



**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE ANNUAL MEETING OF SHAREHOLDERS OF
TERRASCEND CORP.**

TO BE HELD ON

June 28, 2021

These materials are important and require your immediate attention. If you have questions as to how to deal with these documents or the matters to which they refer, please contact your financial, legal or other professional advisor.

If you have any questions or require further information with regard to voting your shares or completing your documentation, please contact Odyssey Trust Company, our transfer agent, toll free within North America at 1-888-260-1175, 587-885-0960, or by e-mail at terrascend@odysseytrust.com

May 21, 2021



Dear Fellow Shareholders,

On behalf of the board of directors (the “**Board**”) and management of TerrAscend Corp. (“**TerrAscend**”), I am pleased to invite you to join me at our annual meeting of common shareholders of TerrAscend. The meeting will be held on June 28, 2021, at 1:00 p.m. (Eastern Time).

This year, given the ongoing public health impact of the COVID-19 virus, and to mitigate risks to the health and safety of our communities, shareholders, employees and other stakeholders, we will hold our annual meeting in a virtual only format, which will be conducted via live audio webcast. Registered shareholders and proxyholders at the record date for the meeting will have an equal opportunity to participate at the annual meeting online regardless of their geographic location. At the meeting, you will have the opportunity to ask questions and vote on a number of important matters. The management information circular contains detailed instructions about how to participate at the virtual meeting.

2019 and 2020 were tremendous years for TerrAscend as we set out to develop a strong foothold in the U.S. by focusing on high growth cannabis markets. Today we are strategically located in California, Maryland, New Jersey and Pennsylvania, supported by best-in-class assets and a talented operating team, which we will leverage to strategically expand.

Our move into the U.S. market drove a 2,805% increase in topline revenue from fiscal 2018 to fiscal 2020 and TerrAscend began delivering strong bottom-line earnings in 2020. At the end of the first quarter of 2021, more than 93% of our net sales were derived from our U.S. operations.

My near-term priority remains to build a sustainable business where we prudently manage our investments to drive long-term profitable growth. Our unique combination of topline growth, expanding margins and strong bottom-line earnings set us apart from our broader peer group and ensure TerrAscend continues to thrive in the North American cannabis market.

Looking ahead, we entered 2021 with a solid foundation in place and are on track to execute on our goals of driving strong revenue growth and profitably. With our focus squarely on further cementing our U.S. operations, we have several levers that will propel our business.

In Pennsylvania, the first quarter of 2021 was the first full quarter following the completion of our increased cultivation capacity. In early May, we closed on the acquisition of Keystone Care Resources (“**KCR**”) dispensary operations. With the acquisition of KCR we now have six retail dispensaries in the state of Pennsylvania and construction is currently underway to expand our cultivation capacity by a further 30%. This expansion is expected to be completed later this year and will be a key driver of growth for us in 2022. Pennsylvania remains our largest market and is an anchor for our expanding Northeast strategy.

In New Jersey, we began to realize the full capacity of both our 40,000 square foot greenhouse and the 80,000 square foot indoor grow which became fully operational in late 2020. We expect capacity from these facilities to increase throughout 2021. For New Jersey retail, the first quarter of 2021 was the first full quarter of operation at our Phillipsburg dispensary and on May 7, 2021 we opened our second dispensary in Maplewood. We expect that our 3rd dispensary will open this summer which combined with our increased cultivation capabilities should fuel further growth in the back half of the year.

In Maryland, we completed the acquisition of HMS Maryland’s cultivation and processing assets in early May and it has been consolidated into our Northeast operations. We will soon begin construction on a brand new state-of-the-art 150,000 square foot cultivation and processing facility in Maryland at an existing conditioned building. This facility is expected to be completed in early 2022 and will greatly enhance our ability to manufacture and sell branded products into the underserved Maryland market.

In Canada, the cannabis market continues to experience ongoing challenges in terms of muted adult-use demand driven by slow retail growth and broad oversupply. Our right-sized operations and capital-light footprint here has positioned us well for when growth returns.

Few companies are experiencing the explosive growth we are currently seeing in our operations. Our targeted investment strategy is yielding growth and margins that are amongst the top of the peer group. We continue to invest in our existing operations while keeping an eye out for accretive acquisitions to fuel growth. Overall, management believes that 2021 is shaping up to be another banner year for TerrAscend and its shareholders.

On behalf of the entire team, I want to thank you for your ongoing support. We look forward to updating you on our progress throughout the year.

Sincerely,

Jason Wild
Executive Chairman, Chairman of the Board and Director

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS OF TERRASCEND CORP.
TO BE HELD ON JUNE 28, 2021**

TO: The Shareholders of TerrAscend Corp.

NOTICE IS HEREBY GIVEN that the annual meeting of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of TerrAscend Corp. (the “**Corporation**”) will be held virtually at web.lumiagm.com/250458855 (password “terrascend2021”) on June 28, 2021, at 1:00 p.m. (Eastern Time) (the “**Meeting**”), for the following purposes:

1. to receive and consider the audited consolidated financial statements of the Corporation for the financial year ended December 31, 2020, together with the report of the auditor thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to re-appoint MNP LLP as auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix their remuneration; and
4. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The specific details of the foregoing matters to be put before the Meeting are set forth in the management information circular accompanying this notice of Meeting.

The record date for determining the Shareholders entitled to receive notice of and vote at the Meeting is the close of business on May 21, 2021, (the “**Record Date**”). Only Shareholders whose names have been entered in the applicable register of Shareholders as of 5:00 p.m. (Eastern Time) on the Record Date are entitled to receive notice of and vote at the Meeting. Those Shareholders of record will be included in the list of Shareholders prepared as at the Record Date and will be entitled to vote the Common Shares recorded therein at the Meeting.

Each Common Share entitled to be voted at the Meeting will entitle the holder thereof to one vote at the Meeting.

A Shareholder may attend the Meeting or may be represented by proxy through the Lumi platform. Registered Shareholders who are unable to attend the Meeting are requested to complete, sign and date the enclosed form of proxy and send it to Odyssey Trust Company (“**Odyssey**”), the Corporation’s transfer agent, at their offices located at 25 Adelaide St E, Toronto, Ontario, M5C 3A1, or to vote by facsimile or internet as specified in the form of proxy. To be effective, such proxy must be received by Odyssey by 1:00 p.m. (Eastern Time) on June 24, 2021, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof.

Non-registered Shareholders who receive these materials through their broker or other intermediary should complete and return the voting instruction form provided by their broker or other intermediary in accordance with the instructions provided.

Virtual Meeting Logistics

As noted above, the Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting, Shareholders must have a valid username.

Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at web.lumiagm.com/250458855. Such persons may then enter the Meeting by clicking “I have a login” and entering a username and password before the start of the Meeting.

• **Registered Shareholders:** The control number located on the form of proxy (or in the email notification you received if you have previously consented to receiving shareholder materials via email) is the username. The password to the Meeting is “terrascend2021” (case sensitive). If as a registered shareholder you are using your

control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open during the Meeting. By voting at the Meeting, you will revoke your previous voting instructions received prior to the proxy voting cutoff.

• Duly appointed proxyholders: A shareholder who wishes to appoint a person other than the management nominees identified in the form of proxy to attend, participate or vote at the Meeting (including a non-registered shareholder who wishes to appoint themselves) must register the appointed proxyholder by sending an email to terrascend@odysseytrust.com by 1:00 p.m. (Eastern Time) on June 24, 2021, providing the transfer agent with the required proxyholder contact as set out in the enclosed instructions, so that Odyssey may provide the proxyholder with a username via email. Without a username, proxyholders will not be able to attend, participate or vote at the Meeting. Odyssey will provide the proxyholder with a username by e-mail after the voting deadline has passed. The password to the Meeting is “terrascend2021” (case sensitive).

Only registered Shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting.

DATED at Toronto, Ontario, this 21st day of May, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

Jason Wild
Executive Chairman, Chairman of the Board and
Director

MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “**Circular**”) is being furnished to holders (“**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of TerrAscend Corp. (the “**Corporation**”) in connection with the solicitation of proxies by management of the Corporation for use at the annual meeting of Shareholders to be held virtually at web.lumiagm.com/250458855 (password “**terrascend2021**”) on June 28, 2021, at 1:00 p.m. (Eastern Time) (the “**Meeting**”), or any adjournment(s) or postponement(s) thereof, for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”).

INFORMATION CONTAINED IN THIS CIRCULAR

Information contained in this Circular is given as at May 21, 2021, unless otherwise specifically stated. Unless otherwise indicated herein, all dollar amounts are expressed in Canadian currency.

The Corporation is a reporting issuer or equivalent in the provinces of British Columbia, Alberta and Ontario and files its continuous disclosure documents with the provincial securities regulatory authorities of those provinces. The continuous disclosure documents of the Corporation are filed on the system for electronic document analysis and retrieval (“**SEDAR**”) and are available under the Corporation’s profile at www.sedar.com.

FORWARD-LOOKING STATEMENTS

This Circular and the enclosed letter to Shareholders contain “forward-looking statements” within the meaning of applicable securities laws. Forward-looking statements contained herein may be identified by the use of words such as, “may”, “would”, “should”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “outlook” and other similar expressions intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. These statements reflect management’s current beliefs with respect to future events and are based on information currently available to management. Forward-looking statements contained herein include, but are not limited to, statements with respect to: future revenue and profit growth; the increase in capacity of the New Jersey greenhouse and indoor grow; the opening of a 3rd New Jersey dispensary; the completion of the Maryland cultivation and processing facility; and the appointment of additional committees.

Forward-looking statements are not a guarantee of future performance and are based upon a number of estimates and assumptions of management in light of management’s experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances. The forward-looking statements contained herein are based on certain key expectations and assumptions, relating to:

- the ability of the Corporation to generate cash flow from operations and obtain necessary financing on acceptable terms, and the use of net proceeds from private placements;
- the Corporation’s expectations regarding its consolidated sales, expenses and operations;
- the Corporation’s plans for developing its business and its operations;
- expectations with respect to future production costs and capacity;
- the general economic, financial market, regulatory and political conditions in which the Corporation operates;
- consumer interest in the Corporation’s products;
- the timely receipt of any required regulatory approvals for the conduct of the Corporation’s businesses from the applicable authorities;
- competition;
- the ability of the Corporation to obtain qualified staff, equipment and services in a timely and cost-efficient manner;
- the ability of the Corporation to conduct its operations in a safe, efficient and effective manner; and
- the Corporation’s expectations regarding determination of director compensation.

Although the Corporation believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Corporation can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking statements are subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking statements. Such risks and uncertainties include, but are not limited to: current and future market conditions; risks related to federal, state, provincial, territorial, local and foreign government laws, rules and regulations, including federal and state laws in the United States (“US”) relating to cannabis operations in the US; and the risk factors set out in the management’s discussion and analysis approved by the Board (as defined herein) on March 22, 2021 for the year ended December 31, 2020 and other filings with the Canadian securities regulators available under the Corporation’s profile on SEDAR at www.sedar.com.

The statements in this Circular are made as of the date of this Circular. The Corporation disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.

CAUTION REGARDING CANNABIS OPERATIONS IN THE UNITED STATES

Investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the US. Cannabis remains a Schedule I drug under the US Controlled Substances Act, making it illegal under federal law in the US to, among other things, cultivate, distribute or possess cannabis in the US. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the US may form the basis for prosecution under applicable US federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the US has trended toward non-enforcement against individuals and businesses that comply with medical or adult-use cannabis programs in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve the Corporation of liability under US federal law, nor will it provide a defense to any federal proceeding which may be brought against the Corporation. The enforcement of federal laws in the US is a significant risk to the business of the Corporation and any proceedings brought against the Corporation thereunder may adversely affect the Corporation’s operations and financial performance.

INFORMATION CONCERNING THE CORPORATION

General Information

The Corporation was incorporated under the *Business Corporations Act* (Ontario) (“**OBCA**”) as “TerrAscend Corp.” on March 7, 2017. The Corporation’s registered and head office is located at PO Box 43125, Mississauga, Ontario, L5C 1W2. The Common Shares are listed and posted for trading on the Canadian Securities Exchange under the symbol “TER” and on the OTCQX® Best Market under the symbol “TRSSF”.

Voting Securities and Principal Holders of Voting Securities

The Corporation is authorized to issue an unlimited number of Common Shares, an unlimited number of proportionate voting shares (“**Proportionate Voting Shares**”), an unlimited number of non-participating, non-voting, unlisted exchangeable shares (“**Exchangeable Shares**”), and an unlimited number of preferred shares, issuable in series (“**Preferred Shares**”). As of the Record Date, there were a total of 183,848,363 Common Shares, no Proportionate Voting Shares, 38,890,570 Exchangeable Shares and 14,318 Preferred Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting, and each Proportionate Voting Share would entitle the holder thereof to 1,000 votes on all matters to be acted upon at the Meeting. The Exchangeable Shares and the Preferred Shares are not entitled to vote at the Meeting. Therefore, there are a total of 183,848,363 votes eligible to be cast at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as of the Record Date, no person or company beneficially owns, or controls or directs, directly or indirectly, Common Shares carrying 10% or more of the voting rights attached to the Common Shares except for the following:

Name of Shareholder	Number of Votes Held	Percentage of Total Eligible Votes ⁽¹⁾
Jason Wild	72,959,311 ⁽²⁾	39.68%

(1) Based on a total of 183,848,363 Common Shares outstanding on an undiluted basis as of the Record Date.

(2) Jason Wild, the Executive Chairman and Chairman of the Corporation, indirectly controls 72,959,311 Common Shares representing 39.68% of the Common Shares as of the Record Date.

GENERAL PROXY MATTERS

Solicitation of Proxies

Management of the Corporation is using this Circular to solicit proxies from Shareholders for use at the Meeting. It is expected that proxies will be solicited primarily by mail, but proxies may also be solicited personally, by telephone or through electronic means (including via the Internet, e-mail or facsimile) by directors, officers and employees of the Corporation. The cost of this solicitation will be borne by the Corporation.

Record Date

The board of directors of the Corporation (the “**Board**”) fixed the close of business on May 21, 2021 as the record date (the “**Record Date**”) for determining which Shareholders shall be entitled to receive notice of, and to vote at, the Meeting. Only Shareholders of record as of the Record Date are entitled to receive notice of, and to vote at, the Meeting or any adjournment(s) or postponement(s) thereof. Persons who acquire Voting Shares after the Record Date will not be entitled to vote such Voting Shares at the Meeting.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. **A Shareholder has the right to appoint a person, persons or entity (who need not be a Shareholder) other than the persons designated in the form of proxy provided by the Corporation to attend and act on behalf of the Shareholder at the Meeting. A Shareholder wishing to exercise this right may do so by inserting the name(s) of the desired person, persons or entity in the blank space provided in the form of proxy or by completing another proper form of proxy. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form (see “*Registering a Proxyholder*” below).** In order to be effective, a proxy must be received by the Corporation’s transfer agent, Odyssey Trust Company (“**Odyssey**”), at 25 Adelaide St E, Toronto, Ontario, M5C 3A1, or by facsimile or internet as specified in the form of proxy, by 1:00 p.m. (Eastern Time) on June 24, 2021, or not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof. The Chair of the Meeting may waive or extend the proxy cut-off without notice. The proxy must be in writing and executed by the Shareholder, or such Shareholder’s attorney authorized in writing, or if such Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney thereof.

A Shareholder who has given a proxy may revoke it by instrument in writing executed by the Shareholder, by such Shareholder’s attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an duly authorized officer or attorney thereof, and delivered either to the Corporation or to Odyssey at the address specified above at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, or with the Chair of the Meeting on the day of the Meeting before the commencement of the Meeting or the reconvening of any adjournment or postponement of the Meeting. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

Proxy Voting

The persons named in the form of proxy will vote (or withhold from voting) the Voting Shares in respect of which they are appointed in accordance with the instructions of the Shareholder appointing them, and if the Shareholder specifies a choice with respect to any matter to be acted upon at the Meeting, the persons appointed as proxyholders shall vote accordingly. **In the absence of such direction, such Voting Shares will be voted IN FAVOUR of the passing of all matters and resolutions described herein. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to the matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.** The persons named in the enclosed proxy will have discretionary authority with respect to any amendments or variations of the matters of business to be acted on at the Meeting or any other matters properly brought before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before

the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested. As of the date of this Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the persons named in the form of proxy.

Non-Registered Shareholders

Only registered Shareholders or the person(s) they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, Voting Shares beneficially owned by a holder whose Common Shares are held by an Intermediary (“**Non-Registered Shareholder**”) are registered either: (i) in the name of a broker or other intermediary (“**Intermediary**”) with whom the Non-Registered Shareholder deals in respect of the Voting Shares; or (ii) in the name of a clearing agency (such as CDS & Co.) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation has elected to send the Notice of Meeting, the Circular and the voting instruction form (“**Voting Instruction Form**”, and together with the Notice of Meeting and the Circular, “**Meeting Materials**”) directly to Non-Registered Shareholders through the services of Odyssey and Broadridge Financial Solutions, Inc. The Corporation will pay for Intermediaries to deliver the Meeting Materials to Non-Registered Shareholders who have objected to their Intermediary disclosing ownership information about themselves to the Corporation.

These Meeting Materials are being sent to both registered Shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Corporation or its agent has sent the Meeting Materials directly to you, your name, address and information about your holdings of Voting Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding the Voting Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the Intermediary holding the Voting Shares on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the Voting Instruction Form.

Non-Registered Shareholders will be given, in substitution for the form of proxy otherwise contained in the proxy-related materials, a Voting Instruction Form which, when properly completed and, if applicable, signed by the Non-Registered Shareholder and returned to the Intermediary, as applicable, will constitute voting instructions which the Intermediary, as applicable, must follow. The purpose of this procedure is to permit Non-Registered Shareholders to direct the voting of the Voting Shares they beneficially own. Should a Non-Registered Shareholder who receives the Voting Instruction Form wish to vote at the Meeting in person (or have another person attend the vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should so indicate in the place provided for that purpose in the Voting Instruction Form and a form of legal proxy will be sent to the Non-Registered Shareholder. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Non-Registered Shareholders in order to ensure that their Voting Shares are voted at the Meeting. If you have any questions with respect to the voting of Voting Shares held through a broker or other Intermediary, please contact the broker or other Intermediary for assistance.

Virtual Meeting Protocols: Attending and Participating in the Meeting

The Corporation is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting, Shareholders must have a valid username.

Registered Shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at web.lumiagm.com/250458855. Such persons may then enter the Meeting by clicking “I have a login” and entering a username and password before the start of the Meeting:

- **Registered Shareholders:** The control number located on the form of proxy (or in the email notification you received if you have previously consented to receiving shareholder materials via email) is the username. The

password to the Meeting is “terrascend2021” (case sensitive). **If as a registered Shareholder you are using your control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open during the Meeting. By voting at the Meeting, you will revoke your previous voting instructions received prior to voting cutoff.**

- **Duly appointed proxyholders:** Odyssey will provide the proxyholder with a username by e-mail after the voting deadline has passed (see section below entitled “*Virtual Meeting Protocols: Registering a Proxyholder to attend the Meeting*”). The password to the Meeting is “terrascend2021” (case sensitive). Only registered Shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial Shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as a guest but not be able to participate or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including beneficial Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) **MUST** submit their duly completed proxy or Voting Instruction Form **AND** register the proxyholder.

Virtual Meeting Protocols: Registering a Proxyholder to Attending the Meeting

The following applies to Shareholders who wish to appoint a person (a “**Third Party Proxyholder**”) other than the management nominees set forth in the form of proxy or Voting Instruction Form as proxyholder, including beneficial Shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a Third Party Proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Voting Shares **MUST** submit their proxy or Voting Instruction Form (as applicable) appointing such Third Party Proxyholder **AND** register the Third Party Proxyholder, as described below. Registering your proxyholder is an additional step to be completed **AFTER** you have submitted your proxy or Voting Instruction Form. Failure to register the proxyholder will result in the proxyholder not receiving a username to attend, participate or vote at the Meeting.

- **Step 1: Submit your proxy or Voting Instruction Form:** To appoint a Third Party Proxyholder, insert such person’s name in the blank space provided in the form of proxy or Voting Instruction Form (if permitted) and follow the instructions for submitting such form of proxy or Voting Instruction Form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or Voting Instruction Form. If you are a beneficial Shareholder located in the US, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder.

- **Step 2: Register your proxyholder:** To register a proxyholder, Shareholders must send an email to terrascend@odysseytrust.com by 1:00 p.m. (Eastern Time) on June 24, 2021 and provide Odyssey with their proxyholder’s contact information, amount of Voting Shares appointed, name in which the Voting Shares are registered if they are a registered Shareholder, or name of broker where the Voting Shares are held if a beneficial Shareholder, so that Odyssey may provide the proxyholder with a username via email. Without a username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a beneficial Shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the Voting Instruction Form sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary **AND** register yourself as your proxyholder, as described above. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary.

Virtual Meeting Protocols: Voting at the Meeting

Any Shareholder who has already submitted a duly completed form of proxy or Voting Instruction Form does not need to vote again when the polls open during the Meeting. By voting at the Meeting, you will revoke your previous voting instructions received prior to voting cutoff.

Registered Shareholders and proxyholders who have registered prior to the Meeting by following the steps above may vote at the Meeting by completing the poll online during the Meeting.

Quorum

A quorum of Shareholders is required to transact business at the Meeting. Pursuant to the by-laws of the Corporation, the quorum requirement for the Meeting will be satisfied, and the Meeting will be properly constituted, where holders of Voting Shares representing, in the aggregate, 5% of the Voting Shares entitled to vote at the Meeting, are present in person or represented by proxy at the Meeting.

MATTERS TO BE ACTED UPON AT THE MEETING

Financial Statements

The audited consolidated financial statements of the Corporation for the year ended December 31, 2020 and the report of the auditor thereon will be presented at the Meeting. The financial statements of the Corporation and the report of the auditor thereon publicly available under the Corporation's profile on SEDAR at www.sedar.com.

Election of Directors

The Board of the Corporation currently consists of six directors: Jason Ackerman, Craig Collard, Richard Mavrinac, Ed Schutter, Lisa Swartzman and Jason Wild. Management proposes that the five individuals listed in the table below be nominated for election at the Meeting (the "**Director Nominees**") being Craig Collard, Richard Mavrinac, Ed Schutter, Lisa Swartzman and Jason Wild. Each elected director will hold office until the close of the next annual meeting of Shareholders following his or her election, or any postponement(s) or adjournment(s) thereof, unless his or her office is vacated earlier or until his or her successor is elected or appointed.

Management does not contemplate that any of the Director Nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, it is intended that discretionary authority shall be exercised by the persons named in the accompanying form of proxy to vote the proxy for the election of any other person or persons in place of any Director Nominee or Director Nominees unable to serve.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Voting Shares represented by such form of proxy, properly executed, FOR the election of each of the Director Nominees.

The following table sets forth information about each Director Nominee, including (i) his or her name and province or state and country of residence, (ii) the period during which each has served as a director, (iii) memberships on committees of the Board, (iv) present principal occupation, business or employment, and (v) the number of Voting Shares of the Corporation or any of its subsidiaries beneficially owned, or controlled or directed, directly or indirectly.

Information regarding the number of Voting Shares beneficially owned, or controlled or directed, directly or indirectly, by the Director Nominees, not being within the knowledge of the Corporation, is based upon information furnished by the applicable Director Nominee and is as at the date hereof.

Name, Province or State and Country of Residence	Principal Occupation	Current Position(s) with the Corporation	Director Since	Number of Voting Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Craig Collard ⁽¹⁾⁽⁴⁾ North Carolina, United States	CEO, Veloxis Pharmaceuticals	Director, Member of the Audit Committee and Compensation Committee	December 6, 2018	52,939 Common Shares ⁽⁵⁾
Richard Mavrinac ⁽³⁾⁽⁴⁾ Ontario, Canada	Director	Director, Chair of the Audit Committee and Member of the Compensation Committee	March 7, 2017	28,163 Common Shares ⁽⁶⁾

Name, Province or State and Country of Residence	Principal Occupation	Current Position(s) with the Corporation	Director Since	Number of Voting Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly
Ed Schutter ⁽²⁾ Georgia, United States	Chief Executive Officer, Arbor Pharmaceuticals	Lead Independent Director, Chair of the Compensation Committee	November 2, 2020	174,512 ⁽⁷⁾
Lisa Swartzman ⁽⁴⁾ Ontario, Canada	Director	Director, Member of the Audit Committee	April 15, 2019	45,815 Common Shares ⁽⁸⁾
Jason Wild New York, United States	President and Chief Investment Officer, JW Asset Management, LLC	Executive Chairman, Chairman of the Board, Director	December 8, 2017	72,959,311 Common Shares ⁽⁹⁾

- (1) Compensation Committee member.
- (2) Chairman of the Compensation Committee.
- (3) Chairman of the Audit Committee.
- (4) Audit Committee member.
- (5) Mr. Collard also owns 150,000 options to purchase Common Shares pursuant to the Stock Option Plan, and has economic exposure to the Corporation's securities through a non-controlling investment in one of the entities controlled by Jason Wild, JW Partners, LP, that has a significant investment in the Corporation (see footnote 16). Mr. Collard also owns 52,939 Common Share purchase warrants exercisable for one Common Share at a price of \$3.25 until January 14, 2022, and 20,574 RSUs pursuant to the RSU Plan.
- (6) 10,000 Common Shares are held by Mary Mavrinac, the spouse of Mr. Mavrinac. Mr. Mavrinac also owns 360,000 options to purchase Common Shares pursuant to the Stock Option Plan, 8,163 Common Share purchase warrants exercisable for one Common Share at a price of \$3.25 until January 14, 2022, and 21,732 RSUs pursuant to the RSU Plan.
- (7) Mr. Schutter also owns 12,600 Common Share purchase warrants exercisable for one Common Share at a price of \$6.49 until November 6, 2024, and 21,014 RSUs pursuant to the RSU Plan.
- (8) Ms. Swartzman also owns 650,000 options to purchase Common Shares pursuant to the Stock Option Plan, 40,815 Common Share purchase warrants exercisable for one Common Share at a price of \$3.25 until January 14, 2022, and 19,856 RSUs pursuant to the RSU Plan.
- (9) Mr. Wild controls 336,731 Common Shares held by Jason Wild personally; 35,157 Common Shares held by Howard Wild 2012 Grandchildren's Trust; 130,890 Common Shares held by Insight Wellness Fund, LLC; 970,790 Common Shares held by JW Growth Fund, LLC; 17,656,828 Common Shares held by JW Opportunities Master Fund, Ltd.; 46,206,586 Common Shares held by JW Partners, LP; 7,622,329 Common Shares held by JW Select Investments, LP; 3,000 Preferred Shares held by JW Opportunities Master Fund, LLC; and 7,000 Preferred Shares held by JW Partners, LP. Mr. Wild also controls 2,048 Proportionate Voting Share purchase warrants held by JW Opportunities Master Fund, Ltd., 6,145 Proportionate Voting Share purchase warrants held by JW Partners, LP and 398 Proportionate Voting Share purchase warrants held by JW Select Investments LP, each exercisable for 0.001 of a Proportionate Voting Share at a price of \$7.21 until August 23, 2022. Mr. Wild also controls 120,000 Common Share purchase warrants held by JW Growth Fund, LLC, 260,000 Common Share purchase warrants held by JW Opportunities Master Fund, Ltd., 620,000 Common Share purchase warrants held by JW Partners, LP and 4,729,146 Common Share purchase warrants held by JW Select Investments, LP, each exercisable for one Common Share at a price of \$3.25 until January 14, 2022. Mr. Wild also controls 3,000 Preferred Share purchase warrants held by JW Opportunities Master Fund, Ltd. and 7,000 Preferred Share purchase warrants held by JW Partners, LP, each exercisable for one Preferred Share at a price of US \$3,000 until May 22, 2023. Mr. Wild also owns 1,200,000 options to purchase Common Shares pursuant to the Stock Option Plan and 47,847 RSUs pursuant to the RSU Plan.

Director Biographies

The following are brief profiles of our Director Nominees, including a description of each individual's principal occupation within the past five years.

Craig Collard

Craig A. Collard has served as the Chief Executive Officer of Veloxis Pharmaceuticals, Inc. ("**Veloxis**") since December 2015. Prior to joining Veloxis, he served as the Chief Executive Officer and the Chairman of the Board of Directors of Cornerstone Therapeutics, Inc. ("**Cornerstone**") until February 2014, when Cornerstone was purchased by Chiesi Pharmaceuticals, Inc. Mr. Collard also served as Cornerstone's Interim Chief Financial Officer from July

2010 through January 2011 and its President from October 2008 to September 2011. In March 2004, Mr. Collard founded Cornerstone BioPharma Holdings, Ltd. (the assets and operations of which were restructured as Cornerstone BioPharma Inc. in May 2005) and served as its President and Chief Executive Officer and a director from March 2004 to October 2008. Before founding Cornerstone BioPharma Inc., Mr. Collard's principal occupation was serving as President and Chief Executive Officer of Carolina Pharmaceuticals, Inc., a specialty pharmaceutical company he founded in May 2003. Mr. Collard is a member of the board of directors of Opiant Pharmaceuticals, Inc., a specialty pharmaceutical company in Santa Monica, California developing therapies to treat substance use disorders and drug overdoses, Biomark Pharmaceuticals, Inc., a biopharmaceutical company in Durham, North Carolina, Hilltop Home Foundation, a Raleigh, North Carolina, non-profit corporation, as well as the Triangle Chapter of the Cystic Fibrosis Foundation.

Mr. Collard holds a Bachelor of Science in Engineering from the Southern College of Technology (now Southern Polytechnic State University) in Marietta, Georgia.

Richard Mavrinac

Richard Mavrinac served as the Chief Financial Officer of George Weston Limited ("GWL") and the Executive Vice-President of Loblaw Companies Limited from 2003 to 2007. As Chief Financial Officer of GWL, a major Canadian company, Mr. Mavrinac's experience covered all aspects of finance, including responsibility for financial reporting. Mr. Mavrinac began his career with Loblaw Companies Limited in 1982 and he held a variety of senior financial positions with the company. In 1996, Mr. Mavrinac assumed the role of Senior Vice-President, Finance for GWL and Loblaw Companies Limited. Mr. Mavrinac is currently a member of the board of Roots Corporation, RIV Capital Inc. (formerly Canopy Rivers Inc.) ("**RIV Capital**") and Gage Growth Corp.

Mr. Mavrinac received his Bachelor of Commerce degree from the University of Toronto in 1975 and began his career with Peat Marwick Mitchell Chartered Accountants after receiving his Chartered Accountant designation in 1978.

Ed Schutter

Ed Schutter has served as Chief Executive Officer of Arbor Pharmaceuticals ("Arbor") since 2010. Prior to joining Arbor, Mr. Schutter served as President of Sciele (Shionogi) Pharmaceuticals. Prior to Sciele, he served as Vice President of Global Business development at Solvay Pharmaceuticals based in Basel, Switzerland. He has also held several senior management roles at the U.S. subsidiary of Solvay during his 20 years with the organization. He began his pharmaceutical career with Reid-Provident Labs, a small entrepreneurial pharmaceutical company based in Atlanta, GA. Mr. Schutter is a registered pharmacist with a degree in Pharmaceutical Sciences from Mercer University and an MBA from Kennesaw State University. He is currently a board member of Arbor, Vitruvias Therapeutics, and Establishment Labs (ESTA) and has been a previous board member of other public, private and non-profit organizations.

Lisa Swartzman

Lisa Swartzman currently operates BGO Advisory which provides strategic advisory and turnaround management to small and mid-market companies. Ms. Swartzman previously held various senior roles at AirBoss of America Corp. (TSX: BOS) from 2014 to 2019, including EVP Corporate Affairs, President and Vice Chair. Prior to joining AirBoss of America Corp., Ms. Swartzman spent five years providing advisory work, both independently and located in New York with a UK-based firm, advising private equity sponsors, their portfolio companies and other mid-market privately held companies in both the US and Canada. Prior to that, Ms. Swartzman held executive positions with some of Canada's largest publicly traded corporations, including fifteen years with Loblaw Companies Limited, George Weston Limited and President's Choice Bank, culminating as Vice President, Treasurer. Ms. Swartzman is currently on the board of directors of Sol Cuisine (TSXV: VEG) and Distress Centres of Greater Toronto.

Ms. Swartzman holds a Bachelor of Arts (Economics) from Western University and an MBA from Queen's University and also holds the Institute of Corporate Directors ICD.D (Certified Director) designation.

Jason Wild

Jason Wild is the President and Chief Investment Officer of JW Asset Management, LLC. Mr. Wild received his license as a pharmacist in 1997, and subsequently founded JW Asset Management, LLC in 1998, where he has worked as a professional portfolio manager for the past 20 years. JW Asset Management, LLC has a strong history of finding investment opportunities within the specialty pharmaceutical sector.

Mr. Wild is a graduate of the Arnold and Marie Schwartz College of Pharmacy, where he received a bachelor's degree in Pharmacy.

Cease Trade Orders

To the knowledge of the Corporation, no proposed director of the Corporation is, or within the ten years before the date of this Circular, has been, a director or officer of any company that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days that was issued after the 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 is, or within ten years before the date of this Circular, has been, a director or an executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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 made a proposal under any legislation relating to bankruptcies or insolvency.

To the knowledge of the Corporation, no proposed director of the Corporation has, within the ten years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Penalties and Sanctions

To the knowledge of the Corporation, no proposed director of the Corporation has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Advance Notice Provision

The Corporation's by-laws include an advance notice provision (the "**Advance Notice Provision**"). The Advance Notice Provision requires advance notice to the Corporation if nominations of persons for election to the Board are to be made by Shareholders of the Corporation other than pursuant to (i) a requisition of a meeting made pursuant to the provisions of the Corporation's enacting statute or (ii) a shareholder proposal made pursuant to the provisions of the Corporation's enacting statute.

The purpose of the Advance Notice Provision is to ensure that all Shareholders – including those participating in a meeting by proxy rather than in person – receive adequate notice of the nominations to be considered at a meeting and can thereby exercise their voting rights in an informed manner. Among other things, the Advance Notice Provision fixes a deadline by which holders of Voting Shares must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the minimum information that a Shareholder must include in the notice to the Corporation for the notice to be in proper written form.

The foregoing is merely a summary of the Advance Notice Provision, is not comprehensive and is qualified by the full text of such provision contained in the Corporation's by-laws which are available under the Corporation's profile on SEDAR at www.sedar.com.

The Corporation did not receive notice of a nomination in respect of the Meeting in compliance with the Advance Notice Provision, and as such, any nominations other than nominations by or at the direction of the Board or an authorized officer of the Corporation will be disregarded at the Meeting.

Re-Appointment of Auditor

Management proposes the re-appointment of MNP LLP ("MNP"), Chartered Professional Accountants, of Toronto, Ontario, as auditor of the Corporation at remuneration to be fixed by the Board. MNP was first appointed as auditor of the Corporation on March 7, 2017.

Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the Voting Shares represented by such form of proxy, properly executed, FOR the re-appointment of MNP as auditor of the Corporation to hold office until the close of the next annual meeting of Shareholders and the authorization of the Board to fix their remuneration.

STATEMENT OF NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION

In accordance with the requirements of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, this section provides disclosure of compensation earned by the Corporation’s directors and the following individuals for the most recently completed financial year: (a) each Chief Executive Officer (“CEO”), (b) each Chief Financial Officer (“CFO”), (c) the most highly compensated executive officer of the Corporation, including any of its subsidiaries, other than the CEO and the CFO, at the end of fiscal 2020 whose total compensation for fiscal 2020 exceeded \$150,000, and (d) each individual who would be included under (c) above but for the fact that such individual was not an executive officer of the Corporation or its subsidiaries at the end of fiscal 2020 (collectively, the “Named Executive Officers” or “NEOs”).

For 2020, the Corporation’s NEOs were:

Name	Title
Jason Ackerman	Chief Executive Officer ⁽¹⁾
Dr. Michael Nashat	Former Chief Executive Officer and Chief Operating Officer ⁽²⁾
Keith Stauffer	Chief Financial Officer ⁽³⁾
Adam Kozak	Former Chief Financial Officer ⁽⁴⁾
Greg Rochlin	Chief Executive Officer, Ilera Health

(1) Mr. Ackerman was appointed Interim CEO on January 28, 2020 and CEO on April 14, 2020. Mr. Ackerman stepped down as CEO and Executive Chairman on March 23, 2021.

(2) Mr. Nashat resigned as CEO effective January 28, 2020.

(3) Mr. Stauffer was appointed CFO on April 24, 2020.

(4) Mr. Kozak resigned as CFO effective April 24, 2020.

The following disclosure outlines the Corporation’s pay decisions in 2020 for the NEOs and directors and provides context for the data presented in the accompanying compensation tables.

Compensation Philosophy and Goals

The Board makes decisions regarding all forms of compensation, including salaries, bonuses and equity incentive compensation, paid to the Corporation’s CEO, CFO and other executive officers, as applicable, as well as approves corporate goals and objectives relevant to their compensation. The Board also administers employee incentive compensation, including the Stock Option Plan and the RSU Plan.

As the Corporation’s compensation practices are still being developed, no formal compensation policy has been established. However, to support the development of sound compensation practices, the Corporation engaged an independent executive compensation consultant during 2020 to perform benchmarking of the NEOs and directors against a peer group. See “*Peer Groups and Benchmarking*” below.

The Corporation’s informal compensation practices are designed to retain, motivate and reward its executive officers and directors for their performance and contribution to the long-term success of the Corporation. The Board seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers’ incentives with the Corporation’s performance. The Corporation seeks to tie individual goals to the area of the executive officer’s primary responsibility. These goals may include the achievement of specific financial or business development goals. Corporate performance goals are tied to the Corporation’s financial performance during the applicable financial year.

In order to achieve the Corporation’s growth objectives, attracting and retaining the right team members is critical. A key part of this is providing compensation that attracts high performers and compensates them for their continued achievements. Most of the Corporation’s employees participate in the Stock Option Plan, driving employee retention

and share ownership. The Corporation's communication of clear and concrete criteria and process for merit-based increases and bonuses also motivates its employees to achieve individual and corporate goals.

Peer Groups and Compensation Benchmarking

During 2020, the Corporation engaged Mercer as an independent executive compensation consultant to assess the Corporation's direct compensation levels for select NEOs, including the CEO, the CFO and the CEO of Ilera Health, and to assess the Corporation's compensation for directors. Specifically, Mercer advises on trends in executive and director compensation within the competitive market in which the Corporation operates, as well as the appropriateness of peer group comparators, incentive plan design, total compensation benchmarking, and any other compensation matters that may be required to ensure the Board and the Corporation's compensation committee (the "**Compensation Committee**") fulfill their respective mandates with regard to compensation decisions. Fees paid to Mercer in 2020 for these services were USD \$2,652.

For 2020, the 16-company benchmarking peer group was comprised of ten cannabis peers and six consumer discretionary and staples as follows:

Cannabis Companies		
Trulieve Cannabis Corp.	Cresco Labs Inc.	Aurora Cannabis Inc.
Tilray, Inc.	Columbia Care Inc.	Planet 13 Holdings Inc.
Turning Point Brands Inc.	Charlotte's Web Holdings, Inc.	HEXO Corp.
	Village Farms International Inc.	
Consumer Discretionary & Staples Companies		
Balchem Corporation	Celsius Holdings, Inc.	USANA Health Sciences, Inc.
Utz Brands, Inc.	e.l.f. Beauty, Inc.	Jamieson Wellness Inc.

In addition to reviewing its peer group, the Compensation Committee may look to general executive compensation survey data when insufficient peer group data is available for specific positions or as another metric to perform a market check on the Corporation's executive compensation practices.

End-decisions in respect of NEO and director compensation levels are the responsibility, and at the sole discretion, of the Board as a whole, upon the recommendation of the Compensation Committee. These decisions may reflect factors and considerations other than the information and recommendations provided by Mercer.

Compensation of Named Executive Officers

In order to achieve the Corporation's executive compensation objectives, the compensation paid to NEOs consists primarily of three elements: base salary, annual bonuses and long-term equity incentives. The Board conducts reviews with respect to officer compensation at least once a year.

(i) Base Salary

Base salaries for executive officers are established based on the scope of their responsibilities and their prior relevant experience, taking into account compensation paid by other companies in the industry for similar positions and the overall market demand for such executives. The Corporation has not historically benchmarked its compensation to other companies, but it has reviewed the public disclosure available for other comparable cannabis companies to assist in determining the competitiveness of the base salary, bonuses, benefits and stock options paid to the executive officers of the Corporation. An executive officer's base salary is determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with the Corporation's overall compensation philosophy. The Compensation Committee may, but is not obligated to,

benchmark compensation to members of its peer group or similar companies as the Corporation matures.

Base salaries are reviewed annually and are increased for merit reasons, based on the executive's success in meeting or exceeding individual objectives and/or for market competitiveness. Additionally, base salaries can be adjusted as warranted throughout the year to reflect promotions or other changes in the scope or breadth of an executive's role or responsibilities, as well as for market competitiveness.

The Board determined that NEOs' annual base salaries for 2020 were:

Name	Title	Base Salary ⁽¹⁾
Jason Ackerman	Chief Executive Officer	\$636,600
Dr. Michael Nashat	Former Chief Executive Officer and Chief Operating Officer	\$331,641
Keith Stauffer	Chief Financial Officer	\$509,280
Adam Kozak	Former Chief Financial Officer	\$255,000
Greg Rochlin	Chief Executive Officer, Ilera Health	\$636,600

- (1) Base salaries are paid to our NEOs in both Canadian and U.S. dollars. Salaries paid in U.S. dollars have been converted for the above table at an exchange rate of 1.2732 which is the Bank of Canada exchange rate posted on December 31, 2020 (the "Exchange Rate"). For the year ending December 31, 2020, we paid an annual base salary of U.S. \$500,000 to Mr. Ackerman, U.S. \$400,000 to Mr. Stauffer and U.S. \$500,000 to Mr. Rochlin.

(ii) Bonus Plans

The Corporation's employee compensation program includes eligibility for annual incentive cash bonuses. The range of potential bonuses for executives of the Corporation is currently determined at the Board's sole discretion with parameters set out in each executive's employment agreement. See "*Employment, Consulting and Management Agreements*" below for details related to each NEO. The range of potential bonuses for employees of the Corporation (other than executives) is currently determined at the sole discretion of management of the Corporation.

The Board determined that the following bonuses would be granted to NEOs for 2020:

Name	Title	Bonus ⁽¹⁾
Jason Ackerman	Chief Executive Officer	\$673,523
Keith Stauffer	Chief Financial Officer	\$155,330
Greg Rochlin	Chief Executive Officer, Ilera Health	\$1,695,902

- (1) Bonuses are paid to our NEOs in both Canadian and U.S. dollars. Bonuses paid in U.S. dollars have been converted for the above table at the Exchange Rate. For the year ending December 31, 2020, we paid bonuses of U.S. \$529,000 to Mr. Ackerman, U.S. \$122,000 to Mr. Stauffer and U.S. \$1,332,000 to Mr. Rochlin.

(iii) Long-Term Equity Incentives

The Corporation currently has in place a rolling 10% Stock Option Plan and an RSU Plan. See "*Stock Option Plan and RSU Plan*" below for a description of the Stock Option Plan and RSU Plan.

Compensation of Directors

The Compensation Committee conducts reviews with respect to director compensation at least once a year.

In 2020, the Corporation engaged Mercer Canada as an independent executive compensation consultant to assess the

Corporation's compensation for directors. See "Peer Groups and Compensation Benchmarking" above for a review of the peer group. The Board together with the Compensation Committee are reviewing Mercer Canada's findings and may choose to allocate fees payable in cash or securities of the Corporation (or a mix thereof) to directors in connection with their Board and Board committee involvement in the future.

Prior to 2021, the Corporation provided each of its directors compensation for serving on the Board in the form of stock options or RSUs.

Starting in 2021, the Corporation expects to look to the peer group compensation data collected by Mercer as the target to determine director compensation. This means that for the 2021 financial year, the annual compensation for directors will be an aggregate of \$200,000 per director, \$50,000 of which will be paid in cash or in RSUs, at the sole election of the director, and the remaining \$150,000 to be paid entirely in RSUs. The Board has made the determination that it will no longer grant stock options to directors on their start date. For chairs and members of the committees of the Board, there will be an additional remuneration of \$19,600 for the Audit Committee Chair and \$7,500 for committee members, in additional annual director remuneration. Additionally, all directors are reimbursed for the out-of-pocket expenses related to their attendance at Board and committee meetings.

During the Corporation's most recently completed financial year, other than as set out herein no compensation was paid to the directors in their capacities as directors of the Corporation, members of a committee of the Board or consultants or experts.

Director and Named Executive Officer Compensation, Excluding Compensation Securities

The following table sets out all compensation paid, payable, awarded, granted, given, or otherwise provided, directly or indirectly, by the Corporation to each Named Executive Officer and director who performed such functions, in any capacity, during the financial years ended December 31, 2020 and December 31, 2019.

Table of Compensation Excluding Compensation Securities							
Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees⁽¹⁰⁾ (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Jason Wild⁽¹⁾ Executive Chairman, Chairman of the Board and Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Dr. Michael Nashat⁽²⁾ Former Director, Former Chief Executive Officer and Chief Operating Officer	2020	227,642	Nil	Nil	700	Nil	228,342
	2019	289,658	Nil	Nil	9,120	Nil	298,778
Adam Kozak⁽³⁾ Former Chief Financial Officer	2020	244,879	Nil	Nil	Nil	Nil	244,879
	2019	257,605	Nil	Nil	Nil	Nil	257,605
Jason Ackerman⁽⁴⁾ Former Chief Executive Officer, Former Executive Chairman and Director	2020	424,400	Nil	Nil	Nil	Nil	424,400
	2019	80,000	Nil	Nil	Nil	Nil	80,000

Table of Compensation Excluding Compensation Securities

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees⁽¹⁰⁾ (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Keith Stauffer⁽⁵⁾ Chief Financial Officer	2020	347,354	Nil	Nil	Nil	Nil	347,354
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Craig Collard⁽⁶⁾ Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Richard Mavrinac Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Lisa Swartzman⁽⁷⁾ Director	2020	205,667	Nil	Nil	Nil	Nil	205,667
	2019	33,333	Nil	Nil	Nil	Nil	33,333
Ed Schutter⁽⁸⁾ Lead Independent Director	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Greg Rochlin⁽⁹⁾ Chief Executive Officer, Ilera Health	2020	500,000	1,069,849	N/A	18,000	N/A	1,587,849
	2019	494,230	250,000	N/A	18,000	N/A	762,230

- (1) Mr. Wild assumed the role of Executive Chairman of the Corporation effective March 23, 2021.
- (2) Dr. Nashat was appointed as President and Chief Executive Officer of the Corporation effective January 22, 2018. Dr. Nashat was the Chief Operating Officer of the Corporation since its incorporation. Dr. Nashat relinquished the office of President on November 29, 2018 and resigned as Chief Operating Officer and Chief Executive Officer effective January 28, 2020. All compensation received by Dr. Nashat is related to his role as an Officer of the Corporation, and he did not receive any compensation for acting as a director of the Corporation. Dr. Nashat's 2020 compensation reflects compensation for one month of the year.
- (3) Mr. Kozak resigned as Chief Financial Officer effective April 24, 2020. Mr. Kozak's 2020 compensation represents compensation for four months of the year.
- (4) Mr. Ackerman was appointed as a Director and Executive Chairman of the Corporation on November 4, 2019, as Interim Chief Executive Officer on January 28, 2020 and as Chief Executive Officer on April 14, 2020. Mr. Ackerman's 2020 compensation reflects compensation for eleven months of the year. Mr. Ackerman stepped down as CEO and Executive Chairman on March 23, 2021. Mr. Ackerman is paid in U.S. dollars, the amounts above have been converted to Canadian dollars using the Exchange Rate.
- (5) Mr. Stauffer was appointed as Chief Financial Officer on April 24, 2020. Mr. Stauffer's 2020 compensation reflects compensation for eight months of the year. Mr. Stauffer is paid in U.S. dollars, the amounts above have been converted to Canadian dollars using the Exchange Rate.
- (6) Mr. Collard has served as a director of the Corporation since December 6, 2018.
- (7) Ms. Swartzman provided the Corporation with various consulting services from December 1, 2019. All compensation received by Ms. Swartzman is related to this role. Ms. Swartzman has served as a director of the Corporation since April 15, 2019.
- (8) Mr. Schutter was appointed to the Board of the Corporation effective November 2, 2020 and appointed as Lead Independent Director effective March 23, 2021.
- (9) Mr. Rochlin is CEO of Ilera Healthcare, a subsidiary the Corporation acquired on August 2, 2019. Mr. Rochlin's 2019 compensation reflects compensation for five months of the year. Mr. Rochlin is paid in U.S. dollars, the amounts above have been converted to Canadian dollars using the Exchange Rate.
- (10) Excludes reimbursements of out-of-pocket expenses related to directors' attendance at Board meetings and Board committee meetings.

Stock Options and Other Compensation Securities

The following table discloses all compensation securities granted or issued to Named Executive Officers or directors by the Corporation during the financial year ended December 31, 2020.

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾ (#)	Date of issue or grant (MM-DD-YY)	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 (MM-DD-YY)
Jason Wild⁽¹⁾ Executive Chairman, Chairman of the Board and Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jason Ackerman⁽²⁾ Former Chief Executive Officer, Former Executive Chairman and Director	Stock options	3,000,000	01-09-20	2.42	2.42	12.7	01-09-30
	Stock options	2,800,000	04-27-20	2.96	2.96	12.7	01-09-25
Dr. Michael Nashat⁽³⁾ Former Director, Former Chief Executive Officer and Chief Operating Officer	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Adam Kozak⁽⁴⁾ Former Chief Financial Officer	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Craig Collard⁽⁵⁾ Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Mavrinac⁽⁶⁾ Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Ed Schutter Lead Independent Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Lisa Swartzman Director ⁽⁷⁾	Stock options	500,000	01-27-20	2.94	2.94	12.70	12-01-24
Keith Stauffer⁽⁸⁾ Chief Financial Officer	Stock Options	1,000,000	04-27-20	2.96	2.96	12.70	04-27-25

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹¹⁾ (#)	Date of issue or grant (MM-DD-YY)	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 (MM-DD-YY)
Greg Rochlin ⁽⁹⁾ CEO, Ilera Health	Stock Options	1,500,000	08-10-20	5.02	5.02	12.70	01-01-26

- (1) As of December 31, 2020, Mr. Wild held a total of 1,000,000 options to purchase Common Shares issued pursuant to the Stock Option Plan.
- (2) As of December 31, 2020, Mr. Ackerman held a total of 5,950,000 options to purchase Common Shares issued pursuant to the Stock Option Plan.
- (3) As of December 31, 2020, Dr. Nashat did not hold any options to purchase Common Shares issued pursuant to the Stock Option Plan.
- (4) As of December 31, 2020, Mr. Kozak held a total of 48,333 options to purchase Common Shares issued pursuant to the Stock Option Plan.
- (5) As of December 31, 2020, Mr. Collard held a total of 150,000 options to purchase Common Shares issued pursuant to the Stock Option Plan.
- (6) As of December 31, 2020, Mr. Mavrinac held a total of 360,000 options to purchase Common Shares issued pursuant to the Stock Option Plan.
- (7) As of December 31, 2020, Ms. Swartzman held a total of 650,000 options to purchase Common Shares issued pursuant to the Stock Option Plan.
- (8) As of December 31, 2020, Mr. Stauffer held a total of 1,000,000 options to purchase Common Shares issued pursuant to the Stock Option Plan.
- (9) As of December 31, 2020, Mr. Rochlin held a total of 1,666,668 options to purchase Common Shares issued pursuant to the Stock Option Plan.
- (10) All options to purchase Common Shares issued pursuant to the Stock Option Plan issued in 2020 vest one third per year on the anniversary of issuance.

The following table discloses each exercise of compensation securities by a Named Executive Officer or director of the Corporation during the financial year ended December 31, 2020.

Exercise of Compensation Securities by Named Executive Officers and Directors							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise (MM-DD-YY)	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Dr. Michael Nashat Former Director, Former Chief Executive Officer and Chief Operating Officer	Stock Options	100,000	0.6	12-22-20	12.56	11.96	1,256,000

Exercise of Compensation Securities by Named Executive Officers and Directors							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise (MM-DD-YY)	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Dr. Michael Nashat Former Director, Former Chief Executive Officer and Chief Operating Officer	Stock Options	125,000	0.6	12-22-20	12.56	11.96	1,570,000
Dr. Michael Nashat Former Director, Former Chief Executive Officer and Chief Operating Officer	Stock Options	125,000	0.6	12-23-20	12.45	11.85	1,556,250
Adam Kozak Former Chief Financial Officer	Stock Options	55,000	5.2	11-30-20	12.81	7.61	704,550
Greg Rochlin CEO, Ilera Health	Stock Options	166,666	3.4	12-10-20	12.28	8.88	2,046,658

Stock Option Plan and RSU Plan

Stock Option Plan

The following information is intended as a brief description of the Corporation's stock option plan dated March 8, 2017, as amended on August 6, 2018, January 8, 2019 and April 27, 2020 (the "**Stock Option Plan**") and is qualified in its entirety by the full text of the Stock Option Plan, which will be available for review at the Meeting.

The Corporation currently has in place a rolling 10% Stock Option Plan, pursuant to which approximately 17,363,348 options were outstanding as of December 31, 2020. The Board is responsible for administering the Stock Option Plan. The Corporation is not subject to any requirement to seek Shareholder approval of the Stock Option Plan.

The purpose of the Stock Option Plan is to (i) provide directors, officers, consultants and key employees of the Corporation with additional incentives, (ii) encourage stock ownership by such persons, (iii) encourage such persons to remain an employee of the Corporation and (iv) attract new directors, employees and officers, among other purposes.

The Stock Option Plan provides that the aggregate number of Common Shares that may be issued upon the exercise of options cannot exceed 10% of the number of Common Shares (on a fully diluted basis) issued and outstanding from time to time. As a result, any increase in the issued and outstanding Common Shares, Proportionate Voting Shares, Exchangeable Shares or Preferred Shares will result in an increase in the number of Common Shares available for issuance under the Stock Option Plan.

The number of Common Shares reserved for issue to any one person pursuant to the Stock Option Plan may not exceed 5% of the issued and outstanding Common Shares (on a fully diluted basis) at the date of such grant, unless the Corporation has obtained approval by a majority of the votes cast by the Shareholders eligible to vote at a Shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders of the Corporation and their associates. The number of Common Shares issuable to (i) any one consultant, or (ii) parties providing investor relation services, in any 12-month period, cannot exceed 2% of the issued and outstanding Common Shares (on a fully diluted basis).

Options granted under the Stock Option Plan will have an exercise price of not less than the greater of the closing price of the Common Shares on the Canadian Securities Exchange on the trading day prior to the date of the grant and the grant date.

RSU Plan

The following information is intended as a brief description of the Corporation's restricted stock unit ("RSU") plan dated November 19, 2019 (the "**RSU Plan**") and is qualified in its entirety by the full text of the RSU Plan, which will be available for review at the Meeting.

The Corporation currently has in place an RSU Plan, pursuant to which 122,311 RSUs were outstanding as of December 31, 2020. The Board is responsible for administering the RSU Plan. The Corporation is not subject to any requirement to seek Shareholder approval of the RSU Plan.

The purpose of the RSU Plan is to (i) provide directors, officers, consultants and key employees of the Corporation with additional incentives, (ii) encourage stock ownership by such persons, (iii) encourage such persons to remain an employee of the Corporation and (iv) attract new directors, employees and officers, among other purposes.

Pursuant to the RSU Plan, the number of Common Shares that may be reserved for issuance under the RSU Plan and under any other share compensation arrangement (including the Stock Option Plan) will not exceed, in the aggregate, 10% of the outstanding Common Shares (including the Common Shares issuable on exchange of the outstanding Proportionate Voting Shares and Exchangeable Shares of the Corporation, but otherwise on a non-diluted basis).

Employment, Consulting and Management Agreements

The Corporation has employment agreements with Mr. Stauffer and Mr. Rochlin, and had employment agreements with Dr. Nashat, Mr. Kozak, and Mr. Ackerman. The employment agreements provide (or provided) for, among other things, the continuation of the employment for an indefinite term, subject to termination as provided for in the employment agreements.

Employment Agreement – Keith Stauffer – Chief Financial Officer

Pursuant to an employment agreement dated April 22, 2020, Mr. Stauffer is entitled to an annual salary of U.S. \$400,000 and is eligible to participate in a bonus plan whereby he will have an annual bonus opportunity of a percentage of his annual salary, as established by the Corporation from time to time, payable in cash or RSUs that will vest immediately upon award. In the event of a change of control (as defined in the employment agreement), Mr. Stauffer would be entitled to the accelerated vesting of unvested options (granted subject to the provisions of the Stock Option Plan). In the event that the Corporation terminates Mr. Stauffer's employment without cause, Mr. Stauffer would be entitled to: (i) a lump sum payment of an amount equal to six months annual salary (nine months in the case of termination related to a non-performance issue), less applicable deductions; and (ii) the accelerated vesting of unvested options (granted subject to the provisions of the Stock Option Plan) on a pro-rata basis. Pursuant to the terms of his employment agreement, Mr. Stauffer agreed that he shall not engage in any activity which is in competition with the Corporation during his employment and for a period of twelve months thereafter. Mr. Stauffer is also precluded from soliciting the Corporation's customers or employees for a twelve-month period following his last day of active employment.

Employment Agreement – Greg Rochlin – Chief Executive Officer, Ilera Health

Pursuant to an employment agreement dated December 3, 2020, Mr. Rochlin is entitled to an annual salary of U.S. \$500,000 and is eligible to participate in a bonus plan whereby he will have an annual bonus opportunity of a percentage of Ilera's Pennsylvania EBITDA (up to a certain maximum), as established by the Corporation from time to time, payable in cash and RSUs. In the event that the Corporation terminates Mr. Rochlin's employment without cause, Mr. Rochlin would be entitled to: (i) a lump sum payment of an amount equal to six months annual salary, less applicable deductions; and (ii) the accelerated vesting of unvested options (granted subject to the provisions of the Stock Option Plan) on a pro-rata basis. Pursuant to the terms of his employment agreement, Mr. Rochlin agreed that he shall not engage in any activity which is in competition with the Corporation during his employment and for a period of twelve months thereafter. Mr. Rochlin is also precluded from soliciting the Corporation's customers or employees for a twelve-month period following his last day of active employment.

Employment Agreement – Jason Ackerman – Former Chief Executive Officer

Pursuant to an employment agreement dated May 1, 2020, Mr. Ackerman was entitled to an annual salary of U.S. \$500,000, grants of 5,800,000 options to vest on a schedule per the agreement and was eligible to participate in a bonus plan whereby his annual bonus was established by the Board, payable in cash and/or RSUs that vested immediately upon award. Upon the Corporation's termination of Mr. Ackerman without cause, Mr. Ackerman would be entitled to: (i) a lump sum payment of an amount equal to nine months annual salary, less applicable deductions; and (ii) the accelerated vesting of unvested options (granted subject to the provisions of the Stock Option Plan) on a pro-rata basis. Mr. Ackerman agreed that he shall not engage in any activity which is in competition with the Corporation during his employment and for a period of twelve months thereafter. Mr. Ackerman is precluded from soliciting the Corporation's customers or employees for a six-month period following his last day of active employment.

Employment Agreement - Michael Nashat – Former Chief Executive Officer and Former Chief Operating Officer

Pursuant to an employment agreement dated May 1, 2018, Dr. Nashat was entitled to an annual salary of \$200,000 (increased to \$285,000 on September 1, 2018 and then further increased to \$331,641 on September 17, 2019) and was eligible to participate in bonus plans as established by the Board from time to time. Dr. Nashat's employment agreement states that he shall not engage in any activity which is in competition with the Corporation during his employment and for a period of twelve months thereafter. Dr. Nashat is also precluded from soliciting the Corporation's customers or employees for a twelve-month period following his last day of active employment.

Employment Agreement - Adam Kozak – Former Chief Financial Officer

Pursuant to an employment agreement dated August 16, 2018, Mr. Kozak was entitled to an annual salary of \$190,000 (subsequently increased to \$255,000 on December 24, 2018) and was eligible to participate in bonus plans as established by the Board from time to time. If a change of control event occurs within one year of the employment agreement, all of Mr. Kozak's remaining unvested options shall vest immediately.

Mr. Kozak's employment agreement also provides that he shall not engage in any activity which is in competition with the Corporation during his employment and for the six-month period following the cessation of his employment. Mr. Kozak is also precluded from soliciting the Corporation's customers or employees for a twelve-month period following his last day of active employment.

Pension benefits

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs or directors at, following, or in connection with retirement.

Directors' and Officers' Liability Insurance

The Corporation holds director and officer liability insurance in the aggregate amount of U.S. \$10,000,000, subject

to a U.S. \$1,000,000 deductible payable by the Corporation. The annual premium paid by the Corporation for this coverage is U.S. \$1,789,514.

No indemnification under section 136 of the OBCA was paid or became payable in 2020.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out certain details as at December 31, 2020 with respect to the Stock Option Plan and the RSU Plan, being the sole equity compensation plans pursuant to which equity securities of the Corporation are authorized for issuance. A description of the Stock Option Plan and RSU Plan can be found under the heading “*Statement of Named Executive Officer and Director Compensation – Stock Option Plan and RSU Plan*” above.

Plan	Number of Common Shares to be issued upon exercise/issuance of outstanding options/RSUs under Stock Option Plan and RSU Plan	Weighted-average exercise price of outstanding options/RSUs under Stock Option Plan and RSU Plan	Number of Common Shares remaining available for future issuance under the Stock Option Plan and RSU Plan ⁽¹⁾
Stock Option Plan	17,363,348	\$4.44	11,931,859
RSU Plan	112,311	N/A	11,931,859

- (1) The Stock Option Plan and the RSU Plan provide that the aggregate number of Common Shares that may be issued under both of these plans cannot exceed 10% of the number of Common Shares issued and outstanding (on a fully diluted basis) from time to time. As of December 31, 2020, 294,175,198 Common Shares were issued and outstanding (on a fully diluted basis). Therefore, 11,931,859 options and RSUs were available for issuance under the Stock Option Plan and the RSU Plan on that date (29,417,520, being 10% of the number of Common Shares issued and outstanding (on a fully diluted basis), less 17,363,348, being the number of securities to be issued upon exercise of the outstanding options, and less 122,311, being the number of securities to be issued upon issuance of outstanding RSUs).

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As of the date hereof, none of the current or former directors, executive officers or employees of the Corporation or any of its subsidiaries is indebted to the Corporation, and, as at the date hereof, the indebtedness, if any, of such persons to other entities is not the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the persons who were directors or executive officers of the Corporation or a subsidiary of the Corporation at any time during the Corporation’s last completed financial year, the Director Nominees, any person or company who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Voting Shares, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation, other than:

- (i) On January 13, 2020, the Corporation completed its upsized private placement with orders totaling an aggregate amount of approximately U.S. \$33.5 million (the second tranche closed on January 10, 2020 and the first tranche closed on December 30, 2019) of a private placement of units (“Units”) (each Unit consisting of one Common Share and one warrant to purchase one Common Share at an exercise price of \$3.25 prior to January 14, 2022) at an issue price of \$2.45 per Unit. Pursuant to the private placement, Jason Wild acquired beneficial ownership of 6,043,0549 Units, Craig Collard acquired 52,939 Units, Michael Nashat acquired 10,000 Units, Jason Ackerman acquired 530,929 Units and Lisa Swartzman acquired 40,815 Units;

- (ii) On February 5, 2020, the Corporation announced amendments to the terms of the U.S. \$10 million loan from RIV Capital Corporation (formerly Canopy Rivers Corporation) (“**RCC**”), a wholly-owned subsidiary of RIV Capital, to TerrAscend Canada Inc. (“**TerrAscend Canada**”). The original terms included the purchase of 13,243 units, with each unit consisting of (i) one unsecured convertible debenture of TerrAscend Canada with a principal amount of \$1,000, and (ii) 25.2 Common Share purchase warrants of the Corporation with an exercise price of \$6.49. After discussions with the Toronto Stock Exchange, the Corporation, TerrAscend Canada, and RCC agreed to amend certain terms of the loan. Pursuant to the amended terms, the debentures were converted into a \$13,243,000 loan agreement between RCC and TerrAscend Canada. Interest on the principal amount outstanding will accrue at a rate of 6% per annum, and all interest payments are payable in cash by TerrAscend Canada. The principal amount under the amended loan agreement will mature on October 2, 2024 or earlier in accordance with the terms. The Corporation also issued RCC 2,225,714 Common Share purchase warrants of the Corporation with an exercise price of \$5.95 per share that expire on October 2, 2024. Richard Mavrinnac, director of the Corporation, is also a director of RIV Capital. Canopy Growth Corporation (“Canopy Growth”), at that time, held a controlling interest in RIV Capital and Canopy Growth filed an early warning report with respect to its holdings in the Corporation on January 14, 2021 and again on February 23, 2021;
- (iii) On March 10, 2020, TerrAscend Canada entered into a loan financing agreement with Canopy Growth in the amount of \$80,526,000 pursuant to a secured debenture. The secured debenture bears interest at a rate of 6.10% per annum and matures on March 10, 2030. The debenture is secured by the assets of TerrAscend Canada, is not convertible and is not guaranteed by the Corporation. In connection with the funding of the loan, the Corporation issued 17,805,975 common share purchase warrants to Canopy Growth. The warrants are comprised of 15,625,242 Common Share purchase warrants entitling Canopy Growth to acquire one Common Share of the Corporation at an exercise price of \$5.14 per share, expiring on March 10, 2030, and 2,152,733 Common Share purchase warrants entitling Canopy Growth to acquire one Common Share of the Corporation at an exercise price of \$3.74 per share, expiring on March 10, 2031. All warrants will be exercisable following changes in U.S. federal laws permitting the cultivation, distribution, and possession of marijuana or to remove the regulation of such activities from the federal laws of the U.S.;
- (iv) On May 28, 2020 the Corporation closed the second tranche of a U.S. \$37.0 million upsized non-brokered private placement. Initial investor commitments included U.S. \$20.0 from JW Asset Management, LLC, of which Mr. Wild is the president and chief investment officer. The first tranche closed on May 25, 2020 and issued 13,646 units at a price of U.S. \$2,000 per unit resulting in proceeds of U.S. \$27.3 million to the Corporation. The second tranche including 3,561 Units issued at a price of U.S. \$2,000 per unit resulting in proceeds to the Corporation of U.S. \$7.1 million. Each non-interest bearing unit is comprised of one convertible Preferred Share in the capital of the Corporation and one convertible Preferred Share purchase warrant. The convertible Preferred Shares convert to 1,000 Common Shares (for non-US investors) at an issue price of U.S. \$2.00 per Common Share and economic equivalent in Proportionate Voting Shares (for US investors). Each warrant entitles the holder to purchase one convertible Preferred Share at an exercise price of U.S. \$3,000 per share or the equivalent of U.S. \$3.00 per Common Share;
- (v) On December 10, 2020, Arise Bioscience Inc. (“**Arise**”) entered into a loan financing agreement with Canopy Growth in the amount of \$25,464,000 (U.S. \$20,000,000) pursuant to a secured debenture. The secured debenture bears interest at a rate of 6.10% per annum and matures on December 9, 2030. The debenture is secured by the assets of Arise, is not convertible and is not guaranteed by the Corporation. In connection with the funding of the loan, the Corporation issued 2,105,718 Common Share purchase warrants to Canopy Growth. The warrants are comprised of 1,926,983 Common Share purchase warrants entitling Canopy Growth to acquire one Common Share of TerrAscend at an exercise price of \$15.28 per share, expiring on December 9, 2030, and 178,735 Common Share purchase warrants entitling Canopy Growth to acquire one Common Share of TerrAscend at an exercise price of \$17.19 per share, expiring on December 9, 2030;

- (vi) On January 13, 2021, Canopy Growth acquired an option to purchase 1,072,450 Common Shares from an existing Shareholder of the Corporation for U.S. \$10.5 million and this resulted in an increase in Canopy Growth's interest in the Corporation of 0.7% on a partially diluted basis. As at January 14, 2021, Canopy Growth beneficially owned, and exercised control or direction over 38,890,570 Exchangeable Shares, an aggregate of 22,474,130 Common Share purchase warrants and is deemed to own an aggregate of 1,072,450 Common Shares subject to the option to purchase such Common Shares representing approximately 39.6% of the issued and outstanding Common Shares on a partially-diluted basis. Canopy Growth issued an early warning report on January 14, 2021 in connection with the increase in its holding of the Corporation; and
- (vii) On February 23, 2021, Canopy Growth completed a plan of arrangement involving RIV Capital and RCC pursuant to which Canopy Growth acquired from RCC (i) 19,445,285 Exchangeable Shares; (ii) 2,225,714 Common Share purchase warrants with an exercise price of \$5.95 per Common Share; and (iii) 333.723 Common Share purchase warrants with an exercise price of \$6.49 per Common Share. This transaction did not result in a further increase in Canopy Growth's beneficiary ownership interest in the Corporation due to Canopy Growth's prior controlling interest in RIV Capital. Canopy Growth beneficially owns approximately 20% of the issued and outstanding Common Shares on a fully diluted basis.

MANAGEMENT CONTRACTS

No management functions of the Corporation or its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Corporation or its subsidiaries.

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines which apply to all public companies. The Corporation has reviewed its own corporate governance practices in light of these guidelines. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which disclosure is set out below.

Board of Directors

The Board currently consists of six persons, three of whom the Corporation believes to be independent based upon the tests for independence set forth in NI 52-110 – *Audit Committees* (“NI 52-110”): Mr. Craig Collard, Mr. Richard Mavrinac and Mr. Ed Schutter. Mr. Jason Ackerman is not an independent director as he served within the last three years, as an executive officer of the Corporation. Mr. Jason Wild is not an independent director as he serves as an executive officer of the Corporation and Ms. Lisa Swartzman is not an independent director as she has accepted a consulting, advisory or other compensatory fee from the Corporation, other than as remuneration for acting in her capacity as a member of the Board. NP 58-201 suggests that the board of directors of reporting issuers should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who has no direct or indirect material relationship with the relevant company. A material relationship is a relationship that could, in the view of the board of directors of a company, reasonably interfere with the exercise of a director's independent judgment. The Corporation is currently considering adding additional independent directors to the Board. In 2021, the Board appointed Mr. Ed Schutter as the lead independent director of the Board.

The Board facilitates independent supervision of management of the Corporation through meetings of the Board and through frequent informal discussions among independent members of the Board and management. In addition, the Board has access to the Corporation's external auditors, legal counsel and to any of the Corporation's officers. The Board has a stewardship responsibility to supervise the management of, and to oversee the conduct of the business of, the Corporation, to provide leadership and direction to management, to evaluate management, to set policies appropriate for the business of the Corporation and approve corporate strategies and goals.

The day-to-day management of the business and affairs of the Corporation is delegated by the Board to the senior officers of the Corporation. The Board will give direction and guidance through the Chief Executive Officer of the

Corporation, or a person performing a similar function to that role, and will keep management informed of its evaluation of the senior officers in achieving and complying with goals and policies established by the Board.

The Board recommends nominees to the Shareholders for election as directors, and immediately following each annual general meeting of the Corporation, appoints an audit committee (the “**Audit Committee**”).

The Board exercises its independent supervision over management by way of its policies that (a) periodic meetings of the Board be held to obtain an update on significant corporate activities and plans and (b) all material transactions of the Corporation are subject to prior approval of the Board. To facilitate open and candid discussion among its independent directors, such directors are encouraged to communicate with each other directly to discuss ongoing issues pertaining to the Corporation.

Other Public Company Directorships

In addition to acting as a director of the Corporation, the following current members of the Board hold a directorship in the other reporting issuers (or equivalent in other jurisdictions) set forth below:

Name of Director	Name of Issuer	Market
Craig Collard	Opiant Pharmaceuticals, Inc.	Nasdaq Stock Market
Richard Mavrinac	Roots Corporation RIV Capital Inc. Gage Growth Corp.	Toronto Stock Exchange TSX Venture Exchange Canadian Securities Exchange
Lisa Swartzman	Sol Cuisine	TSX Venture Exchange

Orientation and Continuing Education

While the Corporation does not have formal orientation and training programs, orientation of new Board members is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Corporation’s documents.

The Corporation has not adopted formal policies respecting continuing education for Board members. However, Board members are encouraged to communicate with the Corporation’s management, legal counsel, external auditors and consultants to keep themselves current on industry trends and developments and changes in legislation (with management’s assistance), and to attend related industry seminars and to visit the Corporation’s operations. Board members have full access to the Corporation’s records.

Ethical Business Conduct

The Corporation has not yet adopted a formal written code of business conduct and ethics, as the size of its operations and the small number of officers and consultants of the Corporation allow it to monitor the activities of management on an ongoing basis and to ensure that the highest standard of ethical conduct is maintained. The Board has also found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, and the restrictions placed by the OBCA on an individual director’s participation in decisions of the Board in which the director has an interest, have helped to ensure that the Board operates independently of management and in the best interests of the Corporation.

Under the OBCA, a director is required to act honestly and in good faith with a view to the best interests of the company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, directors must comply with the conflict of interest provisions of the OBCA, as well as the relevant securities regulatory instruments, in order to ensure the director exercises independent judgment in considering transactions and agreements in respect of which the director or an officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

Nomination of Directors

The Corporation does not have a stand-alone nomination committee. The Board is responsible for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs of the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the industry are consulted for possible Board candidates.

Compensation

The Compensation Committee was formed in March 2021 and will conduct reviews with respect to director and officer compensation at least once a year. For information regarding the steps taken to determine compensation for directors and executive officers, see “*Statement of Named Executive Officer and Director Compensation*” above.

Other Board Committees

In addition to the Audit Committee (see below for more details regarding the Audit Committee), the Corporation established the Compensation Committee in March 2021 which is governed by a charter defining its responsibilities, powers and operations. The Compensation Committee is currently comprised of Mr. Schutter (Chair), Mr. Collard and Mr. Mavrinac, both of whom are independent directors. As the Corporation grows, and its operations and management structure became more complex, the Corporation expects to appoint additional standing committees, including a corporate governance committee and a nominating committee, and will ensure that such committees are governed by written charters and are composed of at least a majority of independent directors.

Assessments

The Board monitors the adequacy of information given to directors, communications between the Board and management and the strategic direction and processes of the Board and the committees of the Board. On an annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.

AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee is governed by its charter that is attached as Schedule “A” to this Circular.

Composition of the Audit Committee

The Audit Committee is currently comprised of Ms. Lisa Swartzman, Mr. Richard Mavrinac (Chair), and Mr. Craig Collard. Mr. Mavrinac and Mr. Collard have been determined by the Board to be independent for the purposes of NI 52-110. Ms. Lisa Swartzman has been determined by the Board not to be independent as she has accepted a consulting, advisory or other compensatory fee from the Corporation, other than as remuneration for acting in her capacity as a member of the Board. Based on the education and breadth of experience of each member of the Audit Committee, the Board has determined each such member to be financially literate for the purposes of NI 52-110.

Relevant Education and Experience

For the purposes of NI 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the issuer’s financial statements. All members of the Audit Committee have experience reviewing financial statements and dealing with related accounting and auditing issues. The education and experience of each member of the Audit Committee relevant to the performance of his duties as a member of the Audit Committee can be found under the heading “*Matters to be Acted Upon at the Meeting – Election of Directors*”.

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 the following exemptions contained in NI 52-110:

- (1) an exemption from section 2.4 (*De Minimis Non-Audit Services*);
- (2) an exemption from subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*);
- (3) an exemption from subsection 6.1.1(5) (*Events Outside Control of Member*);
- (4) an exemption from subsection 6.1.1(6) (*Death, Incapacity or Resignation*); or
- (5) an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

Exemption for Venture Issuers

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

Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services but has the authority to engage and communicate with advisors and professionals for non-audit services.

Audit Fees

The following table sets forth the fees paid by the Corporation and its subsidiaries to MNP for services rendered for the years ended December 31, 2020 and December 31, 2019:

Audit Fee Category	2020 (\$)	2019 (\$)
Audit Fees ⁽¹⁾	1,046,698	285,000
Audit-Related Fees ⁽²⁾	346,119	251,706
Tax Fees ⁽³⁾	108,300	77,867
All Other Fees ⁽⁴⁾	-	-
Total	1,501,117	614,572

- (1) "Audit fees" consist of fees for the audit of our annual financial statements or services that are normally provided in connection with statutory and regulatory filings or engagements.
- (2) "Audit-related fees" are fees for assurance and related services related to the performance of the audit or review of the annual financial statements that are not reported under "Audit Fees". These include due diligence for business acquisitions, audit and accounting consultations regarding business acquisitions, and other attest services not required by statute.
- (3) "Tax fees" are fees billed for tax planning, tax advice and various taxation matters.
- (4) "All other fees" include the aggregate fees billed for products and services provided by MNP, other than "Audit fees", "Audit-related fees" and "Tax fees" above.

OTHER MATTERS

Management of the Corporation is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matters do properly come before the Meeting, the person named in the form of proxy intends to vote the Common Shares represented thereby in accordance with his or her best judgement on such matter.

SHAREHOLDER PROPOSALS

The final date by which the Corporation must receive a proposal for any matter that a Shareholder proposes to raise at the annual meeting of Shareholders to be held in 2022 is April 29, 2022.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on the Corporation's SEDAR profile at www.sedar.com. Financial information about the Corporation is provided in the Corporation's consolidated annual financial statements and management's discussion and analysis for the year ended December 31, 2020, which are included in as Schedule "B" of this Circular.

Shareholders may request copies of the Corporation's financial statements and management's discussion and analysis free of charge by contacting the Corporation at 1-855-837-7295.

BOARD APPROVAL

The Board has approved the contents of this Circular and the mailing thereof to the Corporation's Shareholders.

DATED at Toronto, Ontario, the 21st day of May, 2021.

On Behalf of the Board of Directors

Jason Wild
Executive Chairman, Chairman of the Board and Director

**SCHEDULE A
AUDIT COMMITTEE CHARTER**

I. GENERAL

1. Mandate and Purpose of the Committee

The purpose of the Audit Committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of Terrascend Corp. (the “**Company**”) in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements;
- (b) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements;
- (c) the qualifications, independence and performance of the external auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company’s internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

2. Authority of the Committee

- (a) The Committee has the authority to:
 - (i) engage independent counsel and other advisors as it determines necessary to carry out its duties;
 - (ii) set and pay the compensation for any advisors employed by the Committee; and
 - (iii) communicate directly with the internal and external auditors.
- (b) The Committee has the authority to delegate to individual members or subcommittees of the Committee.

II. PROCEDURAL MATTERS

1. Composition

The Committee will be composed of a minimum of three members.

2. Member Qualifications

- (a) Every Committee member must be a director of the Company.
- (b) A majority of the members of the Committee must be “independent” as defined in National Instrument 52-110 *Audit Committees*.
- (c) Every Committee member must be “financially literate” as defined in National Instrument 52-110 - *Audit Committees*.
- (d) At least one member of the Committee will have accounting or related financial management experience or expertise.

3. Member Appointment and Removal

Members of the Committee will hold office until the next annual meeting of the shareholders.

4. Committee Structure and Operations

(a) Chair

Each year, the Board will appoint one member of the Committee to act as Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board. If, in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed. If the Chair of the Committee is absent from any meeting, the Committee will select one of the other members of the Committee to preside at that meeting.

(b) Meetings

The Chair of the Committee will be responsible for developing and setting the agenda for Committee meetings. The Chair, in consultation with the Committee members, will determine the schedule and frequency of the Committee meetings. However, the Committee will meet at least four times per year.

(c) Notice

- (i) Notice of the time and place of every meeting will be given by email or by phone to each member of the Committee at least 24 hours before the time fixed for that meeting.
- (ii) The external auditor of the Company will be given notice of every meeting of the Committee and, at the expense of the Company, will be entitled to attend and be heard at that meeting.
- (iii) If requested by a member of the Committee, the external auditor will attend every meeting of the Committee held during the term of office of the external auditor.

(d) Quorum

A majority of the Committee will constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

(e) Attendees

The Committee may invite any of the directors, officers and employees of the Company and any advisors as it sees fit to attend meetings of the Committee.

During each meeting of the Committee, the Committee will meet with only Committee members present in person or by other permitted means.

(f) Secretary

Unless otherwise determined by resolution of the Board, the corporate secretary of the Company, or his or her nominee, will act as the Secretary to the Committee.

(g) Records

Minutes of meetings of the Committee will be recorded and maintained by the Secretary to the Committee and will be subsequently presented to the Committee for review and approval.

(h) Liaison

The Chief Financial Officer will act as management liaison with the Committee.

5. Committee and Charter Review

The Committee will conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter, in accordance with the process developed by the Board. The Committee will conduct that review and assessment in such manner as it deems appropriate and report the results to the Board.

The Committee will also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any best practice guidelines recommended by regulators or an applicable stock exchange, and will recommend any required or desirable changes to the Board.

6. Reporting to the Board

The Committee will report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

III. RESPONSIBILITIES

1. Financial Reporting

- (a) The Committee is responsible for reviewing and recommending approval to the Board of:
 - (i) the Company's financial statements, MD&A and annual and interim profit or loss news releases; and
 - (ii) prospectus type documents.
- (b) The Committee is also responsible for:
 - (i) discussing with management and the external auditor the quality of generally accepted accounting principles ("GAAP"), not just the acceptability of GAAP;
 - (ii) discussing with management any significant variances between comparative reporting periods and across comparable business units;
 - (iii) in the course of discussion with management and the external auditor, identifying problems or areas of concern and ensuring those matters are satisfactorily resolved;
 - (iv) engaging the external auditor to perform a review of the interim financial reports and reviewing their findings, however, no formal report from the external auditor will be required;
 - (v) reviewing the financial statements of the Company's subsidiaries, as well as the consolidated financial statements and financial statements for the Company pension plans, joint ventures and the like;
 - (vi) requiring a representation letter from management similar to that provided by the external auditor; and
 - (vii) reviewing all financial information and earnings guidance provided to analysts and rating agencies.

2. External Auditor

- (a) The Company's external auditor is required to report directly to the Committee.
- (b) The Committee is responsible for recommending to the Board:
 - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company; and
 - (ii) the compensation of the external auditor.
- (c) The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

3. Relationship with the External Auditor

- (a) The Committee is responsible for reviewing the proposed audit plan and the proposed audit fees (to ensure fee containment).
- (b) The Committee is also responsible for:
 - (i) establishing effective communication processes with management and the external auditor so that it can objectively monitor the quality and effectiveness of the external auditor's relationship with management and the Committee;
 - (ii) receiving and reviewing regular reports from the external auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditors' final report;
 - (iii) reviewing, at least annually, a report from the external auditor on all relationships and engagements for non-audit services that may reasonably be thought to bear on the independence of the auditor;
 - (iv) meeting regularly in private with the external auditor; and
 - (v) receiving at least annually a report by the external auditor on the audit firm's internal quality control.

4. Accounting Policies

The Committee is responsible for:

- (a) reviewing the Company's accounting policy note to ensure completeness and acceptability with GAAP as part of the approval of the financial statements;
- (b) proactively discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (c) reviewing with management and the external auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (d) ensuring by discussion with management and the external auditor that the underlying accounting policies, disclosures and key estimates and judgments are considered to be the most appropriate in the circumstances (within the range of acceptable options and alternatives);
- (e) discussing with management and the external auditor the clarity and completeness of the Company's financial disclosures made under continuous disclosure requirements; and
- (f) reviewing benchmarks of the Company's accounting policies to those followed in its industry.

5. Risk and Uncertainty

- (a) The Committee is responsible for reviewing, as part of its approval of the financial statements, uncertainty notes and disclosures.
- (b) The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending those policies for approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee those policies for implementation and ongoing monitoring.
- (c) The Committee is responsible for requesting the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.

6. Controls and Control Deviations

- (a) The Committee is responsible for reviewing:
 - (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
 - (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.
- (b) The Committee is also responsible for:
 - (i) receiving reports from management when significant control deviations occur;
 - (ii) establishing a Company-wide culture that conveys basic values of ethical integrity as well as legal compliance and strong financial reporting and control;
 - (iii) reviewing plans of the internal and external auditors to ensure the combined evaluation and testing of control is comprehensive, well-coordinated, cost effective and appropriate to risks, business activities and changing circumstances;
 - (iv) participating in the review and appointment of key people involved in financial reporting (i.e., the Chief Financial Officer, the manager of internal audit, etc.);
 - (v) reviewing Chief Executive Officer and Chief Financial Officer certification matters including matters relating to disclosure controls and procedures;
 - (vi) reviewing annually a formal report prepared by management on the effectiveness of the Company's control systems;
 - (vii) reviewing fraud prevention policies and programs and monitoring their implementation; and
 - (viii) examining whether extension of its oversight of control systems into non-financial areas (e.g., operations) is appropriate.

7. Compliance with Laws and Regulations

- (a) The Committee is responsible for discussing the Company's compliance with tax and financial reporting laws and regulations, if and when issues arise.
- (b) The Committee is responsible for reviewing regular reports from management and others (e.g., internal and external auditors) concerning the Company's compliance with financial related laws and regulations, such as:
 - (i) tax and financial reporting laws and regulations;
 - (ii) legal withholdings requirements;
 - (iii) environmental protection laws; and
 - (iv) other matters for which directors face liability exposure.
- (c) The Committee is responsible for providing input to and reviewing the Company's Code of Business Conduct and Ethics.
- (d) The Committee is responsible for expanding its review to include a broader set of laws and regulations that must be complied with (e.g., compliance with privacy laws in electronic commerce systems).
- (e) The Committee with other Board committees is responsible for annually reviewing reports from other Board committees on management's processes to ensure compliance with the Company's Code of Business Conduct and Ethics.

8. Relationship with the Internal Auditor

- (a) The Committee is responsible for reviewing:
 - (i) the appointment of the internal auditor;
 - (ii) the internal auditor's terms of reference;
 - (iii) the overall scope of the internal audit;
 - (iv) the majority of reports issued by the internal auditor; and
 - (v) management's response to the internal auditor's reports.
- (b) The Committee is responsible for approving the reporting relationship of the internal auditor to ensure appropriate segregation of duties is maintained and the internal auditor has direct access to the Committee.
- (c) The Committee is responsible for ensuring that the internal auditor's involvement with financial reporting is coordinated with the activities of the external auditor.
- (d) If no internal audit function exists, the Committee is responsible for regularly reviewing the need for such a function.

9. Other Responsibilities and Issues

- (a) The Chair of the Committee is responsible for ensuring the information received by the Committee is responsive to important performance measures and to the key risks the Committee oversees.
- (b) The Committee is responsible for the investigation of any matters that fall within the Committee's responsibilities and has the explicit authority to do so.
- (c) The Committee is responsible for receiving and reviewing reports from the internal and external auditors on their review of the officer and senior executive expense accounts.
- (d) The Committee is responsible for approving policies on political donations and commissions paid to suppliers or customers and for receiving reports from the internal and/or external auditors on their review of those donations and commissions.
- (e) The Committee is responsible for reviewing and providing management with its views on funding matters, financing strategies, capital structure etc., as well as appropriate accounting and presentation issues related thereto.

10. Pre-Approval of Non-Audit Services

The Committee is responsible for pre-approving all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

11. Review of Public Disclosure

The Committee will review the following disclosures in advance of their public release by the Company:

- (a) the Company's financial statements, MD&A and annual and interim profit or loss news releases;
- (b) earnings guidance; and
- (c) financial outlooks and future-oriented financial information.

The Committee is responsible for being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and must periodically assess the adequacy of those procedures.

12. Submission Systems and Treatment of Complaints The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

13. Hiring Policies

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.

Adopted: March 8, 2017