sets forth the estimated incremental payments and benefits that would be received by the Named Executive Officers following a “change of control” or termination without cause of the Corporation, had such event occurred on August 31, 2018.

<b>Name</b>	<b>Employment Agreements (\$)</b>	<b>Stock Option Plan (\$)</b>	<b>Total (\$)</b>
Mark Goliger, Chief Executive Officer	\$275,000	nil	\$275,000
Michael Best, Chief Financial Officer	\$200,000	nil	\$200,000
Christopher Kane, Chief Operating Officer	\$200,000	nil	\$200,000

#### **Pension Disclosure**

The Corporation does not have a pension plan or any other plan that provides for payments or benefits at, following or in connection with retirement and is not currently providing a pension to any directors of the Corporation or Named Executive Officers. The Corporation does not have a deferred compensation plan.

#### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth the Corporation’s equity compensation plans under which equity securities are authorized for issuance as at August 31, 2018, the end of the most recently completed financial year.

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</b>
The Option Plan <sup>(1)</sup>	8,151,892	\$0.29	7,776,501 <sup>(1)</sup>
Equity compensation plans not approved by security holders	Nil	N/A	N/A
<b>Total</b>	<b>8,151,892</b>	<b>\$0.29</b>	<b>7,776,501<sup>(1)</sup></b>

#### Notes:

- (1) The Option Plan is a “rolling” stock option plan which reserves for issuance a maximum of 10% of the issued and outstanding Common Shares at the time of the Option grant.

## CORPORATE GOVERNANCE DISCLOSURE

### General

The Board views effective corporate governance as an essential element for the effective and efficient operation of the Corporation. The Corporation believes that effective corporate governance improves corporate performance and benefits all of its Shareholders. The following statement of corporate governance practices sets out the Board's review of the corporate governance practices relative to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines*.

### Board of Directors

The Board, which is responsible for supervising the management of the business and affairs of the Corporation, is currently comprised of five (5) directors. Following the Meeting, it is anticipated that there will be five (5) directors, of which four (4) are independent, as such term is defined in NI 58-101 and National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). The independent directors are Rocco Meliambro, Christian Sinclair, Marc Lustig and Felipe Campusano. Mark Goliger is not independent by virtue of being a member of the Corporation's management.

Pursuant to the policies of the TSXV, the Corporation is required to have a Board of no fewer than three directors, of which a majority cannot be officers, employees or control persons of the Corporation. In addition, at least one-fourth of the members of the Board are required to be resident Canadian.

The Board has not adopted any formal terms of reference or mandate for the Board other than a charter (“**Audit Committee Charter**”) for the audit committee of the Corporation (“**Audit Committee**”) which is attached hereto as Schedule “C”.

The Board has plenary power to manage and supervise the management of the business and affairs of the Corporation and to act in the best interest of the Corporation. The Board is responsible for the overall stewardship of the Corporation and approves all significant decisions that affect the Corporation before they are implemented. The Board also considers their implementation and reviews the results.

### Other Reporting Issuer Experience

Certain of the Corporation's directors or nominee directors are currently directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

<u>Name of Director, Officer or Promoter</u>	<u>Name of Reporting Issuer</u>	<u>Exchange</u>	<u>Position</u>
Felipe Campusano	EVIO Inc.	OTCMKTS	Director
Marc Lustig	CannaRoyalty Corp.	CSE (CRZ)	Chief Executive Officer
	Planet 13 Holdings Inc.	CSE (PLTH)	Director
	22 Capital Corp.	TSXV (LFC)	Director

### Orientation and Continuing Education of Board Members

The Corporation currently does not have any formal orientation or continuing education programs in place for new directors, however the Corporation expects to provide such orientation on an informal basis. The Board will review this process at its discretion. Directors are encouraged to visit the Corporation's facilities, to interact with management and employees and to stay abreast of industry developments and the evolving business of the Corporation.

## **Ethical Business Conduct**

The Board is of the view that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation. The Board also encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs.

## **Nomination of Directors**

The size and composition of the Board is reviewed annually when the Board considers the number of directors to recommend for election at the annual meeting of Shareholders. The Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

## **Compensation of Directors and Officers**

A discussion of the policies and practices of the Corporation in determining compensation is set forth above under the heading "*Executive Compensation – Director and named executive officer compensation, excluding compensation securities*".

## **Other Board Committees**

The Board has no standing committees other than the Audit Committee.

## **Assessment of Directors, the Board and Board Committees**

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its committees, to satisfy itself that the Board, its committees and its individual directors are performing effectively.

## **AUDIT COMMITTEE**

The following information is provided in accordance with Form 52-110F2 – *Audit Committees* under NI 52-110.

### **Audit Committee Charter**

The Audit Committee is a committee of the Board established for the purpose of overseeing the accounting and financial reporting processes of the Corporation and annual external audits of the financial statements. The Audit Committee has formally set out its responsibilities and compensation requirements in fulfilling its oversight in relation to the Corporation's internal accounting standards and practices, financial information, accounting systems and procedures. The Audit Committee Charter is set forth in Schedule "C" attached hereto.

### **Composition of the Audit Committee**

The Audit Committee of the Board currently consists of Rocco Meliambro, Marc Lustig and Christian Sinclair. All members of the Audit Committee are Independent and all of the Audit Committee members are Financially Literate, as such terms are defined in NI 52-110.

### **Relevant Education and Experience**

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter.

*Rocco Meliambro, Director*

Mr. Meliambro spent 20 years in the investment industry as a Vice President, Director and manager for several firms including Moss Lawson and Research Capital. During that time he helped finance several startup firms including Avcorp Industries and Kinross Gold. Since 2000, he has been involved in real estate developments in Ottawa area including large developments such as Deer Run in Stittsville and the Albert St. Lebreton Flats project. Mr. Meliambro's financial training includes successful completion of course studies with Securities Institute at Wharton school of Business. Mr. Meliambro was appointed as a director on August 30, 2017.

*Marc Lustig, Director*

Mr. Lustig holds MSc and MBA degrees from McGill University. He began his professional career in the pharmaceutical industry at Merck & Co. In 2000, he started his capital markets career in institutional equity research in the Life Sciences sector at Orion Securities. For the next 14 years, Mr. Lustig worked as a senior producer at GMP Securities L.P. and as Head of Capital Markets at Dundee Capital Markets before becoming Principal at KES 7 Capital. Mr. Lustig founded Cannabis Royalties & Holdings Corp. in early 2015. Mr. Lustig was appointed as a director on August 30, 2017.

*Christian Sinclair, Director*

Christian Sinclair is a proud member of the Opaskwayak Cree Nation (OCN). He graduated from Margaret Barbour Collegiate Institute (MBCI) in 1988 and then went on to serve in the Canadian military from 1988 to 1995, participating in tours of duty in Cyprus (1990 Recon) and Somalia (1992-93 Special Forces). In 2003, Christian was named as one of Canada's Top 40 under 40. He was the co-founder of the Manitoba Indigenous Summer Games and the General Manager for the 2002 North American Indigenous Games (NAIG) in Winnipeg. In 2016, Christian Sinclair was elected as Onekanew (Chief) for the Opaskwayak Cree Nation. Since then, Onekanew Christian Sinclair has been appointed as one of the co-chairs of a task force created to lead the process of implementing the Manitoba government's Northern Economic Development Strategy. Mr. Sinclair was appointed as director on January 26, 2018.

Each director has: (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements; (b) the ability to assess the general application of those principles in connection with the estimates, accruals and reserves; (c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the issuer's financial statements, or experience actively supervising individuals engaged in such activities; and (d) an understanding of internal controls and procedures for financial reporting.

**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.

**Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on an exemption from Section 2.4 of NI 52-110 or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (securities regulatory authority exemption).

**Pre-Approval Policies and Procedures**

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services under the heading "External Auditors" of the Audit Committee Charter of the Corporation which is attached hereto as Schedule "B".

## External Auditor Service Fees (By Category)

The aggregate fees paid by the Corporation to the external auditors of the Corporation for the last two financial years for audit fees are described below.

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
August 31, 2018	\$98,650	\$47,850	\$4,500	nil
August 31, 2017	\$110,870	\$82,000	\$20,000	nil

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No director, proposed nominee for election as a director of NAC, executive officer, employee or former executive officer, director or employee of NAC, or any associate of any such director, officer or employee is, or has been at any time since the beginning of the most recently completed financial year of NAC, indebted to NAC, nor, at any time since the beginning of the most recently completed financial year of NAC has, any indebtedness of any such person been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by NAC.

## INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth herein, the Corporation is not aware of any material interest, direct or indirect, of any “informed person” of the Corporation, any proposed director of the Corporation or any associate or affiliate, of any of the foregoing 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 company or any of its subsidiaries.

For the purposes of the above, “informed person” means: (i) a director or executive officer of the Corporation; (ii) a director or executive officer of a company that is itself an informed person or subsidiary of the Corporation; (iii) any person or company who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than ten per cent (10%) of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (iv) the Corporation, after having purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

There are potential conflicts of interest to which all of the directors and officers of the Corporation may be subject in connection with the operations of the Corporation. All of the directors and officers are engaged in and will continue to be engaged in corporations or businesses, including publicly traded corporations, which may be in competition with the business of the Corporation. Accordingly, situations may arise where all of the directors and officers will be in direct competition with the Corporation. Conflicts, if any, will be subject to the procedures and remedies as provided under the *Business Corporations Act* (Alberta).

## APPOINTMENT OF AUDITOR

MNP LLP are the auditors of the Corporation and have been the auditors of the Corporation since August 30, 2017.

## MANAGEMENT CONTRACTS

The Corporation has no management contracts or other arrangement in place where management functions are performed by a person or company other than the directors or executive officers of the Corporation.

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

No person who has been a director or executive officer of the Corporation at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any of the foregoing, has any material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon except as disclosed in this Information Circular under the heading “*Matters to be Considered at the Meeting – Election of Directors*”.

Certain of the directors and officers of the Corporation hold options to acquire Common Shares pursuant to the Option Plan. At the Meeting, Shareholders will be asked to approve and adopt an ordinary resolution relating to the renewal and approval of the Option Plan. See “*Matters to be Considered at the Meeting – Approval of the Stock Option Plan*.”

## **ADDITIONAL INFORMATION**

Additional financial information is provided in the Corporation’s audited financial statements and management’s discussion and analysis for the financial year ended August 31, 2017.

Any request for these documents can be made by contacting the Chief Executive Officer of the Corporation at 1900, 520 – 3<sup>rd</sup> Avenue S.W., Calgary, Alberta, T2P 0R3. Information relating to the Corporation can also be obtained on SEDAR under the Corporation’s profile at [www.sedar.com](http://www.sedar.com).

**SCHEDULE "A"**  
**STOCK OPTION PLAN**

**1. Purpose**

The purpose of the Stock Option Plan (the "**Plan**") of **NATIONAL ACCESS CANNABIS CORP.** (the "**Company**"), a company incorporated under the *Business Corporations Act* (Alberta), is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Company (the "**Shares**"), thereby increasing their proprietary interest in the Company, encouraging them to remain associated with the Company and furnishing them with additional incentive in their efforts on behalf of the Company in the conduct of its affairs.

**2. Administration**

The Plan shall be administered by the Board of Directors of the Company or by a special committee of the directors appointed and delegated such authority from time to time by the Board of Directors of the Company pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Company, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Company and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

**3. Stock Exchange Rules**

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the common shares of the Company are then listed and any other regulatory body having jurisdiction hereinafter (hereinafter collectively referred to as, the "**Exchange**").

**4. Shares Subject to Plan**

Subject to adjustment as provided in Section 15 hereof, the Shares to be offered under the Plan shall consist of common shares of the Company's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Company from time to time. If any option granted hereunder shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan.

**5. Maintenance of Sufficient Capital**

The Company shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

## 6. **Eligibility and Participation**

Directors, officers, consultants, and employees of the Company or its subsidiaries, and employees of a person or company which provides management services to the Company or its subsidiaries (“**Management Company Employees**”) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as “**Participants**”). Subject to compliance with applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Company or Management Company Employees, the option agreements to which they are party must contain a representation of the Company that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Company or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

## 7. **Exercise Price**

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.
- (b) Once the exercise price has been determined by the Board, accepted by the Exchange and the option has been granted, the exercise price of an option may only be reduced if at least 6 months have elapsed since the later of the date of the commencement of the term, the date the Company's shares commenced trading or the date the exercise price was reduced. In the case of options held by insiders of the Company (as defined in the policies of the Exchange), the exercise price of an option may be reduced only if disinterested shareholder approval is obtained.

## 8. **Number of Optioned Shares**

- (a) The number of Shares subject to an option granted to anyone Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds the maximum number permitted by the Exchange.
- (b) No single Participant may be granted options to purchase a number of Shares equalling more than 5% of the issued common shares of the Company in any twelve month period unless the Company has obtained disinterested shareholder approval in respect of such grant and meets applicable Exchange requirements.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve month period to anyone consultant of the Company (or any of its subsidiaries).
- (d) Options shall not be granted if the exercise thereof would result in the issuance of more than 2% of the issued common shares of the Company in any twelve month period to persons employed to provide investor relation activities. Options granted to Consultants performing investor relations activities will contain vesting provisions such that vesting occurs over at least 12 months with no more than 1/4 of the options vesting in any 3 month period.

9. **Duration of Option**

Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 11 and 12, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange, being 10 years for the TSX Venture Exchange.

10. **Option Period, Consideration and Payment**

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 11 and 12 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Company or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period. To the extent required by the Exchange, no options may be exercised under this Plan until this Plan has been approved by a resolution duly passed by the shareholders of the Company.
- (d) Except as set forth in Sections 11 and 12, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Company or any of its subsidiaries, or a Management Company Employee of the Company or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Company at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will be, or will be deemed to be, a holder of any common shares of the Company unless and until the certificates for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

11. **Ceasing To Be a Director, Officer, Consultant or Employee**

- (a) Subject to subsection (b), if a Participant shall cease to be a director, officer, consultant, employee of the Company, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Company.
- (b) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Company or of any of its subsidiaries or affiliates.

**12. Death of Participant**

Notwithstanding section 11, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the Option at the date of his death.

**13. Rights of Optionee**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Company in respect of any Shares issuable upon exercise of such option until such Shares shall have been issued and delivered.

**14. Proceeds from Sale of Shares**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Company and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

**15. Adjustments**

If the outstanding common shares of the Company are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Company or another Company or entity through re-organization, merger, re-capitalization, re-classification, stock dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

**16. Transferability**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

**17. Amendment and Termination of Plan**

Subject to the policies, rules and regulations of any lawful authority having jurisdiction (including any exchange on which the Common Shares are listed for trading), the Board may at any time, without further action by the shareholders, amend the Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate the Plan. The Board may not, however, without the consent of the option holder, alter or impair any of the rights or obligations under any option theretofore granted.

**18. Necessary Approvals**

The ability of a Participant to exercise options and the obligation of the Company to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Company and

any regulatory authority or stock exchange having jurisdiction over the securities of the Company. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Company to issue such Shares shall terminate and any option exercise price paid to the Company will be returned to the Participant.

19. **Effective Date of Plan**

The Plan has been adopted by the Board of the Company subject to the approval of the Exchange and, if so approved, subject to the discretion of the Board, the Plan shall become effective upon such approvals being obtained.

20. **Interpretation**

The Plan will be governed by and construed in accordance with the laws of the province of Alberta.

**SCHEDULE "B"**

**By-Law No. 2**

**(see attached)**

**BY-LAW NO. 2**

A by-law relating generally to  
the transaction of the business  
and affairs of

**NATIONAL ACCESS CANNABIS CORP.**  
(hereinafter referred to as the “Corporation”)

**CONTENTS**

Section 1	- Interpretation
Section 2	- Business of the Corporation
Section 3	- Borrowing and Securities
Section 4	- Directors
Section 5	- Committees
Section 6	- Officers
Section 7	- Protection of Directors, Officers and Others
Section 8	- Shares
Section 9	- Dividends and Rights
Section 10	- Meetings of Shareholders
Section 11	- Divisions and Departments
Section 12	- Notices
Section 13	- Effective Date

**BE IT ENACTED** as a by-law of the Corporation as follows:

**SECTION 1**  
**INTERPRETATION**

1.01 **Definitions** - In the by-laws of the Corporation, unless the context otherwise requires:

“**Act**” means the *Business Corporations Act*, R.S.A. 2000, c. B-9, and any statute that may be substituted therefor, as from time to time amended;

“**appoint**” includes “**elect**” and vice versa;

“**articles**” means the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution or articles of revival and includes an amendment to any of them;

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

“**by-laws**” means this by-law and all other by-laws of the Corporation from time to time in force and effect;

“**Corporation**” means the corporation incorporated by a Certificate of Incorporation under the Act and by way of Articles of Amendment named:

“**NATIONAL ACCESS CANNABIS CORP.**”

“**meeting of shareholders**” means an annual meeting of shareholders and a special meeting of shareholders;

“**non-business day**” means Saturday, Sunday and any other day that is a holiday as defined in the *Interpretation Act*, 2000, c. 1-8 and any statute that may be substituted therefor, as from time to time amended;

“**recorded address**” means in the case of a shareholder his address as recorded in the securities register of the Corporation; and in the case of joint shareholders the address appearing in the securities register in respect of such joint holding or the first address so appearing if there are more than one; and in the case of a director, officer, auditor or member of a committee of the Board, his latest address as recorded in the records of the Corporation;

“**signing officer**” means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by section 2.02 or by a resolution passed pursuant thereto;

“**special meeting of shareholders**” means a special meeting of all shareholders entitled to vote at an annual meeting of shareholders; and

“**unanimous shareholder agreement**” means (i) a written agreement to which all the shareholders of a corporation are or are deemed to be parties, whether or not any other person is also a party, or (ii) a written declaration by a person who is the beneficial owner of all of the issued shares of a corporation that provides for any matters enumerated in the Act, as amended from time to time;

save as aforesaid, words and expressions defined in the Act have the same meanings when used herein; and words importing the singular number include the plural and vice versa; words importing gender include the masculine, feminine and neuter genders; and words importing persons include individuals, bodies corporate, partnerships, trusts and unincorporated organizations.

## **SECTION 2**

### **BUSINESS OF THE CORPORATION**

2.01        **Registered Office** - Until changed in accordance with the Act, the registered office of the Corporation shall be at the City of Calgary in the Province of Alberta and at such location therein as the Board may from time to time determine.

2.02        **Execution of Instruments** - Contracts, documents or instruments in writing requiring execution by the Corporation may be signed by any one director or officer and all contracts, documents or instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. The Board is authorized from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign and deliver either contracts, documents or instruments in writing generally or to sign either manually or by facsimile signature and/or counterpart signature and deliver specific contracts, documents or instruments in writing. The term “contracts, documents or instruments in writing” as used in this by-law shall include deeds, mortgages, charges, conveyances, powers of attorney, transfers and assignments of property of all kinds (including specifically, but without limitation, transfers and assignments of shares, warrants, bonds, debentures or other securities), share certificates, warrants, bonds, debentures and other securities or security instruments of the Corporation and all paper writings.

2.03        **Banking Arrangements** - The banking business of the Corporation including, without limitation, the borrowing of money and the giving of security therefor, shall be transacted with such banks, trust companies or other bodies corporate or organizations as may from time to time be designated by or under the authority of the Board. Such banking business or any part thereof shall be transacted under such agreements, instructions and delegations of powers as the Board may from time to time prescribe or authorize.

2.04 **Voting Rights in Other Bodies Corporate** - The signing officers of the Corporation may execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to exercise the voting rights attaching to any securities held by the Corporation. Such instruments, certificates or other evidence shall be in favour of such person or persons as may be determined by the officers executing such proxies or arranging for the issuance of voting certificates or such other evidence of the right to exercise such voting rights. In addition, the Board may from time to time direct the manner in which and the person or persons by whom any particular voting rights or class of voting rights may or shall be exercised.

2.05 **Withholding Information from Shareholders** - Subject to the provisions of the Act, no shareholder shall be entitled to discovery of any information respecting any details or conduct of the Corporation's business which, in the opinion of the Board, would be inexpedient in the interests of the shareholders or the Corporation to communicate to the public. The Board may from time to time determine whether and to what extent and at what time and place and under what conditions or regulations the accounts, records and documents of the Corporation or any of them shall be open to the inspection of shareholders and no shareholder shall have any right of inspecting any account, record or document of the Corporation except as conferred by the Act or authorized by the Board or by resolution passed at a general meeting of shareholders.

### **SECTION 3 BORROWING AND SECURITIES**

3.01 **Borrowing Power** - Without limiting the borrowing powers of the Corporation as set forth in the Act, the articles, the by-laws or any unanimous shareholder agreement, the Board may from time to time:

- (a) borrow money upon the credit of the Corporation;
- (b) issue, reissue, sell or pledge debt obligations of the Corporation;
- (c) subject to the provisions of the Act give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (d) mortgage, hypothecate, pledge or otherwise create an interest in or charge upon all or any property of the Corporation, owned or subsequently acquired, to secure any obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.02 **Delegation** - The Board may from time to time delegate to such one or more of the directors and officers of the Corporation as may be designated by the Board all or any of the powers conferred on the Board by section 3.01 or by the Act to such extent and in such manner as the Board shall determine at the time of each such delegation.

### **SECTION 4 DIRECTORS**

4.01 **Number of Directors and Quorum** - Until changed in accordance with the Act, the Board shall consist of not fewer than three (3) and not more than fifteen (15) directors. Subject to section 4.08, the quorum for the transaction of business at any meeting of the Board shall consist of a majority of the number of directors then elected or appointed, or such greater or lesser number of directors as the Board may from time to time determine.

4.02 **Qualification** - No person shall be qualified for election as a director if he (i) is less than 18 years of age; (ii) is a dependent adult as defined in the *Adult Guardianship and Trusteeship Act* or is the subject of a certificate of incapacity under the *Public Trustee Act* and any statute that may be substituted therefor, as from time to time amended; (iii) is a formal mental patient as defined in the *Mental Health Act* (Alberta) and any statute that may be substituted therefor, as from time to time amended; (iv) is the subject of an order under the *Mentally Incapacitated Persons Act* (Alberta) and any statute that may be substituted therefor, as from time to time amended, appointing a

committee of his person or estate or both; (v) has been found to be a person of unsound mind by a court elsewhere than in Alberta; (vi) is not an individual; (vii) has the status of a bankrupt. Subject to the articles, a director need not be a shareholder. At least one-quarter of the directors must be resident Canadians.

4.03 **Election and Term** - The election of directors shall take place at the first meeting of shareholders and at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The number of directors to be elected at any such meeting shall be the number of directors then in office unless the directors or the shareholders otherwise determine. The election shall be by ordinary resolution. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.04 **Removal of Directors** - Subject to the provisions of the Act, the shareholders may by ordinary resolution passed at a special meeting remove any director from office and the vacancy created by such removal may be filled at the same meeting failing which it may be filled by the directors.

4.05 **Vacation of Office** - A director ceases to hold office when he dies; he is removed from office by the shareholders; he ceases to be qualified for election as a director; or his written resignation is sent or delivered to the Corporation, or if a time is specified in such resignation, at the time so specified, whichever is later.

4.06 **Vacancies** - Subject to the Act, the articles and any unanimous shareholders agreement, a quorum of the Board may fill a vacancy in the Board, except a vacancy resulting from an increase in the number or minimum number of directors or from a failure of the shareholders to elect the minimum number of directors. In the absence of a quorum of the Board, or if the vacancy has arisen from a failure of the shareholders to elect the minimum number of directors, the Board shall forthwith call a special meeting of shareholders to fill the vacancy. If the Board fails to call such meeting or if there are no such directors then in office, any shareholder may call the meeting.

4.07 **Action by the Board** - Subject to any unanimous shareholder agreement, the Board shall manage or supervise the management of the business and affairs of the Corporation. Subject to sections 4.08 and 4.09, the powers of the Board may be exercised by resolution passed at a meeting at which a quorum is present or by resolution in writing signed in part or in counterpart by all the directors entitled to vote on that resolution at a meeting of the Board. Where there is a vacancy in the Board, the remaining directors may exercise all the powers of the Board so long as a quorum remains in office. Where the Corporation has only one director, that director may constitute the meeting.

4.08 **Residence** - Unless otherwise permitted by the Act, the Board shall not transact business at a meeting, other than filling a vacancy in the Board, unless at least one-quarter of the directors present are resident Canadians, except where:

- (a) a resident Canadian director who is unable to be present approves in writing or by telephone or other communications facilities the business transacted at the meeting; and
- (b) the number of resident Canadian directors present at the meeting together with any resident Canadian director who gives his approval under clause (a), totals at least one-quarter of the directors present at the meeting.

4.09 **Meetings by Telephone** - If all the directors consent, a director may participate in a meeting of the Board or of a committee of the Board by electronic means, telephone or other communication facilities as permit all persons participating in the meeting to hear each other, and a director participating in such a meeting by such means is deemed to be present at the meeting. Any such consent shall be effective whether given before or after the meeting to which it relates and may be given with respect to all meetings of the Board and of committees of the Board held while a director holds office.

4.10 **Place of Meetings** - Meetings of the Board may be held at any place in or outside Canada.

4.11 **Calling of Meetings** - Meetings of the Board shall be held from time to time and at such place as the Board, the chairman of the Board, the managing director, the president or any two directors may determine.

4.12 **Notice of Meeting** - Notice of the time and place of each meeting of the Board shall be given in the manner provided in section 12.01 to each director not less than 48 hours before the time when the meeting is to be held. A notice of a meeting of directors need not specify the purpose of or the business to be transacted at the meeting except where the Act requires such purpose or business to be specified, including any proposal to:

- (a) submit to the shareholders any question or matter requiring approval of the shareholders;
- (b) appoint additional directors;
- (c) fill a vacancy among the directors or in the office of auditor;
- (d) issue securities;
- (e) declare dividends;
- (f) purchase, redeem or otherwise acquire shares issued by the Corporation;
- (g) pay a commission for the sale of shares;
- (h) approve a prospectus or management proxy circular;
- (i) approve a take-over bid circular or directors' circular;
- (j) approve any annual financial statements; or
- (k) adopt, amend or repeal by-laws.

A director may in any manner waive notice of or otherwise consent to a meeting of the Board, and attendance of a director at a meeting constitutes a waiver of notice, unless the director is attending for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

4.13 **First Meeting of New Board** - Provided a quorum of directors is present, each newly elected Board may, without notice, hold its first meeting immediately following the meeting of shareholders at which such Board is elected.

4.14 **Adjourned Meeting** - Notice of an adjourned meeting of the Board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.15 **Regular Meetings** - The Board may appoint a day or days in any month or months for regular meetings of the Board at a place and hour to be named. A copy of any resolution of the Board fixing the place and time of such regular meetings shall be sent to each director forthwith after being passed, but no other notice shall be required for any such regular meeting except where the Act requires the purpose thereof or the business to be transacted thereat to be specified.

4.16 **Chairman** - The chairman of any meeting of the Board shall be the first mentioned of such of the following officers as have been appointed and who is a director and is present at the meeting: chairman of the Board, managing director, president, or a vice-president. If no such officer is present, the directors present shall choose one of their number to be chairman.

4.17 **Votes to Govern** - At all meetings of the Board every question shall be decided by a majority of the votes cast on the question of those directors entitled to vote. In case of an equality of votes the chairman of the meeting shall not be entitled to a second or casting vote.

4.18 **Conflict of Interest** - A director or 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 material transaction or proposed material contract or proposed material transaction with the Corporation shall disclose the nature and extent of his interest at the time and in the manner provided by the Act. Any such contract or transaction or proposed contract or transaction shall be referred to the Board or shareholders for approval in accordance with the Act, even if such contract or transaction is one that in the ordinary course of the Corporation's business would not require approval by the Board or shareholders, and a director interested in a contract or transaction so referred to the Board shall not vote on any resolution to approve the same except as provided by the Act.

4.19 **Remuneration and Expenses** - Subject to the articles and any unanimous shareholder agreement, the directors shall be paid such remuneration for their services as the Board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the Board or any committee thereof. Nothing herein contained shall preclude any director from serving the Corporation in any other capacity and receiving remuneration in that capacity.

## **SECTION 5** **COMMITTEES**

5.01 **Committee of Directors** - Unless otherwise permitted by the Act, the Board may appoint a managing director who must be a resident Canadian, or a committee of directors, however designated, and delegate to such committee any of the powers of the Board except those which, under the Act, a managing director or a committee of directors has no authority to exercise. At least one-quarter of the members of such committee shall be resident Canadians.

5.02 **Transaction of Business** - Subject to the provisions of section 4.09, the powers of a committee of directors may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all the members of such committee who would have been entitled to vote on that resolution at a meeting of the committee. Meetings of such committee may be held at any place in or outside Canada.

5.03 **Advisory Committees** - The Board may from time to time appoint such other committees as it may deem advisable, but the functions of any such other committees shall be advisory only.

5.04 **Procedure** - Unless otherwise determined by the Board, each committee shall have the power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

5.05 **Audit Committee** - When required by the Act the Board shall, and at any other time the Board may, appoint annually from among its number an Audit Committee to be composed of not fewer than three (3) directors of whom a majority shall not be officers or employees of the Corporation or its affiliates. The Audit Committee shall have the powers and duties provided in the Act and any other powers delegated by the Board.

## **SECTION 6** **OFFICERS**

6.01 **Appointment** - Subject to the articles and any unanimous shareholder agreement, the Board may from time to time appoint a president, chief executive officer, chief financial officer, one or more vice-presidents (to which title may be added words indicating seniority or function), a secretary, a treasurer and such other officers as the Board may determine, including one or more assistants to any of the officers so appointed. The Board may specify the duties of and, in accordance with this by-law and subject to the provisions of the Act, the articles and any unanimous shareholder agreement, delegate to such officers powers to manage the business and affairs of the Corporation. Subject to sections 6.02 and 6.03, an officer may but need not be a director and one person may hold more than one office.

6.02 **Chairman of the Board** - The Board may from time to time also appoint a chairman of the Board who shall be a director. If appointed, the Board may assign to him any of the powers and duties that are by any provisions of this by-law assigned to the managing director or to the president; and he shall, subject to the provisions of the Act, have such other powers and duties as the Board may specify. During the absence or disability of the chairman of the Board, his duties shall be performed and his powers exercised by the managing director, if any, or by the president.

6.03 **Managing Director** - The Board may from time to time appoint a managing director who shall be a director. If appointed, he shall have such powers and duties as the Board may specify.

6.04 **President** - If appointed, the president shall be the chief operating officer and, subject to the authority of the Board, shall have general supervision of the business of the Corporation; and he shall have such other powers and duties as the Board may specify. During the absence or disability of the president, or if no president has been appointed, the managing director shall also have the powers and duties of that office.

6.05 **Vice-President** - A vice-president shall have such powers and duties as the Board or the chief executive officer may specify.

6.06 **Secretary** - The secretary shall attend and be the secretary of all meetings of the Board, shareholders and committees of the Board and shall enter or cause to be entered in records kept for that purpose minutes of all proceedings thereat; he shall give or cause to be given, as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the Board; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation, except when some other officer or agent has been appointed for that purpose; and he shall have such other powers and duties as the Board or the chief executive officer may specify.

6.07 **Treasurer** - The treasurer shall keep proper accounting records in compliance with the Act and shall be responsible for the deposit of money, the safekeeping of securities and the disbursement of the funds of the Corporation; he shall render to the Board whenever required an account of all his transactions as treasurer and of the financial position of the Corporation; and he shall have such other powers and duties as the Board or the chief executive officer may specify.

6.08 **Powers and Duties of Other Officers** - The powers and duties of all other officers shall be such as the terms of their engagement call for or as the Board or the chief executive officer may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the Board or the chief executive officer otherwise directs.

6.09 **Variation of Powers and Duties** - The Board may from time to time and subject to the provisions of the Act, vary, add to or limit the powers and duties of any officer.

6.10 **Term of Office** - The Board, in its discretion, may remove any officer of the Corporation, without prejudice to such officer's rights under any employment contract. Otherwise each officer appointed by the Board shall hold office until his successor is appointed.

6.11 **Terms of Employment and Remuneration** - The terms of employment and the remuneration of officers appointed by the Board shall be settled by the Board from time to time.

6.12 **Conflict of Interest** - An officer shall disclose his interest in any material contract or material transaction or proposed material contract or proposed material transaction with the Corporation in accordance with section 4.18.

6.13 **Agents and Attorneys** - The Board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

6.14 **Fidelity Bonds** - The Board may require such officers, employees and agents of the Corporation as the Board deems advisable to furnish bonds for the faithful discharge of their powers and duties, in such form and with such surety as the Board may from time to time determine.

## **SECTION 7**

### **PROTECTION OF DIRECTORS, OFFICERS AND OTHERS**

7.01 **Limitation of Liability** - No director or officer 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 other act for conformity, or for any loss, damage or expense happening to the Corporation through the insufficiency or deficiency of title to any property acquired 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 the Corporation shall be invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious acts of any person with whom any of the moneys, securities or effects of the Corporation shall be deposited, or for any loss occasioned by any error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same are occasioned by his own wilful neglect or default; provided that nothing herein shall relieve any director or officer from the duty to act in accordance with the Act and the regulations thereunder or from liability for any breach thereof.

7.02 **Indemnity** - Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, 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 (or a person who undertakes or has undertaken any liability on behalf of the Corporation or any such body corporate) 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 in respect of any civil, criminal or administrative action or proceeding to which he is made a party by reason of being or having been a director or officer of the Corporation or such body corporate, if

- (a) he 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 had reasonable grounds for believing that his conduct was lawful.

7.03 **Insurance** - Subject to the limitations contained in the Act, the Corporation may purchase and maintain such insurance for the benefit of its directors and officers as such, as the Board may from time to time determine.

## **SECTION 8**

### **SHARES**

8.01 **Allotment** - Subject to the Act, the articles and any unanimous shareholder agreement, the Board may from time to time allot or grant options to purchase the whole or any part of the authorized and unissued shares of the Corporation at such times and to such persons and for such consideration as the Board shall determine, provided that no share shall be issued until it is fully paid as prescribed by the Act.

8.02 **Commissions** - The Board may from time to time authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation, whether from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.

8.03 **Registration of Transfer** - Subject to the provisions of the Act, no transfer of shares shall be registered in a securities register except upon presentation of the certificate representing such shares with a transfer endorsed thereon or delivered therewith duly executed by the registered holder or by his attorney or successor duly appointed, together with such reasonable assurance or evidence of signature, identification and authority to transfer as the Board may from time to time prescribe, upon payment of all applicable taxes and any fees prescribed by the Board,

upon compliance with such restrictions on transfer as are authorized by the articles and upon satisfaction of any lien referred to in section 8.05.

8.04 **Transfer Agents and Registrars** - The Board may from time to time appoint a registrar to maintain the securities register and a transfer agent to maintain the register of transfers and may also appoint one or more branch registrars to maintain branch securities registers and one or more branch transfer agents to maintain branch registers of transfers, but one person may be appointed both registrar and transfer agent. The Board may at any time terminate any such appointment.

8.05 **Lien for Indebtedness** - If the articles provide that the Corporation shall have a lien on shares registered in the name of a shareholder indebted to the Corporation, such lien may be enforced, subject to any other provision of the articles and to any unanimous shareholder agreement, by the sale of the shares thereby affected or by any other action, suit, remedy or proceeding authorized or permitted by law or by equity and, pending such enforcement, may refuse to register a transfer of the whole or any part of such shares.

8.06 **Non-recognition of Trusts** - Subject to the provisions of the Act, the Corporation shall treat as absolute owner of any share the person in whose name the share is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the share certificate.

8.07 **Security Certificates** - Every holder of one or more securities of the Corporation shall be entitled, at his option, to a security certificate, or to a non-transferable written acknowledgement of his right to obtain a security certificate, stating the number and class or series of securities held by him as shown on the securities register. Security certificates and acknowledgements of a shareholder's right to a security certificate, respectively, shall be in such form as the Board shall from time to time approve. Any security certificate shall be signed in accordance with section 2.02 and need not be under the corporate seal; provided that, unless the Board otherwise determines, certificates representing securities in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of security certificates which are not valid unless countersigned by or on behalf of the transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon security certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A security certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.08 **Replacement of Security Certificates** - The Board or any officer or agent designated by the Board may in its or his discretion direct the issue of a new security certificate in lieu of and upon cancellation of a security certificate that has been mutilated or in substitution for a security certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee, not exceeding \$3.00 and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the Board may from time to time prescribe, whether generally or in any particular case.

8.09 **Joint Securityholders** - If two or more persons are registered as joint holders of any security, the Corporation shall not be bound to issue more than one certificate in respect thereof, and delivery of such certificate to one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the certificate issued in respect thereof or for any dividend, bonus, return of capital or other money payable or warrant issuable in respect of such security.

8.10 **Deceased Shareholders** - In the event of the death of a holder, or of one of the joint holders, of any security, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividends thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

**SECTION 9**  
**DIVIDENDS AND RIGHTS**

9.01 **Dividends** - Subject to the provisions of the Act, the Board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

9.02 **Dividend Cheques** - A dividend payable in cash shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and mailed by prepaid ordinary mail to such registered holder at his recorded address, unless such holder otherwise directs. In the case of joint holders the cheque shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as aforesaid, unless the same is not paid on due presentation, shall satisfy and discharge the liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.03 **Non-receipt of Cheques** - In the event of non-receipt of any dividend cheque by the person to whom it is sent as aforesaid, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Board may from time to time prescribe, whether generally or in any particular case.

9.04 **Record Date for Dividends and Rights** - The Board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities and if the Corporation is a distributing corporation, as defined in the Act, provided that notice of any such record date is given, not less than 7 days before such record date, by newspaper advertisement in the manner provided in the Act. Where no record date is fixed in advance as aforesaid, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the day on which the resolution relating to such dividend or right to subscribe is passed by the Board.

9.05 **Unclaimed Dividends** - Any dividend unclaimed after a period of 6 years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation.

**SECTION 10**  
**MEETINGS OF SHAREHOLDERS**

10.01 **Annual Meetings** - The annual meeting of shareholders shall be held at such time in each year and, subject to section 10.03, at such place as the Board, the chairman of the Board, the managing director or the president may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing auditors and for the transaction of such other business as may properly be brought before the meeting.

10.02 **Special Meetings** - The Board, the chairman of the Board, the managing director or the president shall have power to call a special meeting of shareholders at any time.

10.03 **Place of Meetings** - Subject to the Act and the articles, meetings of shareholders may be held at any location in any Province of Canada.

10.04 **Notice of Meetings** - Notice of the time and place of each meeting of shareholders shall be given in the manner provided in section 12.01 not less than 21 nor more than 50 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice, if any, is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. Notice of a meeting of shareholders called for any purpose other than consideration of the financial statements and auditors report, election of directors and appointment of auditors shall state the nature of such business in sufficient detail to

permit the shareholder to form a reasoned judgment thereon and shall state the text of any special resolution to be submitted to the meeting. A shareholder may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.05 **List of Shareholders Entitled to Notice** - The Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares entitled to vote at the meeting held by each shareholder. If a record date for the meeting is fixed pursuant to section 10.06, the shareholders listed shall be those registered at the close of business on a day not later than 10 days after such record date and the list shall be prepared no later than 10 days after the record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the day immediately preceding the day on which notice of the meeting is given, or where no such notice is given, the day on which the meeting is held. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation or at the place where the securities register is kept and at the place where the meeting is held.

10.06 **Record Date for Notice** - The Board may fix in advance a record date, preceding the date of any meeting of shareholders by not more than 50 days and not less than 21 days, for the determination of the shareholders entitled to notice of or to vote at the meeting, provided that notice of any such record date is given, not less than 7 days before such record date, by newspaper advertisement in the manner provided in the Act. If no record date is so fixed, the record date for the determination of the shareholders entitled to notice of or to vote at the meeting shall be the close of business on the last business day immediately preceding the day on which the notice is sent or if no notice is sent, the day on which the meeting is held.

10.07 **Meetings Without Notice** - A meeting of shareholders may be held without notice at any time and place permitted by the Act (a) if all the shareholders entitled to vote thereat are present in person or represented by proxy or if those not present or represented by proxy waive notice of or otherwise consent to such meeting being held, and (b) if the auditors and the directors are present or the directors waive notice of or otherwise consent to such meeting being held. At such a meeting any business may be transacted which the Corporation at a meeting of shareholders may transact. If the meeting is held at a place outside Alberta, shareholders not present or represented by proxy, but who have waived notice of or otherwise consented to such meeting, shall also be deemed to have consented to the meeting being held at such place.

10.08 **Chairman, Secretary and Scrutineers** - The chairman of any meeting of shareholders shall be the first mentioned of such of the following officers as have been appointed and who is present at the meeting: president, managing director, chairman of the Board, or a vice-president who is a shareholder. If no such officer is present within 15 minutes from the time fixed for the commencement of the meeting, the persons present and entitled to vote shall choose one of their number to be chairman. If the secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

10.09 **Persons Entitled to be Present** - The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and auditors of the Corporation and others who, although not entitled to vote, are entitled or required under any provision of the Act or the articles or by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

10.10 **Quorum** - The quorum for the transaction of business at any meeting of the shareholders shall consist of at least two persons holding or representing by proxy not less than five (5%) percent of the outstanding shares of the Corporation entitled to vote at the meeting. If a quorum is not present at the opening of any meeting of shareholders, the shareholders present may adjourn the meeting to a fixed time and place, but may not transact any other business. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of less than 30 days it is not necessary to give notice of the adjourned meeting other than by announcement at the time of an adjournment. If a meeting of shareholders is adjourned by one or more adjournments for an aggregate of more than 29 days and not more than 90 days, notice of the adjourned meeting shall be given as for an original meeting but the management of the Corporation shall not be required to send a form of proxy in the form prescribed by the Act to

each shareholder who is entitled to receive notice of the meeting. Those shareholders present at any duly adjourned meeting shall constitute a quorum.

10.11 **Right to Vote** - Subject to the provisions of the Act as to authorized representatives of any other body corporate, at any meeting of shareholders in respect of which the Corporation has prepared the list referred to in section 10.05, every person who is named in such list shall be entitled to vote the shares shown thereon opposite his name except, where the Corporation has fixed a record date in respect of such meeting pursuant to section 10.06, to the extent that such person has transferred any of his shares after such record date and the transferee, upon producing properly endorsed certificates evidencing such shares or otherwise establishing that he owns such shares, demands not later than 10 days before the meeting that his name be included to vote the transferred shares at the meeting. In the absence of a list prepared as aforesaid in respect of a meeting of shareholders, every person shall be entitled to vote at the meeting who at that time is entered in the securities register as the holder of one or more shares carrying the right to vote at such meeting.

10.12 **Proxies** - Every shareholder entitled to vote at a meeting of shareholders may appoint a proxyholder, or one or more alternate proxyholders, who need not be shareholders, to attend and act at the meeting in the manner and to the extent authorized and with the authority conferred by the proxy. A proxy shall be in writing executed by the shareholder or his attorney and shall conform with the requirements of the Act.

10.13 **Time for Deposit of Proxies** - The Board may specify in a notice calling a meeting of shareholders a time, preceding the time of such meeting by not more than 48 hours exclusive of non-business days, before which time proxies to be used at such meeting must be deposited. A proxy shall be acted upon only if, prior to the time so specified, it shall have been deposited with the Corporation or an agent thereof specified in such notice or, if no such time is specified in such notice, unless it has been received by the secretary of the Corporation or by the chairman of the meeting or any adjournment thereof prior to the time of voting.

10.14 **Joint Shareholders** - If two or more persons hold shares jointly, one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one on the shares jointly held by them.

10.15 **Votes to Govern** - At any meeting of shareholders every question shall, unless otherwise required by the Act, be determined by the majority of the votes cast on the question. In case of an equality of votes either upon a show of hands or upon a poll, the chairman of the meeting shall not be entitled to a second or casting vote.

10.16 **Show of Hands** - Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands or any other manner permitted by the Act unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands every person who is present and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question.

10.17 **Ballots** - On any question proposed for consideration at a meeting of shareholders, and whether or not a show of hands or other form of voting has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which he is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

10.18 **Adjournment** - If a meeting of shareholders is adjourned for less than 30 days, it shall not be necessary to give notice of the adjourned meeting, other than by announcement at the earliest meeting that it is adjourned. If a

meeting of shareholders is adjourned by one or more adjournments for an aggregate of 30 days or more, notice of the adjourned meeting shall be given as for an original meeting.

10.19 **Resolution in Writing** - A resolution in writing signed in counterpart or in one instrument by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of the shareholders.

10.20 **Only One Shareholder** - Where the Corporation has only one shareholder or only one holder of any class or series of shares, the shareholder present in person or by proxy constitutes a meeting.

10.21 **Meetings by Telephone** - Subject to any limitations or requirements set out in the regulations to the Act, if any, a shareholder or any other person entitled to attend a meeting of shareholders may participate in the meeting by electronic means, telephone or other communication facilities that permit all persons participating in the meeting to hear or otherwise communicate with each other.

10.22 **Nomination of Directors**

- (a) Subject only to the provisions of the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors:
- i. by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
  - ii. by or at the direction or request of one or more shareholders of the Corporation pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act; or
  - iii. by any person (a “**Nominating Shareholder**”): (i) who, at the close of business on the date of the giving by the Nominating Shareholder of the notice provided for below in this Section 10.22 and at the close of business on the record date for notice of such meeting, is 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 provides evidence of such beneficial ownership to the Corporation; and (ii) who complies with the notice procedures set forth below in this Section 10.22.

For the avoidance of doubt, the procedures set forth in this Section 10.22 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders of the Corporation.

- (b) 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 Section 10.22.
- (c) To be timely, a Nominating Shareholder’s notice to the secretary of the Corporation must be made:
- i. in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a

date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made 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 meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), 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 of shareholders was made.

Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph. In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder’s notice as described above.

- (d) To be in proper written form, a Nominating Shareholder’s notice to the secretary of the Corporation must set forth:

- i. as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age, business address and residence address of the person; (ii) the principal occupation or employment of the person; (iii) the citizenship of such person; (iv) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (v) any other information relating to the person that would be required to be disclosed in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- ii. as to the Nominating Shareholder giving the notice, full particulars of any proxy, contract, arrangement, agreement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote or direct the voting of any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident’s proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, 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) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 10.22; provided, however, that nothing in this Section 10.22 shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

- (f) For the purposes of this Section 10.22:
- i. “**Applicable Securities Laws**” means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each relevant province and territory of Canada; and
  - ii. “**public announcement**” shall mean disclosure in a release reported by a national news service in Canada, or in a document publicly filed by or on behalf of the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com).
- (g) Notwithstanding any other provision of this Section 10.22, notice given to the secretary of the Corporation pursuant to this Section 10.22 may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Corporation 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, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5 p.m. (Calgary time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

10.23 **Electronic Voting** – If the Corporation chooses to make available a telephonic, electronic or other communication facility, in accordance with the Act and the regulations, that permit shareholders to vote by means of such facility then, notwithstanding any other provision of this by-law, any vote may be held, in accordance with the Act and the regulations, by means of such facility.

## **SECTION 11**

### **DIVISIONS AND DEPARTMENTS**

11.01 **Creation and Consolidation of Divisions** - The Board may cause the business and operations of the Corporation or any part thereof to be divided or to be segregated into one or more divisions upon such basis, including without limitation, character or type of operation, geographical territory, product manufactured or service rendered, as the Board may consider appropriate in each case. The Board may also cause the business and operations of any such division to be further divided into sub-units and the business and operations of any such divisions or sub-units to be consolidated upon such basis as the Board may consider appropriate in each case.

11.02 **Name of Division** - Any division or its sub-units may be designated by such name as the Board may from time to time determine and may transact business, enter into contracts, sign cheques and other documents of any kind and do all acts and things under such name. Any such contracts, cheque or document shall be binding upon the Corporation as if it had been entered into or signed in the name of the Corporation.

11.03 **Officers of Divisions** - From time to time the Board or, if authorized by the Board, the chief executive officer, may appoint one or more officers for any division, prescribe their powers and duties and settle their terms of employment and remuneration. The Board or, if authorized by the Board, the chief executive officer, may remove at its or his pleasure any officer so appointed, without prejudice to such officer's rights under any employment contract. Officers of divisions or their sub-units shall not, as such, be officers of the Corporation.

## **SECTION 12**

### **NOTICES**

12.01 **Method of Giving Notices** - Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act, the regulations thereunder, the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the Board shall be sufficiently given if delivered personally to the person to whom it is to be given or if delivered to his recorded address or if mailed to him at his recorded address by prepaid ordinary or air mail or if sent to him at his recorded address by any means of prepaid transmitted or recorded communication or by electronic means in accordance with the provisions of the *Electronic Transactions Act* (Alberta). A notice so delivered shall be deemed to have been given when it is delivered personally or to the recorded address as aforesaid; a notice so mailed shall be deemed to have been given when deposited in a post office or public letter box; and a notice so sent by any means of transmitted or recorded communication shall be deemed to have been given when dispatched or delivered to the appropriate communication company or agency or its representative for dispatch. The secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the Board in accordance with any information believed by him to be reliable.

12.02 **Notice to Joint Shareholders** - If two or more persons are registered as joint holders of any share, any notice shall be addressed to all of such joint holders but notice to one of such persons shall be sufficient notice to all of them.

12.03 **Computation of Time** - In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event, the date of giving the notice shall be excluded and the date of the meeting or other event shall be included.

12.04 **Undelivered Notices** - If any notice given to a shareholder pursuant to section 12.01 is returned on two consecutive occasions because he cannot be found, the Corporation shall not be required to give any further notices to such shareholder until he informs the Corporation in writing of his new address.

12.05 **Omissions and Errors** - The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the Board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

12.06 **Persons Entitled by Death or Operation of Law** - Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom he derives his title to such share prior to his name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which he became so entitled) and prior to his furnishing to the Corporation the proof of authority or evidence of his entitlement prescribed by the Act.

12.07 **Waiver of Notice** - Any shareholder (or his duly appointed proxyholder), director, officer, auditor or member of a committee of the Board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to him under any provision of the Act, the regulations thereunder, the articles, the by-laws or otherwise and such waiver or abridgement shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the Board which may be given in any manner.

**SECTION 13**  
**EFFECTIVE DATE**

13.01 **Effective Date** - This by-law shall come into force upon the passing of same by the Board, subject to confirmation of the by-law by the shareholders of the Corporation as required by the Act.

13.02 **Repeal** – All previous by-laws of the Corporation are repealed as of the coming into force of this by-law. 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 directors, 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.

**CONSENTED** to by the Board on the 17<sup>th</sup> day of October, 2018.

(signed) "Mark Goliger"  
**MARK GOLIGER**

Chief Executive Officer and Director

**CONFIRMED** by all the voting shareholders of the Corporation, on the \_\_\_\_ day of November, 2018.

\_\_\_\_\_  
Corporate Secretary

## SCHEDULE “C”

### AUDIT COMMITTEE CHARTER

#### 1. **Mandate**

The primary function of the audit committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of **NATIONAL ACCESS CANNABIS CORP.** (the “**Company**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting and the Company’s auditing, accounting and financial reporting processes. The Committee’s primary duties and responsibilities are to:

- (a) serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements;
- (b) review and appraise the performance of the Company’s external auditor;
- (c) provide an open avenue of communication among the Company’s auditor, financial and senior management and the Board; and
- (d) report regularly to the Board the results of its activities.

#### 2. **Composition**

The Committee shall be comprised of a minimum three directors as determined by the Board. If the Company ceases to be a “venture issuer” (as that term is defined in Multilateral Instrument 52 - 110 – *Audit Committees*), then all of the members of the Committee shall be free from any material relationship with the Company that, in the opinion of the Board, would interfere with the exercise of their independent judgment as a member of the Committee.

If the Company ceases to be a venture issuer then all members of the Committee shall also have accounting or related financial management expertise. All members of the Committee should have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders’ meeting or until their successors are duly elected. Unless a chairperson (“**Chair**”) is elected by the full Board, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

#### 3. **Meetings**

The Committee shall meet a least once quarterly, or more frequently as circumstances dictate or as may be prescribed by securities regulatory requirements. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer of the Company and the external auditor of the Company in separate sessions.

#### 4. **Responsibilities and Duties**

To fulfill its responsibilities and duties, the Committee shall:

##### A. Documents/Reports Review

- (e) review and update this Audit Committee Charter annually;

- (f) review the Company's financial statements, MD&A and any annual and interim earnings press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditor; and
- (g) review regular summary reports of directors and officer's expense account claims at least annually, establish and review approval policies for expense reports and, as required, request audits of expense claims and policies for expense approval and reimbursements. The Chair of the Committee will be responsible for approving the expense reports of the President and the Chief Executive Officer of the Company, and the Chief Executive Officer of the Company will be responsible for approving the expense reports of the directors and officers of the Company.

B. External Auditor

- (a) review annually, the performance of the external auditor who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Company;
- (b) obtain annually, a formal written statement of the external auditor setting forth all relationships between the external auditor and the Company;
- (c) review and discuss with the external auditor any disclosed relationships or services that may impact the objectivity and independence of the external auditor;
- (d) take, or recommend that the Board, appropriate action to oversee the independence of the external auditor, including the resolution of disagreements between management and the external auditor regarding financial reporting;
- (e) recommend to the Board the selection and, where applicable, the replacement of the external auditor nominated annually for shareholder approval;
- (f) recommend to the Board the compensation to be paid to the external auditor;
- (g) at each meeting, where desired, consult with the external auditor, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements;
- (h) review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
- (i) review with management and the external auditor the audit plan for the year-end financial statements; and
- (j) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditor. The pre-approval requirement is waived with respect to the provision of non-audit services if:
  - i. the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditor during the fiscal year in which the non-audit services are provided,
  - ii. such services were not recognized by the Company at the time of the engagement to be non-audit services, and

- iii. such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval, such authority may be delegated by the Committee to one or more independent members of the Committee.

C. Financial Reporting Processes

- (a) in consultation with the external auditor, review with management the integrity of the Company's financial reporting process, both internal and external;
- (b) consider the external auditor's judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting;
- (c) consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditor and management;
- (d) review significant judgments made by management in the preparation of the financial statements and the view of the external auditor as to appropriateness of such judgments;
- (e) following completion of the annual audit, review separately with management and the external auditor any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information;
- (f) review any significant disagreement among management and the external auditor in connection with the preparation of the financial statements;
- (g) review with the external auditor and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- (h) review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters;
- (i) review certification process;
- (j) establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
- (k) establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters; and
- (l) on at least an annual basis, review with the Company's counsel, any legal matters that could have a significant impact on the Company's financial statements, the Company's compliance with applicable laws and regulations, and inquiries received from regulators or government agencies.

D. Authority

- (a) The Committee will have the authority to:
  - i. review any related-party transactions;

- ii. engage independent counsel and other advisors as it determines necessary to carry out its duties;
- iii. set and pay compensation for any independent counsel and other advisors employed by the Committee;
- iv. communicate directly with the auditors; and
- v. conduct and authorize investigations into any matters within the Committee's scope of responsibilities. The Committee shall be empowered to retain independent counsel and other professionals to assist in the conduct of any investigation.



