



**RIV** CAPITAL

**RIV CAPITAL INC.**

**NOTICE OF MEETING**

and

**MANAGEMENT INFORMATION CIRCULAR**

for the

**ANNUAL GENERAL AND SPECIAL MEETING OF  
SHAREHOLDERS**

to be held on

**September 28, 2023**

**DATED AS OF AUGUST 8, 2023**

## RIV CAPITAL INC.

### Notice of Annual General and Special Meeting of Shareholders

To be held on September 28, 2023, at 10:00 a.m. (EDT)

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of RIV Capital Inc. (the “**Company**”) will be held at the offices of Blake, Cassels & Graydon LLP, 199 Bay Street, Commerce Court West, Suite 4000, Toronto, Ontario M5L 1A9 on September 28, 2023, at 10:00 a.m. (EDT) for the following purposes, as more particularly described in the accompanying management information circular (the “**Circular**”):

1. to receive and consider the audited consolidated financial statements of the Company for the financial years ended March 31, 2023 and 2022, together with the auditors’ report thereon (the “**Annual Financial Statements**”);
2. to elect the directors of the Company for the ensuing year, as more fully described in the Circular;
3. to re-appoint MNP LLP, Chartered Professional Accountants, as the auditors of the Company for the ensuing year and to authorize the board of directors of the Company (the “**Board**”) to fix their remuneration;
4. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to authorize and re-approve the Company’s share unit plan for non-employee directors, as more fully described in the accompanying Circular;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution to authorize and re-approve the Company’s long term incentive plan, as more fully described in the accompanying Circular; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The Board has fixed the close of business on August 8, 2023, as the record date (the “**Record Date**”) for determining Shareholders entitled to receive notice of and to vote at the Meeting and any adjournment or postponement thereof. Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

**The Company strongly encourages each Shareholder to submit a form of proxy or voting instruction form in advance of the Meeting using one of the methods described below and in the Circular.** Registered Shareholders should complete, date and sign a form of proxy in advance of the Meeting and return it in the envelope provided for that purpose to Odyssey Trust Company (“**Odyssey**”), Attn: Proxy Department, Traders Bank Building, Suite 702, 67 Yonge St, Toronto, Ontario M5E 1J8, by courier, by mail, or by electronic voting through <https://login.odysseytrust.com/pxlogin> in each case by 10:00 a.m. (EDT) on September 26, 2023. Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy. Beneficial Shareholders who receive the Meeting materials through their broker or other intermediary should complete and return their form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary. **Shareholders are reminded to review the Circular prior to voting.**

The Board has, by resolution, fixed 10:00 a.m. (EDT) on September 26, 2023, or in the event of an adjournment or postponement of the Meeting, 48 hours before the time of the adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays), as the time before which forms of proxy to be used or acted upon at the Meeting, or any adjournment or postponement thereof, must be deposited with the Company’s transfer agent and registrar, Odyssey. Alternatively, a form of proxy may be given to the Chair of the Meeting at which the form of proxy is to be used. Late

forms of proxy may be accepted or rejected by the Chair of the Meeting in his or her discretion, and the Chair is under no obligation to accept or reject any particular late form of proxy. The Chair of the Meeting shall have the discretion to waive or extend the proxy deadlines without notice.

The Company has elected to use the “notice-and-access” mechanism provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* to deliver the Meeting materials to Shareholders, including this Notice of Annual General and Special Meeting of Shareholders, the Circular, the Annual Financial Statements and the management’s discussion and analysis (“**MD&A**”) for the three and twelve months ended March 31, 2023 (the “**Annual MD&A**”). This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors) and under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Meeting materials will remain on the Company’s website for a period of one year.

Shareholders as of the Record Date will receive a package in the mail containing a Notice of Availability of Meeting Materials explaining how to access and review the Meeting materials electronically and how to request a paper copy of such materials free of charge, and a proxy form or a voting instruction form so that Shareholders can vote their shares. In addition, the package will include a place to request copies of the Annual Financial Statements, the Annual MD&A and/or the Company’s interim financial statements and MD&A and a consent for electronic delivery.

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three business days of the request. If a request for paper copies is received on or after the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey no later than September 18, 2023. DATED at Toronto, Ontario, this 8<sup>th</sup> day of August, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) “Joseph Mimran”*

Chair of the Board

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## GENERAL INFORMATION FOR THE MEETING

### Time, Date and Place of Meeting

This management information circular (the “**Circular**”) is provided in connection with the solicitation, by or on behalf of the management of RIV Capital Inc. (the “**Company**”), of proxies for use at the Company’s annual general and special meeting (the “**Meeting**”) of the holders (collectively, the “**Shareholders**” or, individually, a “**Shareholder**”) of Class A common shares (the “**Common Shares**”) of the Company, to be held at the offices of Blake, Cassels & Graydon LLP, 199 Bay Street, Commerce Court West, Suite 4000, Toronto, Ontario M5L 1A9 on September 28, 2023, at 10:00 a.m. (EDT) for the purposes set forth in the accompanying notice of meeting (the “**Notice**”). References in this Circular to the Meeting include any adjournment or postponement thereof.

### Date of Information

Unless otherwise stated herein, the information contained in this Circular is given as of August 8, 2023. Information set forth herein as to shareholdings is based upon information supplied by the respective persons holding such Common Shares.

### Currency

In this Circular, references to “\$”, “USD” and “dollars”, are to United States dollars and references to “C\$” and “CAD” are to Canadian dollars.

### Record Date

The Company has fixed the close of business on August 8, 2023, as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and to vote at the Meeting. Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting (subject, in the case of voting by proxy, to the timely deposit of a properly completed, signed and dated form of proxy with the Company’s registrar and transfer agent, Odyssey Trust Company (“**Odyssey**”), as specified herein and in the Notice).

All Shareholders of record at the close of business on the Record Date are entitled to vote the Common Shares registered in such Shareholder’s name at that date on each matter to be acted upon at the Meeting. The failure of any Shareholder to receive a copy of the Notice does not deprive a Shareholder of the right to vote at the Meeting.

### Quorum

The quorum for the Meeting is two persons present in person and holding or representing by proxy not less than 20% of the votes attached to all Common Shares entitled to be voted at the Meeting.

### Notice-and-Access

The Company has elected to use the “notice-and-access” provisions provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) to deliver the Meeting materials to Shareholders, including the Notice, this Circular and the Company’s audited consolidated financial statements for the financial years ended March 31, 2023 and 2022 (the “**Annual Financial Statements**”) and the management’s discussion and analysis (“**MD&A**”) for the three and twelve months ended March 31, 2023 (the “**Annual MD&A**”). This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors) and under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca). The Meeting materials will remain on the Company’s website for a period of one year.

Shareholders will receive a package in the mail containing a Notice of Availability of Meeting Materials explaining how to access and review the Meeting materials electronically and how to request a paper copy of such materials free of charge, and a proxy form or a voting instruction form (“**VIF**”) so Shareholders can vote their Common Shares. In

addition, the package will include a place to request copies of the Annual Financial Statements, the Annual MD&A and/or the Company's interim financial statements and MD&A and a consent for electronic delivery. The Company believes that notice-and-access will substantially reduce printing, paper and postage costs and is a more environmentally friendly and cost-effective way to distribute the Meeting materials to Shareholders.

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three business days of the request. If a request for paper copies is received on or after the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey no later than September 18, 2023.

### **Solicitation of Proxies**

**The Company's management is soliciting your proxy.** Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally, by telephone, or other means of communication by the directors, officers and employees of the Company, none of whom will be specifically remunerated therefor. The cost of any such solicitation will be borne by the Company.

In accordance with NI 54-101, the Company has made arrangements to distribute copies of the Meeting materials to intermediaries or their nominees (collectively, the "**Intermediaries**" or, individually, an "**Intermediary**") (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered Registered Retirement Savings Plans, Registered Retirement Income Funds, Deferred Profit Sharing Plans, Registered Education Savings Plans and similar plans) for distribution to Beneficial Shareholders (as defined herein) and such Intermediaries are required to forward the Meeting materials to each Beneficial Shareholder (unless the Beneficial Shareholder has declined to receive such materials). The Company is paying Broadridge (as defined herein) to deliver, on behalf of the Intermediaries, a copy of the Meeting materials to each Beneficial Shareholder.

All references to Shareholders in this Circular, the form of proxy and the Notice are to registered Shareholders unless specifically noted otherwise.

### **Appointment and Revocation of Proxies**

The individuals named as proxyholders in the form of proxy accompanying the Notice of Availability of Meeting Materials are representatives of the Company's management. **A Shareholder who wishes to appoint another person (who need not be a Shareholder) as his or her representative at the Meeting may do so by either: (a) crossing out the names of the designated proxyholders and printing the appointee of their choice in the blank space provided for that purpose in the form of proxy or VIF; or (b) completing another valid form of proxy.** In either case, the completed form of proxy must be delivered to Odyssey at the place and within the time limits specified herein for the deposit of proxies. The Chair of the Meeting shall have the discretion to waive or extend the proxy deadlines without notice. A Shareholder who appoints a proxy other than the designated proxyholders should notify their chosen proxyholder(s), obtain his or her consent to act as proxy, and provide instructions to such proxyholder on how the Shareholder's Common Shares are to be voted. The proxy appointee should bring personal identification to the Meeting. In all cases the form of proxy should be dated and executed by a Shareholder or an attorney duly authorized in writing (with proof of such authorization attached, in the case where an appointed attorney has executed the form of proxy).

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Odyssey Trust Company, Attn: Proxy Department, Traders Bank Building, Suite 702, 67 Yonge St, Toronto, Ontario M5E 1J8, by courier, by mail, or by electronic voting through <https://login.odysseytrust.com/pxlogin> in each case by 10:00 a.m. (EDT) on September 26, 2023, or in the event of an adjournment or postponement of the Meeting, 48 hours before the time of the adjourned or postponed Meeting (excluding Saturdays, Sundays and holidays). Votes cast electronically are in all respects equivalent to and will be treated in the exact same manner as

votes cast via a paper form of proxy. Further details on the electronic voting process are provided in the form of proxy. Alternatively, a form of proxy may be given to the Chair of the Meeting at which the form of proxy is to be used. Late forms of proxy may be accepted or rejected by the Chair of the Meeting in his or her discretion, and the Chair is under no obligation to accept or reject any particular late form of proxy. The Chair of the Meeting shall have the discretion to waive or extend the proxy deadlines without notice.

**A Shareholder who has given a form of proxy may revoke the form of proxy by depositing an instrument in writing, including another completed form of proxy, signed by such Shareholder or by his, her or its attorney, who is authorized in writing or by electronic signature, or, if the Shareholder is a corporation, by an authorized officer or attorney thereof, who is authorized in writing or by electronic signature, or by transmitting by telephonic or electronic means, a revocation signed, by electronic signature, and depositing it at the registered office of the Company (RIV Capital Inc., 40 King Street West, Suite 2504, Toronto, Ontario M5H 3Y2. Attention: Chief Strategy Officer, General Counsel and Corporate Secretary) at any time up to and including the last business day preceding the day of the Meeting or any adjournment or postponement thereof, or with the Chair of the Meeting on the day of, and prior to the start of, the Meeting or any adjournment or postponement thereof. A Shareholder may also revoke a proxy in any other manner permitted by law.**

**If a registered Shareholder revokes a form of proxy and does not replace it with another form of proxy that is deposited with Odyssey before the proxy deadline, such Shareholder can still vote its Common Shares, but to do so the registered Shareholder must attend the Meeting in person.**

#### **Voting of Proxies**

The persons named in the form of proxy are officers of the Company that have been selected by the directors of the Company and that have indicated their willingness to represent Shareholders that appoint them as proxy. Each Shareholder may instruct his or her proxy on how to vote his or her Common Shares by completing the blanks on the form of proxy.

Common Shares represented by properly executed forms of proxy in favour of the person designated on the form of proxy will be voted or withheld from voting in accordance with the instructions given on the form of proxy and if a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. **In the absence of such instructions, such Common Shares will be voted FOR the approval of all resolutions in this Circular.**

**The form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice and this Circular and with respect to any other matters which may properly come before the Meeting.** As of the date hereof, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxyholder.

#### **Advice to Beneficial Shareholders**

**The information set forth in this section is of significant importance to Shareholders who do not hold Common Shares in their own name (“Beneficial Shareholders”).**

Beneficial Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as of the Record Date as the registered Shareholders can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder’s Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for The Canadian Depository for Securities), which acts as a nominee for many Canadian brokerage firms. Common Shares held by Intermediaries can only be voted (for, withheld or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.



The directors and officers of the Company do not know for whose benefit the Common Shares registered in the name of CDS & Co. are held.

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every Intermediary has its own mailing procedures and provides its own return voting instructions, which should be carefully followed by Beneficial Shareholders to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions on how to vote from clients to Broadridge Investor Communications Corporation (“**Broadridge**”). Broadridge typically mails a form of proxy or VIF to the Beneficial Shareholders and asks the Beneficial Shareholders to return the form of proxy or VIF to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a form of proxy or VIF from Broadridge cannot use that form of proxy or VIF to vote Common Shares directly at the Meeting. The form of proxy or VIF must be returned to Broadridge or the Intermediary well in advance of the Meeting to have the Common Shares voted. A Beneficial Shareholder may revoke a form of proxy or VIF or a waiver of the right to receive Meeting materials and to vote which has been given to their Intermediary at any time by written notice to the Intermediary, provided that the Intermediary is not required to act on a revocation of a form of proxy or VIF or of a waiver of the right to receive Meeting materials and to vote, which is not received by the Intermediary at least seven days prior to the Meeting. If you have any questions regarding the voting of Common Shares held through a broker or other Intermediary, please contact your broker or other Intermediary for assistance.

In accordance with the requirements of NI 54-101, the Company the Company is using notice-and-access to send proxy-related materials for use in connection with the Meeting to Beneficial Shareholders using the “indirect” sending procedures set out in NI 54-101. Accordingly, the Company has distributed copies of the Meeting materials to Broadridge to deliver, on behalf of the Intermediaries, to the Beneficial Shareholders.

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

No (a) director or executive officer of the Company who has held such position at any time since April 1, 2022; (b) Nominee (as defined herein); or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors. See “*Business of Meeting – Election of Directors*”.

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

The authorized capital of the Company consists of an unlimited number of Common Shares, of which 135,670,526 were issued and outstanding as at August 8, 2023. Each Common Share carries the right to one vote per share. No other voting securities were issued and outstanding as of such date.

To the knowledge of the directors and the executive officers of the Company, as at August 8, 2023, no person beneficially owned, or controlled or directed, directly or indirectly, more than 10% of the issued and outstanding Common Shares, other than as set out below:

<b>Name and Municipality of Residence</b>	<b>Number of Common Shares<sup>(1)</sup></b>
BrandCo HoldCo, LLC <sup>(2)</sup> Brewster, New York	26,365,419 (19.4%)

Notes:

(1) Calculated on a non-diluted basis based on 135,670,526 Common Shares outstanding as of August 8, 2023.

(2) The members of BrandCo HoldCo, LLC (“**BrandCo HoldCo**”) are Hillary Peckham, Keeley Peckham, John Peckham and Gregory Peckham.

## Investor Rights Agreements

The Company is party to an investor rights and strategic opportunities agreement dated August 24, 2021, as amended by Amendment No. 1 to the investor rights and strategic opportunities agreement dated March 30, 2022 (the “**Hawthorne Investor Rights Agreement**”), with The Hawthorne Collective, Inc. (“**The Hawthorne Collective**”) and The Hawthorne Gardening Company, providing for, among other things, the right for The Hawthorne Collective to nominate up to four directors (each a “**Hawthorne Nominee**”) to the board of directors of the Company (the “**Board**”). Pursuant to the Hawthorne Investor Rights Agreement, the Company also agreed to expand the size of its Board to nine directors. The Hawthorne Collective’s nomination rights remain in effect so long as The Hawthorne Collective and its affiliates beneficially own at least 33% of the outstanding Common Shares (on an as exchanged basis). If the beneficial ownership (on an as exchanged basis) of The Hawthorne Collective and its affiliates drops: (i) below 33% (but not less than 20%), or (ii) below 20% (but The Hawthorne Collective and its affiliates continue to beneficially own at least 60% of either the original principal amount of the convertible promissory note originally purchased by The Hawthorne Collective or the Common Shares into which the original principal amount of such original convertible promissory note was convertible), the number of nominees The Hawthorne Collective will be entitled to nominate will be reduced to three and two, respectively. Notwithstanding the foregoing, the Company, The Hawthorne Collective and The Hawthorne Gardening Company agreed in August 2022 that effective as of the Initial Designation Date (as defined in the Etain Investor Rights Agreement (as defined herein)) the size of the Board would be seven directors and that for so long as the size of the Board is seven directors, The Hawthorne Collective shall not be entitled to designate more than three Hawthorne Nominees pursuant to the Hawthorne Investor Rights Agreement.

Each Hawthorne Nominee must meet the qualification requirements to serve as a director under the *Business Corporations Act* (Ontario) (the “**OBCA**”), Canadian and United States securities laws and/or the applicable rules of the Canadian Securities Exchange (the “**CSE**”) or any other exchange on which the Common Shares are listed, and must not be an employee of, involved in the day-to-day operations of, or have a fiduciary responsibility to, a competitor of the Company.

If The Hawthorne Collective is entitled to designate more than one Hawthorne Nominee, at least one of the Hawthorne Nominees so designated must qualify as an independent director under applicable securities laws and/or the applicable rules of the CSE or any other exchange on which the Common Shares are listed. In the event that a Hawthorne Nominee ceases to serve as a director for any reason, The Hawthorne Collective has the right to designate a replacement Hawthorne Nominee, provided that The Hawthorne Collective remains eligible to designate a nominee and the replacement meets the qualification criteria described above.

The Company is also party to an investor rights agreement dated April 22, 2022 (the “**Etain Investor Rights Agreement**”) and together with the Hawthorne Investor Rights Agreement, the “**Investor Rights Agreements**”) with BrandCo HoldCo, Hillary A. Peckham, Keeley M. Peckham, John D. Peckham and Gregory D. Peckham (collectively, the “**Etain Investors**”), pursuant to which, among other things, provided that the beneficial ownership of the Etain Investors is collectively greater than or equal to 10%, the group representative of the Etain Investors (the “**Etain Group Representative**”), is entitled to nominate one nominee for election to the Board (the “**Etain Nominee**”).

The Etain Nominee must meet the qualification requirements to serve as a director under the OBCA, Canadian and United States securities laws and/or the applicable rules of the CSE or any other exchange on which the Common Shares are listed, and must not be an employee of, involved in the day-to-day operations of, or have a fiduciary responsibility to, a competitor of the Company.

In the event that the Etain Nominee ceases to serve as a director for any reason, the Etain Group Representative, on behalf of the Etain Investors, has the right to designate a replacement Etain Nominee, provided that the Etain Group Representative remains eligible to designate a nominee and the replacement meets the qualification criteria described above.

In addition, the Etain Group Representative, on behalf of the Etain Investors, has the right (but not obligation) to designate one non-voting observer to attend all meetings of the Board (the “**Etain Observer**”). The Etain Observer shall not be entitled to: (i) vote on any matters brought before the Board, or (ii) attend or receive materials related to (x) meetings or portions of meeting of the Board comprised exclusively of members of the Board other than any directors that are the Etain Nominee, the Hawthorne Nominees or members of the Company’s management team,

(y) meetings of any committee of the Board unless invited by the chair of the applicable committee of the Board, or (z) meetings or portions of meetings of the Board where the Board reasonably determines that (A) access to any such materials or attendance at such meetings is reasonably likely to violate the terms of any confidentiality agreement to which the Company is subject or adversely affect the preservation of any attorney-client privilege, or (B) there could be a potential conflict as a matter of applicable corporate law as a result of the topic of discussion in the Board meeting to the Etain Observer.

The right to designate the Etain Nominee terminates on the later to occur of (i) December 29, 2023, and (ii) the first day following the date on which the Etain Investors cease to collectively have beneficial ownership greater than or equal to 10%.

The right to designate the Etain Observer terminates on the later to occur of (i) March 29, 2024, and (ii) the first day following the date on which the Etain Investors cease to collectively have beneficial ownership greater than or equal to 10%.

Pursuant to the Hawthorne Investor Rights Agreement, The Hawthorne Collective has elected to nominate Laura Curran, Christopher Hagedorn and Katy Wiles to the Board. Pursuant to the Etain Investor Rights Agreement, the Etain Group Representative has elected to nominate Amy Peckham to the Board. See “*Business of Meeting – Election of Directors*”.

## BUSINESS OF MEETING

To the knowledge of the Board and management of the Company, the only matters to be brought before the Meeting are those set out in the accompanying Notice and more particularly described below. **However, if other matters, which are not known to management, 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 voting the form of proxy.**

### Presentation of Financial Statements

The Annual Financial Statements will be placed before the Meeting. The Annual Financial Statements and Annual MD&A are available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) or on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors) and copies of these documents will also be available at the Meeting.

### Election of Directors

The Board has fixed the number of directors to be elected at the Meeting at seven.

At the Meeting, Shareholders will be asked to elect the seven directors to the Board (the “**Nominees**”). If elected at the Meeting, each Nominee will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed. The Nominees for election as directors to the Board are **Laura Curran, Christopher Hagedorn, Richard Mavrincac, Joseph Mimran, Amy Peckham, Dawn Sweeney and Katy Wiles**. **The Board recommends that Shareholders vote FOR the election to the Board of the foregoing Nominees designated by management of the Company to hold office until the next annual meeting of Shareholders or until a successor is duly elected or appointed. Common Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR the election to the Board of the Nominees whose names are set forth above, each of whom, if applicable, has been a director since the date indicated below opposite the Nominee’s name, unless a Shareholder has specified in the form of proxy that his, her or its Common Shares are to be withheld from voting in respect of any particular Nominee or Nominees.** Management does not contemplate that any of the Nominees will be unable to serve as directors, but if that should occur for any reason prior to the Meeting, the Common Shares represented by properly executed proxies given in favour of such Nominee(s) may be voted by the person(s) designated by management of the Company in the form of proxy, in their discretion, in favour of another Nominee, unless a Shareholder has specified in the form of proxy that his, her or its Common Shares are to be withheld from voting in respect of any particular Nominee or Nominees.

The table below sets forth the name, province or state and country of residence, date of appointment as a director (if applicable) and principal occupation during the prior five-year period of each Nominee and the number of voting securities of the Company beneficially owned, or over which control or direction is exercised, directly or indirectly, by each Nominee.

In addition, the biography of each Nominee is below. For additional information regarding the current directors' meeting attendance and fees, see "Statement of Corporate Governance – Meetings of the Board".

<b>Name, Province or State and Country of Residence</b>	<b>Director Since<sup>(1)</sup></b>	<b>Present Principal Occupation and Positions Held during the Preceding Five Years<sup>(2)</sup></b>	<b>Number of Common Shares Beneficially Owned or Controlled<sup>(3)</sup></b>
<b>Joseph Mimran</b> <sup>(4)(5)(6)</sup> Ontario, Canada	September 17, 2018	June 2015 to present – Chairman, Gibraltar & Company, Inc. January 2002 to present – Chairman and President, Joseph Mimran & Associates Inc.	655,007 <sup>(7)</sup>
<b>Laura Curran</b> <sup>(9)(12)</sup> New York, United States	September 29, 2022	April 2022 to present – Corporate Director January 2018 to December 2021 – Chief Executive of County, Nassau County	Nil
<b>Christopher Hagedorn</b> <sup>(9)(10)</sup> Vermont, United States	August 24, 2021	January 2021 to present – Executive Vice President and Division President, The Hawthorne Gardening Company January 2017 to December 2020 – SVP, General Manager, The Hawthorne Gardening Company	Nil
<b>Richard Mavrinac</b> <sup>(8)(11)(12)(13)</sup> Ontario, Canada	September 17, 2018	March 2017 to present – Director	342,359 <sup>(14)</sup>
<b>Amy Peckham</b> <sup>(15)(16)(17)</sup> New York, United States	September 29, 2022	July 2023 to present – Board of Advisors, BLACE LLC December 2022 to present – Chief Executive Officer, BrandCo HoldCo December 2014 to December 2022 – Chief Executive Officer, Etain, LLC April 2022 to September 2022 – General Manager for Etain Brand, RIV Capital US Services LLC December 2014 to April 2022 – Chief Executive Officer, Etain IP LLC	Nil
<b>Dawn Sweeney</b> <sup>(5)(8)(13)(18)</sup> Florida, United States	September 29, 2022	August 2022 to present – Executive Director, Association and Non-Profit Practice, Jones Lang LaSalle (JLL) May 2020 to present – Executive-In-Residence, Georgetown University's McDonough School of Business December 2020 to present – Principal, New England Consulting Group	Nil

Name, Province or State and Country of Residence	Director Since <sup>(1)</sup>	Present Principal Occupation and Positions Held during the Preceding Five Years <sup>(2)</sup>	Number of Common Shares Beneficially Owned or Controlled <sup>(3)</sup>
		October 2007 to December 2019 – President and Chief Executive Officer, National Restaurant Association	
Katy Wiles <sup>(9)</sup> Ohio, United States	N/A	December 2022 to present – Vice President, Legal, ScottsMiracle-Gro July 2018 to December 2022 – Vice President, Legal, The Hawthorne Gardening Company	Nil

Notes:

- (1) Each director’s term will continue until the next annual meeting of Shareholders or until the director resigns, becomes ineligible or unable to serve or until his or her successor is elected or appointed.
- (2) The information as to principal occupations of the Nominees, not being within the direct knowledge of the Company, has been furnished by the respective Nominees.
- (3) The information as to the number of Common Shares beneficially owned, or over which control or direction is exercised, by the Nominees directly or indirectly, not being within the direct knowledge of the Company, has been furnished by the respective Nominees or obtained from the System for Electronic Disclosure by Insiders, and may include Common Shares owned or controlled by the Nominees’ spouses and/or children and/or companies controlled by them or their spouses and/or children.
- (4) Chair of the Board.
- (5) Member of the Audit Committee of the Board (the “**Audit Committee**”).
- (6) Chair of the Conflicts Review Committee of the Board (the “**Conflicts Review Committee**”).
- (7) 454,545 Common Shares are held indirectly by Mr. Mimran through Joseph Mimran & Associates Inc., a corporation over which Mr. Mimran has control. 143,000 Common Shares are held indirectly by Mr. Mimran through 3208575 Canada Inc., a corporation over which Mr. Mimran has control.
- (8) Member of the Strategic Growth Committee of the Board (the “**Strategic Growth Committee**”).
- (9) Hawthorne Nominee.
- (10) Chair of the Strategic Growth Committee.
- (11) Chair of the Audit Committee.
- (12) Member of the Compensation, Nominating and Governance Committee of the Board (the “**CNG Committee**”).
- (13) Member of the Conflicts Review Committee.
- (14) 150,000 Common Shares are controlled indirectly by Mr. Mavrinac through his spouse.
- (15) Etain Nominee.
- (16) Observer to the Audit Committee.
- (17) Observer to the Strategic Growth Committee.
- (18) Chair of the CNG Committee.

To the Company’s knowledge, as at August 8, 2023, the Nominees, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 997,366 Common Shares, representing approximately 0.74% of the total issued and outstanding Common Shares on a non-diluted basis.

***Nominee Biographies***

**Laura Curran** – Ms. Curran is currently a member of the board of directors of Mount Sinai South Nassau. Ms. Curran previously served as the first female County Executive of Nassau County from January 1, 2018 to December 31, 2021. In this role, Ms. Curran represented more than 1.3 million residents and prioritized restoring trust and fiscal integrity to the County government. She directed a government of more than 7,500 employees, including six unions, and created balanced budgets in excess of \$3.3 billion, earning the County’s first bond upgrade in 15 years. As County Executive, she also successfully advocated for new economic development and downtown revitalization. Under Ms. Curran’s leadership, Nassau County was named the safest community in America by U.S. News & World Report for three consecutive years. After the COVID-19 pandemic hit Nassau County, she led the County’s response to protect and inform residents, while maintaining essential County operations and advocating for businesses and schools. To protect residents and the economy from the impact of the pandemic, she focused on vaccinating as many people as possible by building a robust vaccine infrastructure. Prior to becoming County Executive, Ms. Curran served two terms as a Nassau County Legislator, working across the political aisle to successfully implement programs and pass laws. Ms. Curran previously served on the Baldwin School Board, holding positions of President and Trustee. Before her career in public service, Ms. Curran was a reporter for the New York Daily News and New York Post. She currently is a

news analyst on two New York City radio stations, WABC and WOR, and hosts a podcast called “Cut to the Chase with Laura Curran”. Ms. Curran earned a Bachelor of Arts from Sarah Lawrence College.

**Christopher Hagedorn** – Mr. Hagedorn is the executive vice president and division president of The Hawthorne Gardening Company, a subsidiary of The ScottsMiracle-Gro Company (“**ScottsMiracle-Gro**”) focused on providing products and solutions to the hydroponic and indoor growing industry. All aspects of The Hawthorne Gardening Company business report up through Mr. Hagedorn, who has held the position since 2014. During his tenure, Mr. Hagedorn has played a key role in the acquisition of leading hydroponic brands under The Hawthorne Gardening Company, which has locations throughout North America and in the Netherlands. Prior to his role with The Hawthorne Gardening Company, Mr. Hagedorn held various positions within ScottsMiracle-Gro, ranging from marketing roles to director of indoor gardening. He has a Bachelor’s degree from Bowdoin College.

**Richard Mavrinac** – Mr. Mavrinac served as the Chief Financial Officer of George Weston Limited and the Executive Vice-President of Loblaw Companies Limited, two of Canada’s largest companies operating in the retail grocery and bakery sectors, from 2003 to 2007. As Chief Financial Officer of George Weston Limited, Mr. Mavrinac’s experience encompassed all aspects of finance, including overall responsibility for financial reporting, treasury, risk management, pension and benefits, investor relations, taxation and acquisitions and divestitures. Mr. Mavrinac began his career with Loblaw Companies Limited in 1982 as Director of Taxation, subsequently holding a variety of financial positions within the company. In 1996, Mr. Mavrinac assumed the role of Senior Vice-President, Finance for George Weston Limited and Loblaw Companies Limited. Mr. Mavrinac is currently a member of the board of directors of Roots Corporation and formerly a member of the board of directors of TerrAscend and Gage Growth Corp., and brings experience in the retail and cannabis sectors to the Board. 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.

**Joseph Mimran** – Mr. Mimran is among Canada’s leading fashion and retail pioneers and entrepreneurs. Throughout his career, he has founded or co-founded and built brands that have helped define the fashion industry landscape, including Joe Fresh™, Club Monaco, Alfred Sung, Caban and, with his wife Kimberley Newport-Mimran, Pink Tartan. In addition, Mr. Mimran is the Chairman of Gibraltar & Company, Inc., and was formerly the Co-Chief Executive Officer of Gibraltar Opportunity, Inc. and Gibraltar Growth Corporation. Mr. Mimran was the founder and former Creative Director of the Joe Fresh™ brand for Loblaw Companies Limited, where he led the entire creative process for the women’s, men’s and children’s apparel line from product design to marketing and advertising to store selection and design for the merchandising of the line. Mr. Mimran founded the consulting firm Joseph Mimran & Associates Inc. (“**JMA**”) in 2001. In 2003, Loblaw Companies Limited engaged JMA to design home products under its President’s Choice brand, followed by all general merchandise categories by 2009. Mr. Mimran co-founded The Monaco Group (which included Alfred Sung, a high-end fashion women’s wear line, and Club Monaco, a fashion-forward, high-end casual clothing retailer) in 1980 and took the company public in 1986. The company was purchased by Dylex in 1989. In 1991, Mr. Mimran repurchased Club Monaco from Dylex, founded and launched Caban (a design-oriented home furnishings retailer) and took the business public in 1997. In 1999, he sold Club Monaco (and Caban) to Ralph Lauren for an equity value of \$77,500,000. Mr. Mimran has been the recipient of many industry awards, including the Canadian Style Award and the lifetime achievement award by the Design Exchange, and in 2015 he was inducted into Canada’s Marketing Hall of Legends. Mr. Mimran began his career at Coopers & Lybrand (now PricewaterhouseCoopers) after receiving his Chartered Accountant designation.

**Amy Peckham** – Ms. Peckham has served as CEO of Etain, LLC from its founding in 2015 as a women-owned and -led private company until the completion of the Etain Acquisition (as defined herein) in December 2022. Ms. Peckham was critical to Etain obtaining licensure in New York State as one of the state’s first five registered organizations. During her tenure as CEO, all aspects of Etain reported up to Ms. Peckham and her experience encompassed development, operation and administration of Etain’s cultivation and dispensary assets in New York’s regulatory environment. Ms. Peckham also served as CEO of Etain IP LLC, a company holding and developing Etain’s intellectual property assets, prior to the acquisition of Etain IP LLC by the Company in April 2022. In the interim between the acquisition of Etain IP LLC by the Company and completion of the Etain Acquisition in December 2022, Ms. Peckham served as General Manager for the Etain Brand at RIV Capital US Services LLC. During her tenure at Etain, Ms. Peckham successfully spearheaded bids to win licenses for growing, processing, transporting and dispensing medical marijuana in several other states. Currently, Ms. Peckham serves on the Board of Advisors of BLACE LLC, an online marketplace for booking unique event spaces. Ms. Peckham also serves or has served as CEO

for Etain MD, LLC, a company providing cannabis consulting services; Etain New Jersey, LLC, a vertically licensed alternative treatment centre in New Jersey; Beat Extracts, LLC, a hemp-focused company; Etain Health LLC, a past licensee in California; EH-NY, LLC, a realty company affiliated with Etain Health, LLC; BrandCo HoldCo, LLC, a holding company; and KDBF Ventures, LLC, a realty management company. Prior to Etain's founding and continuing through the present, Ms. Peckham served as Corporate Secretary and Management Advisor for Peckham Family Holdings, LLC, the parent company of one of the largest construction infrastructure material and construction companies in the U.S. Northeast. Ms. Peckham is currently a member of the board of directors of Peckham Industries, Inc., a subsidiary of Peckham Family Holdings, LLC and is Co-Founder and Corporate Secretary of the Peckham Family Foundation, a charitable organization.

**Dawn Sweeney** – Currently, Ms. Sweeney is serving as an Executive-In-Residence at Georgetown University's McDonough School of Business. In addition, Ms. Sweeney serves as Executive Director of the Association and Non-Profit Practice of the global real estate firm JLL and as Principal for the New England Consulting Group. Ms. Sweeney was previously the longest-serving and first woman President and CEO of the National Restaurant Association where she was responsible for advancing and protecting the United States' one million restaurants and 15 million employees and oversaw a historic shift in the organization's governance and DE&I leadership, while more than doubling membership, employee engagement and revenues. Ms. Sweeney also led the negotiations for an equity partnership in Winsight Media, selling operational ownership of the National Restaurant Association's Show in 2018 and executing the single largest financial transaction in National Restaurant Association's hundred-year history. Ms. Sweeney also served in various roles, including as President of AARP Services, Vice President of Market Development for the National Rural Electric Cooperative Association and Vice President of Marketing of International Dairy Foods Association, where she launched the "milk mustache" advertising campaign. Ms. Sweeney is also an independent board member of SITE Centers Corp. (NYSE: SITC), where she serves on the Audit Committee and Compensation Committee. She is also Vice Chair on the board of MedStar's National Rehabilitation Hospital, where she serves as Chair of the Quality and Safety Committee. She previously served on the board of Save the Children US, where she led the Board Governance Review Committee. Ms. Sweeney has been twice named "Trade Association CEO of the Year" by two different national organizations. Ms. Sweeney is a member of the inaugural class of the Harvard Business School's "Women on Boards: Succeeding as a Corporate Director" program and is also an NACD (National Association of Corporate Directors) Certified Director (2021). Ms. Sweeney earned a Bachelor of Science in Government from Colby College and an MBA in Marketing with honors from The George Washington University.

**Katy Wiles** – Ms. Wiles is currently Vice President, Legal at ScottsMiracle-Gro where she leads a team that collectively advises the organization on legal issues related to operations, commercial activity, intellectual property, advertising, environmental and regulatory, and mergers & acquisitions. Between July 2018 and December 2022, Ms. Wiles served as the legal lead at the Hawthorne Gardening Company, which is a division of ScottsMiracle-Gro that focuses on providing products and solutions to the hydroponics and indoor growing industry. Ms. Wiles has also advised the organization on acquisitions, divestitures, partnerships and investments it has made since she joined ScottsMiracle-Gro in 2011. Ms. Wiles has a Bachelor's Degree in Accounting and an MBA from Xavier University and a JD from The Ohio State University Moritz College of Law.

#### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

To the knowledge of the Company, no Nominee is, as at the date hereof, or has been, within the 10 years before the date hereof, a director, Chief Executive Officer ("CEO") or Chief Financial Officer ("CFO") of any company (including the Company) that:

- (a) was subject to a cease trade or similar 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 and that was issued while the Nominee was acting in the capacity of director, CEO or CFO; or
- (b) was subject to a cease trade or similar 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 Nominee ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity of a director, CEO or CFO.

To the knowledge of the Company, no Nominee:

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

To the knowledge of the Company, as at the date hereof, no Nominee 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 Nominee.

#### **Appointment of Auditors**

MNP LLP (“MNP”) has been the independent external auditors of the Company since June 20, 2022. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to approve, an ordinary resolution re-appointing MNP as auditors of the Company, to hold office until the close of the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Company’s Board to fix their remuneration. Additional information with respect to the Company’s auditors can be found in the Company’s annual information form dated June 14, 2023 (the “AIF”), available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors).

To be effective, the resolution approving the re-appointment of MNP as auditors of the Company until the close of the next annual meeting of Shareholders and authorizing the Board to fix their remuneration requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The Board recommends that Shareholders vote FOR the re-appointment of MNP. Common Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR the resolution authorizing the re-appointment of MNP as auditors of the Company, to hold office for the ensuing year at a remuneration to be fixed by the Board, unless a Shareholder has specified in the form of proxy that his, her or its Common Shares are to be withheld from voting in respect thereof.**

#### **Re-Approval of the Unit Plan**

In accordance with the requirements of the CSE, every three years after institution, all unallocated options, rights or other entitlements under a “security based compensation arrangement” which does not have a fixed maximum aggregate of securities issuable (a “rolling plan”) must be approved by a majority of the issuer’s securityholders (the “Equity Plan Re-approval”). The Company’s share unit plan for non-employee directors dated March 18, 2020, as amended and re-approved by the Board on February 25, 2021 (the “Unit Plan”), is subject to Equity Plan Re-approval as it is a rolling plan pursuant to which the maximum number of Common Shares issuable is equal to 1% of the number of the issued and outstanding Common Shares on a non-diluted basis from time to time. As a result, should the Company issue additional Common Shares in the future, including pursuant to the settlement of grants under the Unit Plan, the number of Common Shares issuable under the Unit Plan will increase on a proportionate basis.

The purpose of the Unit Plan is to promote a greater alignment of long-term interests between each of the Company’s directors who is not an officer or employee of the Company or any subsidiary thereof, including any non-executive Chair of the Board (each, a “Non-Employee Director”), and Shareholders and to provide compensation for Non-



Employee Directors that, together with the other director compensation mechanisms, is reflective of the responsibility, commitment and risk accompanying membership on the Board and the performance of the duties required of the various Board committees.

A summary description of the Unit Plan is set out under the heading “*Stock Option Plans and Other Incentive Plans – Unit Plan*”. The full text of the Unit Plan is attached as Schedule “B” to this Circular.

The Board, based upon, among other things, the recommendation of the CNG Committee, re-approved the Unit Plan on August 8, 2023. The Board believes that re-approval of the Unit Plan is in the Company’s and the Shareholders’ best interests. The Unit Plan and the other long-term incentive plans of the Company are an integral part of the Company’s compensation programs, which are designed to align and incentivize management in a manner aligned with Shareholder interests.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve the following resolution (the “**Unit Plan Resolution**”):

“RESOLVED, as an ordinary resolution of the shareholders (the “**Shareholders**”) of RIV Capital Inc. (the “**Company**”) that:

- (1) the Company’s share unit plan for non-employee directors (the “**Unit Plan**”), in the form of Schedule “B” to the Company’s management information circular dated August 8, 2023, is re-approved as the share unit plan for non-employee directors and the Company has the ability to continue granting share units under and in accordance with the terms and conditions of the Unit Plan until completion of the annual meeting of the Shareholders to be held during the Company’s 2027 fiscal year (the “**Effective Period**”);
- (2) the unallocated share units issuable under the Unit Plan during the Effective Period be and are hereby confirmed and approved;
- (3) the Company is hereby authorized to grant share units under the Unit Plan during the Effective Period; and
- (4) any director or officer of the Company be and is hereby authorized and directed, on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as they may determine to be necessary or advisable to give effect to the intent and purpose of this resolution.”

**To be effective, the Unit Plan Resolution requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.** If such approval is not obtained at the Meeting:

- (a) the existing issued and outstanding share units previously granted under the Unit Plan will remain outstanding and will be governed by the terms of the Unit Plan;
- (b) all unallocated share units under the Unit Plan will be cancelled; and
- (c) the Company will not be permitted to make further grants of share units under the Unit Plan until Shareholder approval is obtained.

**The Board recommends that Shareholders vote FOR the Unit Plan Resolution. Common Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR the Unit Plan Resolution, unless a Shareholder has specified in the form of proxy that his, her or its Common Shares are to be voted against the Unit Plan Resolution.**

## Re-Approval of the LTIP

In accordance with the requirements of the CSE, the Company's long term incentive plan dated August 5, 2020, as amended and re-approved by the Board on February 25, 2021 (the "**LTIP**"), is subject to the Equity Plan Re-approval as it is a rolling plan pursuant to which the maximum number of Common Shares issuable, together with Common Shares issuable under all other security based compensation arrangements of the Company, is limited to 10% of the issued and outstanding Common Shares on a non-diluted basis from time to time. As a result, should the Company issue additional Common Shares in the future, including pursuant to the exercise of stock options and settlement of Restricted Share Units (as defined in the LTIP) and performance share units ("**PSUs**") under the LTIP, the number of Common Shares issuable under the LTIP will increase on a proportionate basis.

The purpose of the LTIP is: (i) to promote further alignment of interests between officers, employees and other eligible service providers of the Company and Shareholders, (ii) to associate a portion of the compensation payable to officers, employees and other eligible service providers of the Company with the returns achieved by Shareholders; and (iii) to attract and retain officers, employees and other eligible service providers with the knowledge, experience and expertise required by the Company.

A summary description of the LTIP is set out under the heading "*Stock Option Plans and Other Incentive Plans – LTIP*". The full text of the LTIP is attached as Schedule "C" to this Circular.

The Board, based upon, among other things, the recommendation of the CNG Committee, re-approved the LTIP on August 8, 2023. The Board believes that re-approval of the LTIP is in the Company's and the Shareholders' best interests. The LTIP and the other incentive plans of the Company are an integral part of the Company's compensation programs, which are designed to align and incentivize management in a manner aligned with Shareholder interests. At the Meeting, Shareholders will be asked to consider and, if thought advisable, approve the following resolution (the "**LTIP Resolution**"):

"RESOLVED, as an ordinary resolution of the shareholders (the "**Shareholders**") of RIV Capital Inc. (the "**Company**") that:

- (1) the Company's long term incentive plan (the "**LTIP**"), in the form of Schedule "C" to the Company's management information circular dated August 8, 2023, is re-approved as the long-term incentive plan and the Company has the ability to continue granting options, restricted share units, performance share units, stock appreciation rights and restricted stock under and in accordance with the terms and conditions of the LTIP until completion of the annual meeting of the Shareholders to be held during the Company's 2027 fiscal year (the "**Effective Period**");
- (2) the unallocated share-based awards issuable under the LTIP during the Effective Period be and are hereby confirmed and approved;
- (3) the Company is hereby authorized to grant share-based awards under the LTIP during the Effective Period; and
- (4) any director or officer of the Company be and is hereby authorized and directed, on behalf of the Company, to execute and deliver all such documents and to do all such other acts or things as they may determine to be necessary or advisable to give effect to the intent and purpose of this resolution."

**To be effective, the LTIP Resolution requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.** If such approval is not obtained at the Meeting:

- (a) the existing issued and outstanding share-based awards previously granted under the LTIP will remain outstanding and will be governed by the terms of the LTIP;
- (b) all unallocated share-based awards under the LTIP will be cancelled; and

- (c) the Company will not be permitted to make further grants of share-based awards under the LTIP until Shareholder approval is obtained.

**The Board recommends that Shareholders vote FOR the LTIP Resolution. Common Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR the LTIP Resolution, unless a Shareholder has specified in the form of proxy that his, her or its Common Shares are to be voted against the LTIP Resolution.**

## **DIRECTOR AND EXECUTIVE COMPENSATION**

For the purposes of this Circular, a “**Named Executive Officer**” or “**NEO**” of the Company means each of the following individuals:

- (a) our CEO, or an individual acting in a similar capacity;
- (b) our CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) for Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* (“**Form 51-102F6V**”), for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of the financial year.

During our financial year ended March 31, 2023 (“**Fiscal 2023**”), we had the following NEOs:

- Michael Totzke – Interim CEO and COO;
- Mark Sims – Former President and CEO;
- Edward Lucarelli – CFO; and
- Matthew Mundy – Chief Strategy Officer, General Counsel and Corporate Secretary.

## TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES

The following table (presented in accordance with Form 51-102F6V) sets forth information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company, or a subsidiary of the Company, to each NEO and director, other than stock options and other compensation securities, for the Company's two most recently completed financial years:

Table of Compensation Excluding Compensation Securities							
Name and Position	Financial Year	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	Value of All Other Compensation	Total Compensation
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b><u>NEOs</u></b>							
<b>Michael Totzke,</b> Interim CEO and COO <sup>(1)</sup>	2023 <sup>(2)</sup>	233,425 <sup>(3)</sup>	175,685	Nil	Nil	Nil	409,110
	2022	N/A	N/A	N/A	N/A	N/A	N/A
<b>Mark Sims,</b> Former President and CEO, Former Director <sup>(4)</sup>	2023 <sup>(5)</sup>	412,500	350,000 <sup>(5)</sup>	Nil	Nil	37,500 <sup>(6)</sup>	800,000
	2022 <sup>(7)</sup>	2,466 <sup>(8)</sup>	Nil	Nil	Nil	Nil	2,466
<b>Edward Lucarelli,</b> CFO	2023	284,477 <sup>(9)</sup>	213,357	Nil	Nil	Nil	497,834
	2022	252,095 <sup>(10)</sup>	252,095	N/A	Nil	260,498 <sup>(13)</sup>	764,688
<b>Matt Mundy,</b> Chief Strategy Officer, General Counsel and Corporate Secretary	2023	277,088 <sup>(11)</sup>	207,816	Nil	Nil	Nil	484,904
	2022	235,288 <sup>(12)</sup>	235,288	N/A	Nil	260,498 <sup>(13)</sup>	731,074
<b><u>Directors</u></b>							
<b>Joseph Mimran,</b> Chair of the Board, Director	2023	83,126 <sup>(14)</sup>	Nil	16,645	Nil	Nil	99,772
	2022	60,626 <sup>(15)</sup>	Nil	69,316 <sup>(16)</sup>	Nil	Nil	129,942
<b>Laura Curran,</b> Director <sup>(17)</sup>	2023 <sup>(18)</sup>	42,105 <sup>(19)</sup>	Nil	1,867	Nil	Nil	43,882
	2022	N/A	N/A	N/A	N/A	N/A	N/A
<b>Christopher Hagedorn,</b> Director	2023 <sup>(20)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
	2022 <sup>(20)</sup>	Nil	Nil	Nil	Nil	Nil	Nil
<b>Richard Mavrincac,</b> Director	2023	20,782 <sup>(21)</sup>	Nil	18,647	Nil	Nil	39,429
	2022	Nil <sup>(22)</sup>	Nil	91,970 <sup>(23)</sup>	Nil	Nil	91,970
<b>Amy Peckham,</b> Director <sup>(24)</sup>	2023 <sup>(25)</sup>	41,015 <sup>(26)</sup>	Nil	Nil	Nil	Nil	42,015
	2022	N/A	N/A	N/A	N/A	N/A	N/A
<b>Dawn Sweeney,</b> Director <sup>(27)</sup>	2023 <sup>(28)</sup>	41,015 <sup>(29)</sup>	Nil	9,511	Nil	Nil	51,526
	2022	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

- (1) Mr. Totzke was appointed as Chief Operating Officer (“**COO**”) on June 20, 2022 and as Interim Chief Executive Officer (“**Interim CEO**”) on February 28, 2023 following the resignation of Mr. Sims as President and CEO.
- (2) Mr. Totzke’s compensation for Fiscal 2023 was only for a portion of the fiscal year, as he was appointed as COO on June 20, 2022. On March 1, 2023, Mr. Totzke was appointed Interim CEO. On April 9, 2023, the Board of Directors approved an additional assignment bonus of \$15,000 per full or partial month that Mr. Totzke serves in the role as Interim CEO. This monthly assignment bonus is retroactive to March 1, 2023 and will remain in effect through August 31, 2023.
- (3) Mr. Totzke was appointed as COO on June 20, 2022, and his salary for the most recent financial year is pro-rated based on a base salary of \$300,000.
- (4) Mr. Sims was appointed to the Board on August 24, 2021 and replaced Narbé Alexandrian as President and CEO of the Company on March 30, 2022. Mr. Sims resigned as President and CEO and as a director of the Company on February 28, 2023.
- (5) Mr. Sims’ compensation for Fiscal 2023 was only for a portion of the fiscal year, as Mr. Sims resigned as President, CEO and director of the Company on February 28, 2023. Mr. Sims’ annual salary for Fiscal 2023 was \$450,000. Pursuant to the Sims Severance Agreement and the Sims Settlement Agreement (each as defined herein), Mr. Sims was entitled to a termination without cause payment of (i) 24 months base salary as of the termination date, payable in equal installments over 24 months, in accordance with the Company’s regular payroll procedures, plus (ii) a bonus amount of \$350,000, payable in one lump sum. Please see further details below under “*Employment Agreement, Consulting and Management Agreements – Termination Without Cause*”. Mr. Sims did not receive any compensation in his capacity as a director of the Company during Fiscal 2023.
- (6) Pursuant to the Sims Severance Agreement and the Sims Settlement Agreement, Mr. Sims was entitled to a termination without cause payment of 24 months base salary as of the termination date, payable in equal installments over 24 months, in accordance with the Company’s regular payroll procedures. Mr. Sims received \$37,500 of severance payments during Fiscal 2023, representing the portion of severance payable in accordance with the Company’s regular payroll procedures for the period from March 1, 2023 to March 31, 2023.
- (7) Mr. Sims did not receive any compensation for acting as a director of the Company for the period from August 24, 2021 to March 30, 2022, and following his appointment as President and CEO on March 30, 2022 did not receive any compensation for acting as a director of the Company. Mr. Sims’ compensation for Fiscal 2022 was only for a portion of the fiscal year, as he was appointed as President and CEO on March 30, 2022.
- (8) Mr. Sims’ was appointed as President and CEO on March 30, 2022, and his salary for Fiscal 2022 was pro-rated based on an annual base salary of \$450,000. Mr. Sims did not receive any compensation in his capacity as a director of the Company during Fiscal 2022.
- (9) Mr. Lucarelli’s annual salary for Fiscal 2023 was C\$385,000. Payments to Mr. Lucarelli in respect of Fiscal 2023 were calculated based on the daily rate of exchange of C\$:U.S.\$ published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).
- (10) Mr. Lucarelli’s annual salary for Fiscal 2022 was C\$315,000. Payments to Mr. Lucarelli in respect of Fiscal 2022 were calculated based on the daily rate of exchange of C\$:U.S.\$ published by the Bank of Canada on March 31, 2022 (C\$1.00 = U.S.\$0.8003).
- (11) Mr. Mundy’s annual salary for Fiscal 2023 was C\$375,000. Payments to Mr. Mundy in respect of Fiscal 2023 were calculated based on the daily rate of exchange of C\$:U.S.\$ published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).
- (12) Mr. Mundy’s annual salary for Fiscal 2022 was C\$294,000. Payments to Mr. Mundy in respect of Fiscal 2023 were calculated based on the daily rate of exchange of C\$:U.S.\$ published by the Bank of Canada on March 31, 2022 (C\$1.00 = U.S.\$0.8003).
- (13) In connection with the Arrangement (as defined herein), which is described further in the AIF (as defined herein), the Company entered into the Retention Agreements (as defined herein) with each of Messrs. Lucarelli and Mundy. Pursuant to the Retention Agreements, the independent directors determined that the initial investment by The Hawthorne Collective by way of unsecured convertible promissory note from the Company in the principal amount of C\$188,475,000 (being the Canadian dollar equivalent of U.S.\$150,000,000) on August 24, 2021 (the “**Initial Hawthorne Investment**”) would constitute a Material Transaction (as defined herein) for purposes of the Retention Agreements, and accordingly each of Messrs. Lucarelli and Mundy was paid a Retention Bonus (as defined herein) upon closing of the Initial Hawthorne Investment.
- (14) Mr. Mimran elected to receive 50% of his Annual Retainer (as defined herein) for Fiscal 2023 in the form of restricted share units (“**RSUs**”) and deferred stock units (“**DSUs**”), as applicable. Please see further details below under “*Stock Options and Other Compensation Securities*” and “*Director Compensation*”.
- (15) Mr. Mimran received 50% of his Annual Retainer for Fiscal 2022 in the form of RSUs. Please see further details below under “*Stock Options and Other Compensation Securities*”.
- (16) Includes \$57,312 for Fiscal 2022 in fees payable to Mr. Mimran for service on the special committees formed in connection with the Company’s PharmHouse Inc. joint venture and the Arrangement (as defined herein) with Canopy Growth Corporation. Payments to Mr. Mimran in respect of Fiscal 2022 were calculated based on the daily rate of exchange of C\$:U.S.\$ published by the Bank of Canada on March 31, 2022 (C\$1.00 = U.S.\$0.8003).
- (17) Ms. Curran was elected to the Board at the Company’s annual meeting of shareholders held on September 29, 2022.
- (18) Ms. Curran’s compensation for Fiscal 2023 was only for a portion of the fiscal year, as Ms. Curran was elected to the Board on September 29, 2022.
- (19) Ms. Curran elected to receive 50% of her Annual Retainer for Fiscal 2023 in the form of RSUs and DSUs, as applicable. Please see further details below under “*Stock Options and Other Compensation Securities*” and “*Director Compensation*”.
- (20) Mr. Hagedorn did not receive any compensation in his capacity as a director of the Company during Fiscal 2022 or Fiscal 2023.
- (21) Mr. Mavrinac elected to receive 100% of his Annual Retainer for the first three quarters of Fiscal 2023 in the form of RSUs and 50% of his Annual Retainer for the fourth quarter of Fiscal 2023 in the form of DSUs. Please see further details below under “*Stock Options and Other Compensation Securities*” and “*Director Compensation*”.
- (22) Mr. Mavrinac received 100% of his Annual Retainer for Fiscal 2022 in the form of RSUs. Please see further details below under “*Stock Options and Other Compensation Securities*” and “*Director Compensation*”.
- (23) Includes \$79,965 for Fiscal 2022 in fees payable to Mr. Mavrinac for service on the special committees formed in connection with the Company’s PharmHouse Inc. joint venture and the Arrangement (as defined herein) with Canopy Growth Corporation. Payments to Mr. Mavrinac in respect of Fiscal 2022 were translated to U.S.\$ based on the daily rate of exchange of C\$:U.S.\$ published by the Bank of Canada on March 31, 2022 (C\$1.00 = U.S.\$0.8003).
- (24) Ms. Peckham was elected to the Board at the Company’s annual meeting of shareholders held on September 29, 2022.
- (25) Ms. Peckham’s compensation for Fiscal 2023 was only for a portion of the fiscal year, as Ms. Peckham was elected to the Board on September 29, 2022.

(26) Ms. Peckham elected to receive 50% of her Annual Retainer for Fiscal 2023 in the form of RSUs and DSUs, as applicable. Please see further details below under “*Stock Options and Other Compensation Securities*” and “*Director Compensation*”.

(27) Ms. Sweeney was elected to the Board at the Company’s annual meeting of shareholders held on September 29, 2022.

(28) Ms. Sweeney’s compensation for Fiscal 2023 was only for a portion of the fiscal year, as Ms. Sweeney was elected to the Board on September 29, 2022.

(29) Ms. Sweeney elected to receive 50% of her Annual Retainer for Fiscal 2023 in the form of RSUs and DSUs, as applicable. Please see further details below under “*Stock Options and Other Compensation Securities*” and “*Director Compensation*”.

## STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

### *Compensation Securities*

The following table (presented in accordance with Form 51-102F6V) sets forth information in respect of all compensation securities that were granted or issued to each NEO and director by the Company or one of its subsidiaries in Fiscal 2023 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and Position	Type of compensation security <sup>(1)(2)(3)</sup>	Number of compensation securities, number of underlying securities and percentage of class <sup>(4)</sup>	Date of issue or grant	Issue, conversion or exercise price <sup>(5)</sup>	Closing price of security or underlying security on date of grant <sup>(5)</sup>	Closing price of security or underlying security at year end <sup>(5)</sup>	Expiry Date
				(\$)	(\$)	(\$)	
<b><u>NEOs</u></b>							
<b>Michael Totzke,</b> Interim CEO and COO	Options	300,000 (0.2%)	June 21, 2022	0.50	0.50	0.09	June 21, 2027
<b>Mark Sims,</b> Former President and CEO, Former Director <sup>(5)</sup>	Options	500,000 (0.4%)	April 7, 2022	1.09	1.09	0.09	April 7, 2027 <sup>(6)</sup>
<b>Edward Lucarelli,</b> CFO <sup>(7)</sup>	Performance Share Units	34,000 (0.0%) <sup>(8)</sup>	April 1, 2022	N/A	0.70 <sup>(9)</sup>	0.09	August 5, 2025
<b>Matt Mundy,</b> Chief Strategy Officer, General Counsel and Corporate Secretary <sup>(10)</sup>	Performance Share Units	34,000 (0.0%) <sup>(11)</sup>	April 1, 2022	N/A	0.70 <sup>(9)</sup>	0.09	August 5, 2025
<b><u>Directors</u></b>							
<b>Joseph Mimran,</b> Chair of the Board, Director <sup>(12)</sup>	Restricted Share Units <sup>(13)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
	Deferred Share Units <sup>(13)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
<b>Laura Curran,</b> Director <sup>(14)</sup>	Restricted Share Units <sup>(15)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
	Deferred Share Units <sup>(15)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
<b>Christopher Hagedorn,</b> Director <sup>(16)</sup>	Nil	Nil	N/A	N/A	N/A	N/A	N/A

Compensation Securities							
Name and Position	Type of compensation security <sup>(1)(2)(3)</sup>	Number of compensation securities, number of underlying securities and percentage of class <sup>(4)</sup>	Date of issue or grant	Issue, conversion or exercise price <sup>(5)</sup>	Closing price of security or underlying security on date of grant <sup>(5)</sup>	Closing price of security or underlying security at year end <sup>(5)</sup>	Expiry Date
				(\$)	(\$)	(\$)	
Richard Mavrinnac, Director <sup>(17)</sup>	Restricted Share Units <sup>(18)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
	Deferred Share Units <sup>(18)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
Amy Peckham, Director <sup>(19)</sup>	Restricted Share Units <sup>(20)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
	Deferred Share Units <sup>(20)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
Dawn Sweeney, Director <sup>(21)</sup>	Restricted Share Units <sup>(22)</sup>	Nil	N/A	N/A	N/A	N/A	N/A
	Deferred Share Units <sup>(22)</sup>	Nil	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) All options vest ratably in one-third increments on each of the first, second and third anniversaries of the grant date.
- (2) All RSUs credited to Non-Employee Directors (as defined herein) vest immediately upon being credited.
- (3) Messrs. Lucarelli and Mundy were granted an aggregate of 150,000 and 150,000 PSUs, respectively, on August 5, 2020. Such grants provide that the PSUs vest ratably in one-third increments on each of the first, second and third anniversaries of the first day of the financial year in which such PSUs were granted and that such PSUs are subject to a performance factor under which additional PSUs may be credited on a vesting date.
- (4) Percentage of class is calculated based on 135,670,526 Common Shares outstanding as of August 8, 2023.
- (5) All issue, conversion, and exercise prices, as well as grant date share prices and closing share prices of the underlying security at year end, have been translated into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).
- (6) In connection with Mr. Sims' departure from the Company, his unvested options were forfeited on March 1, 2023 and vested options expired unexercised on June 1, 2023.
- (7) As at March 31, 2023, Mr. Lucarelli held 241,500 options exercisable to purchase 241,500 Common Shares and 234,000 PSUs. On June 23, 2023, Mr. Lucarelli was granted 225,000 options exercisable to purchase 225,000 Common Shares at an exercise price of \$0.09 per share.
- (8) Represents the additional PSUs credited to Mr. Lucarelli as a result of the achievement of the applicable performance factor pursuant to the second tranche of his August 5, 2020 PSU grant.
- (9) Represents the closing price of the Common Shares on the TSX on August 5, 2020, being the date of the original PSU grants to Messrs. Lucarelli and Mundy, respectively.
- (10) As at March 31, 2023, Mr. Mundy held 666,667 options exercisable to purchase 666,667 Common Shares and 234,000 PSUs. On June 23, 2023, Mr. Mundy was granted 225,000 options exercisable to purchase 225,000 Common Shares at an exercise price of \$0.09 per share.
- (11) Represents the additional PSUs credited to Mr. Mundy as a result of the achievement of the applicable performance factor pursuant to the second tranche of his August 5, 2020 PSU grant.
- (12) Mr. Mimran elected to receive 50% of his Annual Retainer for Fiscal 2023 in the form of RSUs or DSUs, as applicable. Please see further details above under "Table of Compensation Excluding Compensation Securities". As at March 31, 2023, Mr. Mimran held 75,000 options exercisable to purchase 75,000 Common Shares and 31,055 RSUs.
- (13) On March 30, 2023, the Board passed a resolution to defer RSU grants to Non-Employee Directors for the service period of April 1, 2022, to December 31, 2022, and DSU grants to Non-Employee Directors for the service period of January 1, 2023, to March 31, 2023. As a result of the depressed trading price of the Company's Class A Common Shares, a grant would have resulted in a significant dilutive impact to shareholders, and would be in excess of the maximum grants allowable under the Unit Plan. On May 15, 2023, Mr. Mimran was granted a portion of the RSUs and DSUs he would have been granted, being 32,782 RSUs and 10,927 DSUs, in satisfaction of the deferred awards as well as a cash payment of \$78,924 which is payable promptly following the May 15, 2023 resolution date. Payments to Mr. Mimran have been translated into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389). See "Director Compensation" below for additional information.
- (14) Ms. Curran was elected to the Board at the Company's annual meeting of shareholders held on September 29, 2022. Ms. Curran elected to receive 50% of her prorated Annual Retainer for Fiscal 2023 in the form of RSUs or DSUs, as applicable. Please see further details above under "Table of Compensation Excluding Compensation Securities". As at March 31, 2023, Ms. Curran held no RSUs or DSUs as a result of the March 30, 2023 deferral.
- (15) On March 30, 2023, the Board passed a resolution to defer RSU grants to Non-Employee Directors for the service period of April 1, 2022, to December 31, 2022, and DSU grants to Non-Employee Directors for the service period of January 1, 2023, to March 31, 2023. As a result of

the depressed trading price of the Company's Class A Common Shares, a grant would have resulted in a significant dilutive impact to shareholders, and would be in excess of the maximum grants allowable under the Unit Plan. On May 15, 2023, Ms. Curran was granted a portion of the RSUs and DSUs she would have been granted, being 10,927 RSUs and 10,927 DSUs, in satisfaction of the deferred awards, and is entitled to receive a cash payment of \$39,462 which is payable at the time the respective RSUs and DSUs are converted into Common Shares. Payments to Ms. Curran have been translated into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389). See "Director Compensation" below for additional information.

- (16) As at March 31, 2023, Mr. Hagedorn did not hold any options or other compensation securities.
- (17) Mr. Mavrinac elected to receive 100% of his Annual Retainer for Fiscal 2023 in the form of RSUs for the period of April 1, 2022 to December 31, 2022, and 50% of his Annual Retainer for Fiscal 2023 in the form of DSUs for the period of January 1, 2023 to March 31, 2023. Please see further details above under "Table of Compensation Excluding Compensation Securities". As at March 31, 2023, Mr. Mavrinac held 75,000 options exercisable to purchase 75,000 Common Shares and 62,109 RSUs.
- (18) On March 30, 2023, the Board passed a resolution to defer RSU grants to Non-Employee Directors for the service period of April 1, 2022, to December 31, 2022, and DSU grants to Non-Employee Directors for the service period of January 1, 2023, to March 31, 2023. As a result of the depressed trading price of the Company's Class A Common Shares, a grant would have resulted in a significant dilutive impact to shareholders, and would be in excess of the maximum grants allowable under the Unit Plan. On May 15, 2023, Mr. Mavrinac was granted a portion of the RSUs and DSUs he would have been granted, being 65,564 RSUs and 10,927 DSUs, in satisfaction of the deferred awards, as well as a cash payment of \$138,118 which is payable promptly following the May 15, 2023 resolution date. Payments to Mr. Mavrinac have been translated into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389). See "Director Compensation" below for additional information.
- (19) Ms. Peckham was elected to the Board at the Company's annual meeting of shareholders held on September 29, 2022. Ms. Peckham elected to receive 50% of her prorated Annual Retainer for Fiscal 2023 in the form of RSUs or DSUs, as applicable. Please see further details above under "Table of Compensation Excluding Compensation Securities". As at March 31, 2023, Ms. Curran held no RSUs or DSUs as a result of the March 30, 2023 deferral.
- (20) On March 30, 2023, the Board passed a resolution to defer RSU grants to Non-Employee Directors for the service period of April 1, 2022, to December 31, 2022, and DSU grants to Non-Employee Directors for the service period of January 1, 2023, to March 31, 2023. As a result of the depressed trading price of the Company's Class A Common Shares, a grant would have resulted in a significant dilutive impact to shareholders, and would be in excess of the maximum grants allowable under the Unit Plan. On May 15, 2023, Ms. Peckham was granted a portion of the RSUs and DSUs she would have been granted, being 10,927 RSUs and 10,927 DSUs, in satisfaction of the deferred awards, and is entitled to receive a cash payment of \$39,462 which is payable at the time the respective RSUs and DSUs are converted into Common Shares. Payments to Ms. Peckham have been translated into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389). See "Director Compensation" below for additional information.
- (21) Ms. Sweeney was elected to the Board at the Company's annual meeting of shareholders held on September 29, 2022. Ms. Sweeney elected to receive 50% of her prorated Annual Retainer for Fiscal 2023 in the form of RSUs or DSUs, as applicable. Please see further details above under "Table of Compensation Excluding Compensation Securities". As at March 31, 2023, Ms. Sweeney held no RSUs or DSUs as a result of the March 30, 2023 deferral.
- (22) On March 30, 2023, the Board passed a resolution to defer RSU grants to Non-Employee Directors for the service period of April 1, 2022, to December 31, 2022, and DSU grants to Non-Employee Directors for the service period of January 1, 2023, to March 31, 2023. As a result of the depressed trading price of the Company's Class A Common Shares, a grant would have resulted in a significant dilutive impact to shareholders, and would be in excess of the maximum grants allowable under the Unit Plan. On May 15, 2023, Ms. Sweeney was granted a portion of the RSUs and DSUs she would have been granted, being 10,927 RSUs and 10,927 DSUs, in satisfaction of the deferred awards and is entitled to a cash payment of \$39,462 which is payable at the time the respective RSUs and DSUs are converted into Common Shares. Payments to Ms. Sweeney have been translated into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389). See "Director Compensation" below for additional information.

### Exercise or Redemption of Compensation Securities

The following table (presented in accordance with Form 51-102F6V) sets out each exercise or redemption by a director or NEO of compensation securities in Fiscal 2023:

Exercise or Redemption of Compensation Securities by Directors and NEOs							
Name and Position	Type of compensation security	Number of underlying securities exercised/ redeemed	Exercise price per security	Date of exercise/ redemption	Closing price per security on date of exercise/ redemption	Difference between exercise/ redemption price and closing price on date of exercise/ redemption	Total value on exercise/ redemption date
			(\$)		(\$) <sup>(1)</sup>	(\$) <sup>(1)</sup>	(\$) <sup>(1)</sup>
<u>NEOs</u>							
No exercise or redemption of compensation securities by NEOs in Fiscal 2023.							



Exercise or Redemption of Compensation Securities by Directors and NEOs							
Name and Position	Type of compensation security	Number of underlying securities exercised/redeemed	Exercise price per security	Date of exercise/redemption	Closing price per security on date of exercise/redemption	Difference between exercise/redemption price and closing price on date of exercise/redemption	Total value on exercise/redemption date
			(\$)		(\$) <sup>(1)</sup>	(\$) <sup>(1)</sup>	(\$) <sup>(1)</sup>
<b><u>Directors</u></b>							
<b>Joseph Mimran,</b> Chair of the Board, Director	Restricted Share Units	31,790	N/A	March 31, 2023	\$0.09	\$0.09	2,861
<b>Richard Mavrincac,</b> Director	Restricted Share Units	59,485	N/A	March 31, 2023	\$0.09	\$0.09	5,354

(1) All quoted security prices and value on the exercise/redemption date have been translated into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).

## STOCK OPTION PLANS AND OTHER INCENTIVE PLANS

### ***Unit Plan***

The Unit Plan was originally approved by the Board on March 18, 2020 and by Shareholders on September 24, 2020 and was re-approved by the Board on August 8, 2023 in connection with preparation of this Circular. If the Unit Plan Resolution is approved, the Company will have the ability to continue granting share units under and in accordance with the terms and conditions of the Unit Plan until completion of the annual meeting of the Shareholders to be held during the Company's 2027 fiscal year.

The purpose of the Unit Plan is to promote a greater alignment of long-term interests between each of the Company's Non-Employee Directors and Shareholders and to provide compensation for Non-Employee Directors that, together with the other director compensation mechanisms, is reflective of the responsibility, commitment and risk accompanying membership on the Board and the performance of the duties required of the various Board committees.

The following is a summary of the material terms of the Unit Plan. This summary is qualified in its entirety by reference to the Unit Plan, which is attached as Schedule "B" of this Circular.

### **Eligibility**

Each Non-Employee Director is eligible to receive share units, including RSUs and DSUs, under the Unit Plan. The Unit Plan does not provide for the granting of PSUs to directors.

### **Common Shares Subject to the Unit Plan**

The Unit Plan provides that the maximum number of Common Shares that may be issued or issuable under the Unit Plan shall be a number equal to 1% of the number of issued and outstanding Common Shares on a non-diluted basis from time to time. As at August 8, 2023, the Company had 135,670,526 Common Shares issued and outstanding (on a non-diluted basis). Accordingly, the maximum number of Common Shares available for issuance pursuant to the Unit Plan is 1,356,705 being 1% of the number of issued and outstanding Common Shares on a non-diluted basis.

As at August 8, 2023, there were 693,027 RSUs and 109,270 DSUs outstanding under the Unit Plan in respect of which up to an aggregate of 802,297 Common Shares may be issued, which represents 0.6% of the outstanding Common Shares, leaving a maximum of 554,408 Common Shares available for issuance under the Unit Plan.

### Additional Unit Plan Limits

No share units shall be granted under the Unit Plan if:

- (a) together with any other security based compensation arrangements established or maintained by the Company, such grant of share units could result, at any time, in the aggregate number of Common Shares (i) issued to Insiders (as defined in the Unit Plan), within any one-year period or (ii) issuable to Insiders, at any time, exceeding 10% of the issued and outstanding Common Shares on a non-diluted basis; or
- (b) such grant of share units to a Non-Employee Director is made on a discretionary basis or in any way other than as a value-for-value alternative to cash compensation (or as dividend equivalents) and will result in: (i) the aggregate number of Common Shares reserved for issuance to all Non-Employee Directors pursuant to outstanding share units granted under the Unit Plan on a discretionary basis or in any way other than as a value-for-value alternative to cash compensation (or as dividend equivalents) and all other security based compensation arrangements of the Company providing for equity awards other than in lieu of cash fees exceeding 1% of the total number of Common Shares then-issued and outstanding; or (ii) the Fair Market Value (as defined in the Unit Plan) of share units on their date of grant to any Non-Employee Director under the Unit Plan on a discretionary basis or in any way other than as a value-for-value alternative to cash compensation (or as dividend equivalents) and all other security based compensation arrangements of the Company providing for equity awards other than in lieu of cash fees exceeding \$150,000 per year.

### Share Unit Awards

Share units elected by a Non-Employee Director as a value-for-value alternative to cash compensation that relate to the Non-Employee Director's services as a member of the Board in a fiscal year will be credited to the Non-Employee Director as of the applicable Conversion Date (as defined in the Unit Plan), which has generally been, in the case of RSUs, the last day of such fiscal year and will generally be, in the case of DSUs, on Conversion Dates during each year as specified by the Board. The number of share units to be credited to a Non-Employee Director as of a particular Conversion Date will be determined by dividing the portion of that Non-Employee Director's Annual Remuneration (as defined in the Unit Plan) for the applicable period to be satisfied by share units by the Fair Market Value on the particular Conversion Date. The share units will be fully vested upon being credited to the Non-Employee Director.

Subject to limits described above under "*Director and Executive Compensation – Stock Option Plans and Other Incentive Plans – Additional Unit Plan Limits*", the Board may also award such number of share units to a Non-Employee Director as it deems advisable to provide the Non-Employee Director with appropriate equity-based compensation for their services. The Board will determine the date on which such share units are granted and the Conversion Date as of which they will be awarded to the Non-Employee Director, together with any terms or conditions with respect to the vesting of such share units. The Company and a Non-Employee Director who receives such a discretionary award of share units will enter into an award agreement to evidence the award and the terms applicable thereto.

### Redemption of Share Units

Subject to the discretion of the Board, each grant of share units, in the form of RSUs awarded to a Non-Employee Director as a value-for-value alternative to cash compensation will be redeemable in three equal instalments on each of the first three anniversaries of the applicable Conversion Date. Subject to the discretion of the Board, each grant of share units in the form of DSUs awarded to a Non-Employee Director as a value-for-value alternative to cash compensation will be redeemable following the conclusion of the Non-Employee Director's membership on the Board (provided the Non-Employee Director is not then a director, officer or employee of the Company or any subsidiary thereof).

Share units credited to a Non-Employee Director's account as a discretionary award that have vested will be redeemable in accordance with the terms (including pursuant to any award agreement) governing such discretionary award.

### Settlement of Share Units

A Non-Employee Director whose share units are redeemed will be entitled to receive one Common Share for each whole share unit then being settled.

### Change of Control

In the event of a Change in Control (for the purposes of this section, as defined in the Unit Plan), all share units that have been awarded and not redeemed prior to such Change in Control shall be redeemed immediately prior to the effective time of the Change in Control.

### ***LTIP***

The LTIP was originally approved by the Board on August 5, 2020 and by Shareholders on September 24, 2020 and was re-approved by the Board on August 8, 2023 in connection with preparation of this Circular. If the LTIP Resolution is approved, the Company will have the ability to continue granting options, Restricted Share Units (as defined in the LTIP), PSUs, Stock Appreciation Rights (as defined in the LTIP) and Restricted Stock (as defined in the LTIP) (for the purposes of this section, “**Grants**”) under and in accordance with the terms and conditions of the LTIP until completion of the annual meeting of the Shareholders to be held during the Company's 2027 fiscal year. The purpose of the LTIP is to (i) promote further alignment of interests between officers, employees and other eligible service providers of the Company and Shareholders, (ii) to associate a portion of the compensation payable to officers, employees and other eligible service providers of the Company with the returns achieved by Shareholders; and (iii) to attract and retain officers, employees and other eligible service providers with the knowledge, experience and expertise required by the Company.

The following is a summary of the material terms of the LTIP. This summary is qualified in its entirety by reference to the LTIP, which is attached as Schedule “C” of this Circular.

### Eligibility

Any individual employed by the Company, including a Service Provider (as defined in the LTIP), who, by the nature of his or her position or job is, in the opinion of the Board, in a position to contribute to the success of the Company is eligible to receive Grants under the LTIP provided that only officers and employees of the Company shall be eligible to receive options under the LTIP.

### Common Shares Subject to the LTIP

The aggregate number of Common Shares that may be issued pursuant to Grants made under the LTIP together with all other security-based compensation arrangements of the Company shall be a number equal to 10% of the aggregate number of issued and outstanding Common Shares from time to time. As at August 8, 2023, the Company had 135,670,526 Common Shares issued and outstanding (on a non-diluted basis). Accordingly, the maximum number of Common Shares available for issuance pursuant to the LTIP is 11,798,255, being 10% of the number of issued and outstanding Common Shares, less the number of awards outstanding under the Company's other security-based compensation arrangements.

As at August 8, 2023, there were a total of 1,497,442 PSUs and 1,845,000 options outstanding under the LTIP. Therefore, together with all of the currently issued and outstanding RSUs and DSUs under the Unit Plan and options under the Company's option plan (the “**Option Plan**”), up to 5,111,239 Common Shares may be issued pursuant to the Company's security-based compensation arrangements (or 3.8% of the Common Shares issued and outstanding), leaving a maximum of 8,455,813 Common Shares available for issuance under the LTIP.

The aggregate number of Common Shares reserved for issuance to any one participant under the LTIP (for the purposes of this section, a “**Participant**”), together with all other security-based compensation arrangements of the Company, must not exceed 5% of the aggregate issued and outstanding Common Shares.

For purposes of computing the total number of Common Shares available for grant under the LTIP or any other security-based compensation arrangement of the Company, Common Shares subject to any Grant (or any portion thereof) that are forfeited, surrendered, cancelled or otherwise terminated, including if a number of Common Shares covered by an option have not been issued due to the exercise of a tandem Stock Appreciation Right connected with such option, prior to the issuance of such Common Shares, shall again be available for grant under the LTIP.

#### Additional LTIP Limits

The maximum number of Common Shares that are (i) issued to Insiders (as defined in the LTIP) within any one year period, and (ii) issuable to Insiders, at any time, under the LTIP, or when combined with all of the Company's other security based compensation arrangements, will not exceed 10% of the number of the aggregate issued and outstanding Common Shares.

The Company has the ability to continue granting options, Restricted Share Units, PSUs, Stock Appreciation Rights and Restricted Stock under the LTIP until September 24, 2023, which is the date that is three years from the date of approval of the LTIP by the Shareholders of the Company.

#### Grants under the LTIP

Options issued under the LTIP, unless otherwise designated by the Board, will vest one-third of each Grant on the first three anniversaries of the date of the Grant based on continued employment, and may be exercised during a period determined by the Board, which may not exceed five years. The exercise price for each Common Share subject to an option will be fixed by the Board but under no circumstances may any exercise price be less than 100% of the Market Price (as defined in the LTIP) on the date of grant of the option. The exercise of options may be subject to vesting conditions, including specific time schedules for vesting and performance-based conditions. In addition, tandem Stock Appreciation Rights may be granted in connection with a grant of options, which are subject to the same terms and conditions of the grant of options. Tandem Stock Appreciation Rights may be exercised only if and to the extent the related options are vested and exercisable, and on exercise of a tandem Stock Appreciation Right, the related option will be cancelled and the Participant will be entitled to the amount in settlement of the tandem Stock Appreciation Rights. Upon exercise, the tandem Stock Appreciation Right will be settled by a cash amount equal to the amount, if any, by which the Market Price on the date of exercise of the tandem Stock Appreciation Right exceeds the exercise price of the related option at the time of the Grant. Such amounts may also be payable by the issuance of Common Shares (at the discretion of the Board).

Under the LTIP, Participants may be granted standalone Stock Appreciation Rights, being a right to receive a cash amount equal to the amount, if any, by which the Market Price on the date of exercise of the Stock Appreciation Right exceeds the Market Price at the time of the Grant. Such amounts may also be payable by the issuance of Common Shares (at the discretion of the Board). The vesting of Stock Appreciation Rights may also be subject to conditions similar to those which may be imposed on the exercise of options. Standalone Stock Appreciation Rights shall be settled upon vesting.

Under the LTIP, Participants may be allocated share units in the form of Restricted Share Units or PSUs (collectively, "**Share Units**"), which represent the right to receive an equivalent number of Common Shares or the Market Price on the vesting date. The issuance of such Common Shares may be subject to vesting requirements similar to those described above with respect to the exercisability of options and Stock Appreciation Rights, including such time or performance-based conditions as may be determined from time to time by the Board in its discretion. The LTIP provides for the express designation of share units as either Restricted Share Units, which have time-based vesting conditions, or PSUs, which have performance-based vesting conditions over a specified period.

Under the LTIP, Participants may be granted Restricted Stock, being Common Shares that are subject to a restriction on the Participant's free enjoyment of the Common Shares, which restrictions may be based on the passage of time or the satisfaction of performance-based conditions or the occurrence of one or more events or conditions as the Board may determine. Restricted Stock cannot be sold, transferred or assigned while the restrictions remain in effect, although the Participant may vote the Restricted Stock and receive any dividends paid on the Restricted Stock during such period. Restricted Stock is forfeited if the applicable restriction does not lapse prior to the date or the occurrence of the specified event or the satisfaction of the criteria in the Grant agreement.

## Termination of Grants

Subject to the terms of the applicable Grant agreement, in the case of a Participant's termination of employment due to death, or in the case of the Participant's Disability (as defined in the LTIP) (i) those of the Participant's outstanding options and Share Units that were granted prior to the year that includes the Participant's date of death or Disability, as the case may be, that have not become vested prior to such date of death or Disability shall, in the case of Share Units, continue to vest for the balance of the vesting period specified in the applicable Grant agreement (and, in the case of PSUs, subject to the achievement of the applicable performance conditions and the adjustment of the number of PSUs that vest to reflect the extent to which such performance conditions were achieved) and, in the case of options, continue to vest, and upon vesting be exercisable, during the 12-month period following such date of death or Disability, as the case may be, as if the Participant had remained employed throughout such applicable period and (ii) those of the Participant's outstanding options that have become vested prior to the Participant's date of death or Disability shall continue to be exercisable during the 12-month period following the such date of death or Disability, as the case may be. A pro-rated number of options and Share Units granted to a Participant in the year that includes the Participant's date of death or Disability shall remain eligible to vest following such date of death or Disability (the "**Special Pro Rated Grants**"). The Special Pro Rated Grants shall, in the case of Share Units, continue to vest for the balance of the vesting period specified in the applicable Grant agreement (and, in the case of PSUs, subject to the achievement of the applicable performance conditions and the adjustment of the number of PSUs that vest to reflect the extent to which such performance conditions were achieved), and, in the case of options, continue to vest, and upon vesting be exercisable, during the 12-month period following the Participant's date of death or Disability, as the case may be, as if the Participant had remained employed throughout such applicable period. The balance of the options and Share Units granted to a Participant in the year that includes the Participant's date of death or Disability that are not Special Pro Rated Grants shall be forfeited and cancelled as of the Participant's date of death or Disability, as the case may be.

Subject to the terms of the applicable Grant agreement: (a) in the case of a Participant's termination without cause, the Participant's outstanding options that have become vested prior to the Participant's termination shall continue to be exercisable during the 90-day period following the Participant's date of termination, while Share Units shall vest on a pro-rated basis based on the term of service (having regard, for PSUs, the extent to which the applicable performance conditions were satisfied) at the end of the vesting period specified in the applicable Grant agreement; and (b) in the case of a Participant's resignation, the Participant's outstanding options that have become vested prior to the date on which the Participant provides notice to the Company of his or her resignation shall continue to be exercisable during the 60-day period following the Participant's date of resignation, but no Share Units that have not vested prior to the date of on which the Participant submits his or her resignation shall vest and all such Share Units shall be forfeited immediately. In the case of a Participant's termination for cause, any and all then outstanding unvested options and unvested Share Units granted to the Participant shall be immediately forfeited and cancelled, without any consideration therefore, as of the commencement of the day that notice of such termination is given.

In the event that a holder of Restricted Stock is terminated, unless the Grant agreement provides otherwise or as otherwise determined by the Board, all Restricted Stock will be forfeited to the Company.

## Change of Control

In the event of a Change in Control (for the purposes of this section, as defined in the LTIP) prior to the vesting of a Grant, and subject to the terms of a Participant's employment agreement and the applicable Grant agreement, the Board shall have full authority to determine in its sole discretion the effect, if any, of a Change in Control on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to a Grant.

## *Option Plan*

The Option Plan was approved by the Board on August 5, 2019 and by Shareholders on September 26, 2019. Following the approval of the LTIP by the Board on August 5, 2020 and by Shareholders on September 24, 2020, the Company has ceased issuing options pursuant to the Option Plan and will only issue options pursuant to the LTIP going forward. All unallocated Common Shares issuable pursuant to the Option Plan will cease to be reserved for issuance under the Option Plan. All outstanding options that were issued pursuant to the Option Plan will continue to

be governed by the Option Plan, but upon the expiry or termination of such options, the Common Shares underlying the options will no longer be available for issuance under the Option Plan.

The following is a summary of certain terms of the Option Plan. This summary is qualified in its entirety by reference to the Option Plan, which is attached as Schedule “A” to the management information circular of the Company dated August 6, 2019, which is available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors).

As at August 8, 2023, there were 966,500 options outstanding under the Option Plan.

#### Exercise of Options

Subject to the provisions of the Option Plan and the particular option, an option may be exercised, in whole or in part, by delivering a written notice of exercise to the Company along with payment in cash or certified cheque for the full amount of the purchase price of the Common Shares then being purchased.

#### Term and Expiry Date

The period within which options may be exercised and the number of options which may be exercised in any such period were determined by the Board at the time of granting the options provided, subject to a maximum term of five years from the date of the option grant.

#### Vesting

The Option Plan provides that all options granted pursuant to the Option Plan are subject to such vesting requirements as may be prescribed by the stock exchange on which the Company’s securities are listed, if applicable, or as may be imposed by the Board. The Option Plan further provides that all options granted to investor relations persons must vest in stages over not less than 12 months, with no more than one-quarter of the options vesting in any three-month period.

#### Termination of Options

An optionee who ceases to be an Eligible Person (as defined in the Option Plan) for any reason, other than as a result of having been dismissed for cause or as a result of the optionee’s death, may exercise any vested and unexpired options held by such optionee for a period of 90 days from the date of cessation (or until the normal expiry date of the option rights of such optionee, if earlier), subject to extension by the Board for up to a maximum of 12 months. The Option Plan provided that an optionee who was engaged in providing investor relation activities may exercise any vested and unexpired options held by such optionee for a period of 30 days from the date that the optionee ceased to provide such investor relations activities.

In the event of a death of the optionee, the optionee’s representative may exercise any vested and unexpired options held by the optionee for a period of 12 months from the optionee’s death (unless such period is extended by the Board). Any extension of the exercise period by the Board is subject to the approval of the stock exchange on which the Company’s securities are listed.

If an optionee ceases to be an Eligible Person as a result of having been dismissed for cause, all unexercised options of that optionee under the Option Plan will immediately terminate and will lapse.

#### Change of Control

In the event of an Acceleration Event (as defined in the Option Plan), provided that the Board has determined that no adjustment will be made pursuant to the Option Plan, the Board may (i) permit the optionee to exercise the option granted, as to all or any of the optioned shares in respect of which such option has not previously been exercised (regardless of any vesting restrictions), during the period specified in the notice (but in no event later than the expiry date of the option), so that the optionee may participate in such transaction, offer or proposal; and (ii) require the

acceleration of the time for the exercise of such option and of the time for the fulfilment of any conditions or restrictions on such exercise. Further, the Board, in its sole discretion, may authorize and implement any one or more of the following additional courses of action in the event of an Acceleration Event:

- (a) terminating without any payment or other consideration, any options not exercised or surrendered by the effective time of the Acceleration Event;
- (b) causing the Company to offer to acquire from each optionee his or her options for a cash payment equal to the In-the-Money Amount (as defined in the Option Plan), and any options not so surrendered or exercised by the effective time of the Acceleration Event will be deemed to have expired; and
- (c) an option granted under the Option Plan may be exchanged for an option to acquire, for the same aggregate consideration, that number and type of securities as would be distributed to the optionee in respect of the shares issued to the optionee had he or she exercised the option prior to the effective time of the Acceleration Event, provided that any such replacement option must provide that it survives for a period of not less than one year from the effective time of the Acceleration Event, regardless of the continuing directorship, officership or employment of the optionee.

## EMPLOYMENT, CONSULTING AND MANAGEMENT AGREEMENTS

### *Employment and Retention Agreements*

The Company has written employment agreements with Messrs. Lucarelli and Mundy and an offer letter, a non-compete and non-solicitation agreement and an executive severance agreement with Mr. Totzke. Under these agreements, the NEOs are required to work full time for the Company and are eligible to receive equity incentives and performance-based variable pay opportunities. The material terms and conditions of such agreements are set out below.

In addition, the Company entered into an offer letter with Mark Sims governing Mr. Sims' role as former President and CEO of the Company (the "**Sims Offer Letter**"), which was terminated by the Company on February 28, 2023. The Company and Mr. Sims also entered into a non-compete and non-solicitation agreement (the "**Sims Non-Compete and Non-Solicitation Agreement**") and an executive severance agreement (the "**Sims Severance Agreement**"). The Sims Non-Compete and Non-Solicitation Agreement includes standard non-competition and non-solicitation provisions during the term of the agreement and for a period of up to 24 months thereafter. The Company and Mr. Sims have also entered into the Sims Settlement Agreement.

The Company has entered into an offer letter with Michael Totzke governing Mr. Totzke's role as COO of the Company (the "**Totzke Offer Letter**"). The Totzke Offer Letter has no specified term. Mr. Totzke may choose to resign at any time for any reason and the Company may choose to terminate Mr. Totzke's employment at any time for any reason. The Company and Mr. Totzke have also entered into a non-compete and non-solicitation agreement (the "**Totzke Non-Compete and Non-Solicitation Agreement**") and an executive severance agreement (the "**Totzke Severance Agreement**"). The Totzke Non-Compete and Non-Solicitation Agreement includes standard non-competition and non-solicitation provisions during the term of the agreement and for a period of up to 24 months thereafter. On April 9, 2023, the Board of Directors approved an additional assignment bonus of \$15,000 per full or partial month that Mr. Totzke serves in the role as Interim CEO. This monthly assignment bonus is retroactive to March 1, 2023 and will remain in effect through August 31, 2023.

The Company has entered into an employment agreement, as amended, with Edward Lucarelli governing Mr. Lucarelli's role as CFO of the Company (the "**Lucarelli Employment Agreement**"). The Lucarelli Employment Agreement continues indefinitely, until terminated in accordance with the terms of the agreement. The Lucarelli Employment Agreement includes standard non-competition and non-solicitation provisions during the term of the agreement and for a period of up to 12 months thereafter.

The Company has entered into an employment agreement, as amended, with Matthew Mundy governing Mr. Mundy's role as Chief Strategy Officer, General Counsel and Corporate Secretary of the Company (the "**Mundy Employment**

**Agreement**”). The Mundy Employment Agreement continues indefinitely, until terminated in accordance with the terms of the agreement. The Mundy Employment Agreement includes standard non-competition and non-solicitation provisions during the term of the agreement and for a period of up to 12 months thereafter.

In connection with the closing of the plan of arrangement among the Company, RIV Capital Corporation, Canopy Growth Corporation and The Tweed Tree Lot Inc. in February of 2021 (the “**Arrangement**”), the Company also entered into the retention agreements with each of Messrs. Lucarelli and Mundy, as amended on April 29, 2021 (the “**Retention Agreements**”). Pursuant to the Retention Agreements, the Company agreed to pay a cash retention bonus (the “**Retention Bonus**”) equal to, at the option of each of Messrs. Lucarelli and Mundy, either (i) \$325,000; or (ii) an amount that is the product of 150,000, multiplied by the five-day volume weighted average trading price of the Common Shares as at the Valuation Date (as defined below). The election by each of Messrs. Lucarelli and Mundy was required to be made by the election deadline, being the date that is three days prior to the closing of a Material Transaction (as defined below).

The Retention Bonuses were only to be payable upon closing of the first Material Transaction, provided that, among other things, the executive remained an employee of the Company or an affiliate of the Company at the date of closing of such Material Transaction. A “**Material Transaction**” is defined in the Retention Agreements as: (i) a transaction that satisfies any of the three significance tests set out in subsection 8.3(2) of NI 51-102 if “30 percent” is read as “50 percent”; (ii) a transaction described in paragraphs (a) or (c) of the definition of “restructuring transaction” in NI 51-102; or (iii) such other transaction not referred to in clause (i) or (ii) above determined by the independent directors of the Company in good faith.

The independent directors determined that the Initial Hawthorne Investment constituted a Material Transaction for purposes of the Retention Agreements, and accordingly, each of Messrs. Lucarelli and Mundy was paid a Retention Bonus upon closing of the Initial Hawthorne Investment.

The “**Valuation Date**” is defined in the Retention Agreements as the earliest of the date (i) that is 12 months after the date of completion of the first Material Transaction; (ii) immediately prior to the date on which the Common Shares are no longer listed or posted for trading on any exchange or market; (iii) that is five business days before December 31, 2022; and (iv) on which Messrs. Lucarelli or Mundy, as applicable, provide written notice to the Board.

#### Termination Without Cause

Each of the Lucarelli Employment Agreement and the Mundy Employment Agreement provide that if the Company terminates the executive’s employment, other than for cause, the executive is entitled to (i) nine months’ notice or salary in lieu thereof, plus one month for every year and part year that the executive has been employed by the Company (subject to a maximum of 18 months), plus (ii) the average annual bonus actually paid to the executive with respect to the two completed years preceding the date of termination. In addition, if the Company terminates the employment of Messrs. Lucarelli or Mundy other than for cause, all of their unvested options will vest immediately.

The Totzke Severance Agreement provides that if the Company terminates Mr. Totzke’s employment, other than for cause, Mr. Totzke is entitled to (i) twenty-four months’ salary, plus payments representing the Company’s employer contributions towards his health insurance, plus (ii) remain eligible for a pro-rated amount of an annual short term incentive payment for that fiscal year, subject to the applicable annual short term incentive terms, conditions, and eligibility criteria. Mr. Totzke is also entitled to payments representing the Company’s employer contributions towards his health insurance for twenty-four months. In addition, if the Company terminates Mr. Totzke’s employment other than for cause, unvested options that would otherwise vest during the year in which Mr. Totzke is terminated will vest immediately.

The Sims Offer Letter was terminated on February 28, 2023 and the Company and Mr. Sims entered into a settlement agreement on March 23, 2023 (the “**Sims Settlement Agreement**”). Pursuant to the terms of the Sims Severance Agreement and the Sims Settlement Agreement, Mr. Sims is entitled to (i) twenty-four months’ notice or salary in lieu thereof, plus payments representing the Company’s employer contributions towards his health insurance, plus (ii) a bonus for the year in which the termination occurs based on the portion of the year elapsed prior to the termination date and the Board’s determination as to the satisfaction of applicable bonus criteria; provided, however, that for the 2023 fiscal year, Mr. Sims was entitled to receive a guaranteed bonus. Mr. Sims is also entitled to payments



representing the Company’s employer contributions towards his health insurance for twenty-four months. Mr. Sims’ first tranche of options vested upon his departure and were forfeited unexercised 90 days subsequently. Mr. Sims’ remaining unvested options that would otherwise vest during Fiscal Year 2023 were forfeited. Please see further details above under “*Table of Compensation Excluding Compensation Securities*”.

*Estimated Incremental Payments on Termination Without Cause*

The following table sets forth the estimated incremental payments and benefits that would be received following termination without cause of the Named Executive Officers had such event occurred on March 31, 2023:

Name <sup>(1)</sup>	Cash Termination Payment (\$)	Accelerated Vesting of Compensation Securities (\$)	Bonus (\$)	Total (\$)
<b>Michael Totzke</b> , Interim CEO and COO	600,000 <sup>(2)</sup>	Nil <sup>(4)</sup>	175,685 <sup>(5)</sup>	775,685
<b>Edward Lucarelli</b> , CFO	355,596 <sup>(3)</sup>	4,500 <sup>(3)(4)</sup>	205,045 <sup>(3)</sup>	565,141 <sup>(3)</sup>
<b>Matt Mundy</b> , Chief Strategy Officer, General Counsel and Corporate Secretary	323,269 <sup>(3)</sup>	4,500 <sup>(3)(4)</sup>	191,375 <sup>(3)</sup>	519,144 <sup>(3)</sup>

Notes:

- (1) The Sims Offer Letter was terminated on February 29, 2023. Please refer to the “*Table of Compensation Excluding Compensation Securities*” and “*Employment Agreement, Consulting and Management Agreements – Termination Without Cause*” above for a summary of Mr. Sims’ entitlements in connection with the termination of the Sims Offer Letter.
- (2) Mr. Totzke would also be entitled to payments representing the Company’s employer contributions towards his health insurance for twenty-four months.
- (3) Calculated based on the daily rate of exchange for C\$:U.S.\$ published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).
- (4) Upon a termination without cause effective March 31, 2023, certain unvested options held by the NEOs on the date of termination would vest. As of March 31, 2023, none of the unvested options held by Messrs. Totzke, Lucarelli and Mundy were “in-the-money”. In addition, upon a termination without cause effective March 31, 2023, certain unvested PSUs held by the Messrs. Lucarelli and Mundy on the date of termination would vest. The value attributed to such PSUs was calculated by multiplying the closing price of the Common Shares on the CSE on March 31, 2023, which was \$0.09, by the number of unvested PSUs that would vest.
- (5) Mr. Totzke’s bonus payment is based on his pro-rated salary for Fiscal 2023, as he was appointed as COO on June 20, 2022.

Change of Control

The Lucarelli Employment Agreement and the Mundy Employment Agreement provide that if (a) the Company terminates the executive’s employment, other than for cause, within 12 months following a change of control, or (b) the terms of the executive’s employment are materially changed without the express consent of the employee in writing and the executive elects to resign within 12 months of a change of control, the executive is entitled to receive (i) 12 months’ notice or salary in lieu thereof, plus one month’s salary for every year and part year that the executive has been employed by the Company (subject to a maximum of 18 months), plus (ii) the average annual bonus actually paid to the executive with respect to the two completed years preceding the date of termination. In addition, in the event of a change of control, certain of the unvested options held by Messrs. Lucarelli or Mundy will vest immediately and others will terminate unless the Board, in its discretion, approves the accelerated vesting of such options.

The Totzke Severance Agreement provides that if the Company terminates Mr. Totzke’s employment upon a change of control, Mr. Totzke is entitled to (i) twenty-four months’ salary, plus payments representing the Company’s employer contributions towards his health insurance, plus (ii) remain eligible for a pro-rated amount of an annual short term incentive payment for that fiscal year, subject to the applicable annual short term incentive terms, conditions, and eligibility criteria. Mr. Totzke would also be entitled to payments representing the Company’s employer contributions towards his health insurance for twenty-four months. In addition, if Mr. Totzke’s employment terminates upon a change of control, unvested options that would otherwise vest during the year in which Mr. Totzke is terminated will vest immediately.

The terms of the Sims Severance Agreement were materially similar to those of the Totzke Severance Agreement. Please refer to the *Table of Compensation Excluding Compensation Securities* and “– Termination Without Cause” above for a summary of Mr. Sims’ entitlements in connection with the termination of the Sims Offer Letter.

*Estimated Incremental Payments on Change of Control*

The following table sets forth the estimated incremental payments and benefits that would be received by the Named Executive Officers following a change of control had such event occurred on March 31, 2023:

Name <sup>(1)</sup>	Cash Termination Payment (\$)	Accelerated Vesting of Compensation Securities (\$)	Bonus (\$)	Total (\$)
<b>Michael Totzke</b> , Interim CEO and COO	600,000 <sup>(2)</sup>	Nil <sup>(4)</sup>	175,685	775,685
<b>Edward Lucarelli</b> , CFO	426,715 <sup>(3)</sup>	4,500 <sup>(3)(4)</sup>	205,045 <sup>(3)</sup>	636,260 <sup>(3)</sup>
<b>Matt Mundy</b> , Chief Strategy Officer, General Counsel and Corporate Secretary	392,541 <sup>(3)</sup>	4,500 <sup>(3)(4)</sup>	191,375 <sup>(3)</sup>	588,416 <sup>(3)</sup>

Notes:

- (1) The Sims Offer Letter was terminated on February 28, 2023. Please refer to the “*Table of Compensation Excluding Compensation Securities*” and “*Employment Agreement, Consulting and Management Agreements – Termination Without Cause*” above for a description of Mr. Sims entitlements in connection with the termination of the Sims Offer Letter.
- (2) Mr. Totzke would also be entitled to payments representing the Company’s employer contributions towards his health insurance for twenty-four months.
- (3) Messrs. Lucarelli and Mundy’s compensation is paid in Canadian dollars. Calculated based on the daily rate of exchange for C\$:U.S\$ published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).
- (4) Upon the termination of certain NEOs other than for cause, within 12 months following a change of control or if the terms of such NEOs’ employment are materially changed without the express consent of the NEO in writing and the NEO elects to resign within 12 months of a change of control, certain unvested options held by the NEOs on the date of termination or resignation would vest. As of March 31, 2023, none of the unvested options held by Messrs. Totzke, Lucarelli and Mundy were “in-the-money”. In addition, upon the termination of Messrs. Lucarelli and Mundy other than for cause, within 6 months following a change of control or if the terms of such Messrs. Lucarelli or Mundy’s employment are materially changed without their express consent in writing and they elect to resign within 6 months of a change of control, certain unvested PSUs held by Messrs. Lucarelli and Mundy on the date of termination would vest. The value attributed to such PSUs was calculated by multiplying the closing price of the Common Shares on the CSE on March 31, 2023, which was \$0.09, by the number of unvested PSUs that would vest.

**OVERSIGHT AND DESCRIPTION OF DIRECTOR AND EXECUTIVE COMPENSATION**

The CNG Committee is constituted by the Board to assist the Board with fulfilling its corporate governance responsibilities under applicable laws, to promote a culture of integrity throughout the Company, to assist the Board in setting director and executive officer compensation and to develop and submit to the Board recommendations with respect to other employee benefits as it sees fit.

For additional information regarding the composition of the CNG Committee and the CNG Committee members’ relevant education and experience see “*Statement of Corporate Governance – The Compensation, Nominating and Governance Committee*” and “*Business of Meeting – Election of Directors – Nominee Biographies*”, respectively.

***Objectives and General Principles of the Company’s Compensation Program***

The Company’s executive compensation program is designed to achieve the following objectives and general principles: (i) establish sound corporate governance practices that are in the best interest of Shareholders and that contribute to effective and efficient decision-making; (ii) offer competitive compensation to attract, retain and motivate qualified executives to best allow the Company to meet its goals; and (iii) act in the best interests of the Company and the Shareholders through a fiscally prudent approach.

Guided by these objectives and principles, the CNG Committee annually reviews, approves and recommends to the Board for approval the remuneration of the senior executives of the Company, namely, any executives in the offices (as applicable) of the CEO, President, CFO, Chief Strategy Officer, General Counsel, Chief Operating Officer, Vice Presidents and any senior executives of the Company having comparable positions as may be specified by the Board (collectively, the “**Senior Executives**”), including the various elements of Senior Executive remuneration. The remuneration of the Senior Executives other than the CEO is reviewed by the CNG Committee in consultation with the CEO, and is designed to reward both individual and corporate performance as described below.

### ***How the Company Determines Compensation***

The CNG Committee is responsible for, among other things, reviewing and making recommendations to the Board with respect to the remuneration of the Senior Executives and directors of the Company. In doing so, the CNG Committee may use information gathered from an independent compensation consultant, if engaged, a comparison of the Company’s remuneration policies with the remuneration practices of its peers in the cannabis industry with a similar market capitalization to the Company, its own assessment of individual and corporate performance, and feedback from the CEO or the Chief Human Resources Officer in order to establish compensation strategies for the Senior Executives. The CNG Committee also reviews, approves and recommends to the Board for approval and administers the Company’s share-based compensation plans, including the Option Plan, the Unit Plan and the LTIP. The compensation of all of the Senior Executives is reviewed annually by the CNG Committee and is subject to review and approval by the Board. The Board has the ultimate discretion to increase or decrease any and all elements of compensation for the Senior Executives.

With respect to employees below the level of the Senior Executives, the CEO, in consultation with the CFO and the respective Senior Executive responsible for each employee’s functional area, has the authority to approve compensation strategies. However, the CNG Committee is responsible for recommending actions to the Board related to other aspects of these employees’ compensation, such as bonus plans and grants pursuant to the Option Plan and LTIP.

During Fiscal 2023, the Board accepted all of the recommendations of the CNG Committee. The CNG Committee has full discretion to adopt or alter management recommendations or to consult its own external advisors. The CNG Committee believes it is important to follow appropriate governance practices in carrying out its responsibilities with respect to the development and administration of executive compensation and benefit programs. Governance practices followed by the CNG Committee include holding *in-camera* sessions without management present and, when necessary, obtaining advice from external consultants.

### ***Elements of Executive Compensation***

The Company’s compensation program for the Senior Executives is comprised of the following four primary elements:

- (1) base salary;
- (2) short-term incentives, primarily in the form of an annual performance cash bonus;
- (3) long-term incentives through participation in the Unit Plan, Option Plan and LTIP, which are described in this Circular under the headings “*Director and Executive Compensation – Stock Option Plans and Other Incentive Plans – Unit Plan*”, “*Director and Executive Compensation – Stock Option Plans and Other Incentive Plans – Option Plan*” and “*Director and Executive Compensation – Stock Option Plans and Other Incentive Plans – LTIP*”, respectively; and
- (4) other perquisites and benefits.

Each element plays a role in meeting the Company’s compensation goals and objectives. The allocation of compensation among these different compensation elements is flexible and is intended to reflect market practice as well as the CNG Committee’s assessment of corporate and individual performance. The CNG Committee understands

that retention of the Senior Executives is critical to business continuity, and the mix of compensation is designed to reward short-term results and motivate long-term performance.

### ***Determining Each Element of Compensation***

Each of the four elements of Senior Executive compensation is determined as follows:

#### **Base Salary**

The base salary for each Senior Executive is determined based on his or her responsibilities and individual performance factors, the Company's overall corporate performance, benchmark data, compensation consultant recommendations, as applicable, and other assessments as determined by the CNG Committee and, for non-CEO Senior Executives, in conjunction with the CEO, and then is recommended to the Board for final approval. Similarly, the CEO, in consultation with the CFO and the respective Senior Executive responsible for each employee's functional area, take into account other employees' responsibilities and individual performance factors, the Company's overall corporate performance and other assessments when determining base salary for other employees.

The base salaries for Senior Executives and other employees are reviewed annually by the CNG Committee or Senior Executives, as applicable, and are generally established at the beginning of the fiscal year. Base salary is considered as a part of the overall compensation package and is intended to attract and adequately remunerate the Senior Executives and other employees for properly fulfilling the minimum requirements of their position. Base salary provides compensation certainty to the Senior Executives and other employees and allows them to make decisions that are beneficial to the Company, or its stakeholders, independent of considering the impact such decisions might have on their compensation that is tied to either short-term or long-term corporate performance.

#### **Short-Term Incentives**

The Company provides short-term incentives to the Senior Executives and other employees through eligibility for annual performance cash bonuses. Each Senior Executive and other employee is eligible to receive a cash bonus which, if applicable, is paid following the determination of the Company's annual financial results. The annual performance cash bonus for Senior Executives is reviewed and approved by the CNG Committee and then recommended to the Board for final approval.

Corporate performance and individual performance are taken into consideration when determining short-term incentives for the Senior Executives. For Fiscal 2023, 50% of the NEOs' annual cash bonuses was allocated to attainment of the Company's targeted operating and capital expense budget, and the other 50% allocated to Board discretion, based upon the consideration of a number of items related to the performance of the individual and the Company over Fiscal 2023. Annual performance cash bonuses may not be paid if corporate and/or individual performance objectives are not achieved. For Fiscal 2023, Senior Executives were eligible to receive a cash bonus of up to 75% of their base salaries.

The CNG Committee attempts to align the corporate and individual performance objectives of the Senior Executives with those that the CNG Committee believes will enhance future Shareholder value. In Fiscal 2023, the key corporate performance objectives were based on: achievement of financial targets and progress on key corporate and strategic initiatives. Individual performance objectives vary based on the role and responsibilities of each Senior Executive.

From time to time, the CNG Committee may change the Company's corporate performance objectives in order to provide continued incentives to Senior Executives and other employees throughout the year, if it becomes clear that these objectives as originally outlined are unachievable as a result of external factors beyond the control of the Senior Executives.

#### **Long-Term Incentives**

Long-term incentives for Senior Executives are reviewed and approved by the CNG Committee and then recommended to the Board for final approval. Historically, the Company provided long-term incentive compensation

to the Senior Executives and other employees by granting options under the Option Plan. However, the Company ceased issuing options pursuant to the Option Plan prior to the beginning of Fiscal 2023 and instead has only been issuing options pursuant to the LTIP.

The Board has determined that the grant of PSUs and other awards that are tied to the share price of the Company to Senior Executives and other employees pursuant to the LTIP may be desirable insofar as it encourages the attraction and retention of both current and potential employees and Senior Executives by affording them a proprietary interest in the Company. PSUs tie pay to performance because the value of the PSUs is based on the Common Share price and the number of PSUs that will be eligible to vest on a vesting date may be adjusted upwards based on the Common Share price performance between the grant date and the vesting date. Accordingly, declines in Common Share price have a negative impact on compensation, while increases have a positive impact. In addition, the three-year annual vesting period for the PSUs issued to the NEOs, as well as the other vesting conditions that may be set out in the award agreement for other awards granted to Senior Executives and other employees pursuant to the LTIP, serves as a retention tool for the Senior Executives and other employees.

For a more detailed description of the considerations involved in granting options and PSUs, see “*Option-Based Awards*” and “*PSU Awards*” below.

### ***Option-Based Awards***

Option holders only benefit if the market value of the Common Shares at the time of option exercise is greater than the exercise price of the options. For a detailed description of the Option Plan and the LTIP, see “*Director and Executive Compensation – Stock Option Plans and Other Incentive Plans – Option Plan*” and “*Director and Executive Compensation – Stock Option Plans and Other Incentive Plans – LTIP*”, respectively.

The granting of options and their vesting periods are recommended by the CNG Committee and approved by the Board. The CNG Committee considers a number of factors prior to the grant of options including, but not limited to, individual and corporate performance, an individual’s level of responsibility within the Company, previous award grants and the individual’s position, ongoing responsibilities, overall compensation and prevailing market conditions and the recommendation of a compensation consultant, if applicable. The CEO and, when requested, the Senior Executives, are instrumental in making recommendations to the CNG Committee regarding options granted to other employees. In the context of the Company’s evolving compensation philosophy, policies and practices, the CNG Committee reviews the criteria for granting options during its ongoing review of the Company’s compensation philosophy, policies and practices.

### ***PSU Awards***

The benefit to be received by holders of PSUs will generally be based on the Common Share price, such that the more the Common Share price increases, the greater the benefit will be to the holder. For a detailed description of the PSUs, see “*Director and Executive Compensation – Stock Option Plans and Other Incentive Plans – LTIP*”.

The granting of PSUs and their vesting periods and performance conditions are recommended by the CNG Committee and approved by the Board. The CNG Committee considers a number of factors prior to the grant of PSUs including, but not limited to, individual and corporate performance, an individual’s level of responsibility within the Company, previous grants of securities and the individual’s position, ongoing responsibilities, overall compensation, prevailing market conditions and the recommendation of a compensation consultant, if applicable. The CEO and, when requested, the Senior Executives, are instrumental in making recommendations to the CNG Committee regarding PSUs granted to other employees. In the context of the Company’s evolving compensation philosophy, policies and practices, the CNG Committee will review the criteria for granting PSUs during its ongoing review of the Company’s compensation philosophy, policies and practices.

### **Other Perquisites and Benefits**

The Company provides a benefit plan to its Senior Executives, which includes health, medical and insurance benefits, along with a health spending account and wellness benefit. The Company believes its benefits program is reasonable

and consistent with its overall executive compensation program and is based on competitive market practices. The majority of perquisites are afforded to all employees of the Company.

### ***Director Compensation***

The Company pays director fees to directors that are not NEOs or Hawthorne Nominees that are also employees of The Hawthorne Collective; directors that are also NEOs or that are employees of The Hawthorne Collective are not entitled to any compensation for serving as members of the Board. The Company also pays directors a fee for serving as the Chair of certain Board committees. In making recommendations to the Board relating to director compensation for Fiscal 2023, the CNG Committee considered director compensation offered by similar companies, its directors' time commitments and the risks and responsibilities that the directors of the Company assume.

In Fiscal 2023, each director that was not a NEO, other than Messrs. Sims and Hagedorn, received an annual retainer of C\$225,000 (the "**Annual Retainer**") which was to be payable in cash, options, RSUs, DSUs or other forms of security-based compensation approved by the Board, with a maximum of C\$112,500 payable in cash. Notwithstanding the foregoing, on March 30, 2023 the Board determined to defer certain RSU and DSU grants in respect of Fiscal 2023 in order to assess the potential dilutive impact of such awards on Shareholders. On May 15, 2023, the Board determined, in light of the dilutive impact that such RSU and DSUs grant would have had, to award Non-Employee directors share units based on the average number of share units awarded to such Non-Employee Directors during the previous three fiscal years and cash compensation in an amount equivalent to the difference between the aggregate grant date fair value of the amended grant amounts and the amount such Non-Employee Directors would otherwise receive in share unit compensation. The Chair of the Board, the Chair of the Audit Committee and the Chair of the CNG Committee also received an additional annual cash retainer of \$11,084. Non-chair committee members received an additional annual cash retainer of \$3,695. The Chair of the Conflicts Review Committee did not receive an additional annual cash retainer in Fiscal 2023. Payments to directors have been calculated based on the daily rate of exchange for C\$:U.S.\$ published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).

### **RSU Awards**

Each director who is not an officer or employee of the Company or any subsidiary thereof, including any Non-Employee Director is eligible to receive some or all of his or her Annual Retainer in the form of RSUs, as noted above. The benefit to be received by holders of RSUs will generally be based on the Common Share price, such that the more the Common Share price increases, the greater the benefit will be to the holder. For a detailed description of the RSUs, see "*Director and Executive Compensation – Stock Option Plans and Other Incentive Plans – Unit Plan*".

The granting of RSUs and their redemption periods are recommended by the CNG Committee and approved by the Board. The CNG Committee considers a number of factors prior to the grant of RSUs including, but not limited to, director compensation offered by similar companies, its directors' time commitments, the recommendation of a compensation consultant, if applicable, and the risks and responsibilities that the directors of the Company assume. In the context of the Company's evolving compensation philosophy, policies and practices, the CNG Committee will review the criteria for granting RSUs during its ongoing review of the Company's compensation philosophy, policies and practices.

### ***Compensation Plan Changes for Fiscal 2024***

The Company has implemented the following director and executive compensation changes for the financial year ended March 31, 2024:

- The Board, in conjunction with the CNG Committee, is considering implementing a long-term incentive program for Senior Executives that provides potential cash-settled awards for Senior Executives that is tied to increases in the market capitalization of the Company.

## **PENSION PLAN BENEFITS**

No benefits were paid to any of the NEOs under any pension or retirement plan.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table is a summary of compensation plans under which equity securities of the Company were authorized for issuance as of March 31, 2023:

Plan Category		Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
		(#)	(\$) <sup>(1)</sup>	(#)
Equity compensation plans approved by security holders	Unit Plan (RSUs) <sup>(2)</sup>	561,900	N/A	5,784,342 <sup>(3)</sup>
	Unit Plan (DSUs) <sup>(2)</sup>	-	N/A	
	LTIP (PSUs)	1,550,655	N/A	
	LTIP (Options)	766,667	\$0.55 <sup>(5)</sup>	
	Option Plan (employee and director options) <sup>(4)</sup>	1,838,167	\$2.22 <sup>(5)</sup>	
	Option Plan (consultant options) <sup>(4)</sup>	3,060,000	\$2.56 <sup>(5)</sup>	
Equity compensation plans not approved by security holders		N/A	N/A	N/A
<b>Total</b>		7,777,389	\$2.18 <sup>(5)</sup>	5,784,342

**Notes:**

- (1) Weighted average exercise price of outstanding options, warrants, and rights have been translated from Canadian dollars into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).
- (2) On March 30, 2023, the Board passed a resolution to defer the March 31, 2023 RSU grants (for the service period of April 1, 2022 to December 31, 2022), and DSU grants (for the service period of January 1, 2023, to March 31, 2023). On May 15, 2023, 131,127 RSUs and 54,635 DSUs were issued in satisfaction of these deferred awards.
- (3) Represents the maximum number of additional Common Shares remaining available for future issuance under the Option Plan, Unit Plan and LTIP based on 135,617,313 Common Shares outstanding as of March 31, 2023. Prior to the beginning of Fiscal 2023, the Company ceased issuing options pursuant to the Option Plan. Currently, the Company only issues options pursuant to the LTIP. See “*Director and Executive Compensation – Stock Option Plans and Other Incentive Plans*” for a description of material features of each plan.
- (4) Following approval of the LTIP by the Board and the Shareholders, the Company has ceased issuing options pursuant to the Option Plan and will only issue options pursuant to the LTIP going forward.
- (5) Represents the weighted average exercise price of outstanding options, translated from Canadian dollars into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during Fiscal 2023 was, a director or officer of the Company, a Nominee, or any associate of any one of the foregoing persons is, or at any time since the beginning of Fiscal 2023 has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which constitute routine indebtedness) or was indebted to another entity, where such indebtedness is, or was at any time since the commencement of Fiscal 2023, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries. For the purposes of this paragraph, “support agreement” includes, but is not limited to, an agreement to provide assistance in the maintenance or servicing of any indebtedness and an agreement to provide compensation for the purpose of maintaining or servicing any indebtedness of the borrower.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as described below or disclosed elsewhere herein, no “informed persons” of the Company (as defined in NI 51-102), nor any Nominee, nor any person who beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to the issued and outstanding Common Shares, nor any associate or affiliate of the foregoing persons, has had any material interest, direct or indirect, in any transaction since the commencement of Fiscal 2023 or in any proposed transaction which has materially affected the Company or would materially affect the Company, or any of its subsidiaries.

As previously disclosed, on March 30, 2022, the Company entered into definitive agreements to acquire (the “**Etain Acquisition**”) ownership and control of Etain, LLC and Etain IP LLC (collectively, “**Etain**”) for U.S.\$247,005,739 (subject to certain adjustments) payable through a combination of cash and newly issued Common Shares. The initial closing of the Etain Acquisition was completed on April 22, 2022 and U.S.\$197,604,591, through a combination of U.S.\$169,775,364 in cash and 21,092,335 newly issued Common Shares, subject to customary post-closing adjustments, was paid to BrandCo HoldCo. The second closing of the Etain Acquisition was completed on December 15, 2023, and the Company satisfied the remainder of the purchase price through a combination of cash in the amount of U.S.\$42,444,000 (subject to customary post-closing adjustments) and 5,273,084 newly issued Common Shares. Amy Peckham, a director of the Company who is the Etain Investors’ Nominee, serves as CEO and may provide other services to the following entities that entered into ongoing arrangements with the Company in connection with the Etain Acquisition: (i) BrandCo HoldCo, which was a party to the Etain Acquisition and pursuant to which there are surviving obligations of the parties under the equity purchase agreement and Etain Investor Rights Agreement; (ii) Etain New Jersey, LLC, Etain MD, LLC and Etain Europe GmbH, each of which licenses certain intellectual property from a subsidiary of the Company pursuant to reverse licensing agreements entered into in connection with the Etain Acquisition; and (iii) KDBF Ventures, LLC (“**KDBF**”), which owns and leases the cultivation and processing facility in Chestertown, as well as two of Etain’s retail dispensaries to a subsidiary of the Company, which then subleases such properties to Etain LLC. During the year ended March 31, 2023, the Company recognized collective lease payments of \$2,035,000 to KDBF. The lease agreements between the Company and KDBF were negotiated at market terms. Each of the above listed arrangements were entered into on arm’s length terms and approved by the Board prior to the initial closing of the Etain Acquisition. Prior to the completion of the initial closing of the Etain Acquisition, none of BrandCo HoldCo, Etain New Jersey, LLC, Etain MD, LLC, Etain Europe GmbH, KDBF, the members of the foregoing entities or Amy Peckham was an informed person of the Company or an associate or affiliate of any informed person of the Company.

As previously disclosed, on March 30, 2022, The Hawthorne Collective provided notice to the Company that it was exercising its “top-up” option granted pursuant to the Initial Hawthorne Investment to purchase an unsecured convertible promissory note from the Company in the principal amount of \$31,272,501.15 (being the Canadian dollar equivalent of U.S.\$25,000,000) (the “**Additional Hawthorne Investment**” and together with the Initial Hawthorne Investment, the “**Hawthorne Investments**”). The Additional Hawthorne Investment was completed on April 22, 2022. Prior to the completion of the Initial Hawthorne Investment, neither The Hawthorne Collective nor any of the Hawthorne Nominees was an informed person of the Company or an associate or affiliate of any informed person of the Company. The terms for any “top-up” option were provided for in the documents entered into in connection with the Initial Hawthorne Investment. During Fiscal 2023, the Company purchased equipment for \$1,208,000 from Hawthorne Hydroponics (a separate subsidiary of ScottsMiracle-Gro), for use by Etain in its Chestertown cultivation and production facility. The purchases were made on market terms and approved by the Company’s Conflicts Review Committee. As described under the heading “*Nomination of Directors – Investor Rights Agreements*” below, pursuant to the Hawthorne Investor Rights Agreement (as defined below), The Hawthorne Collective has the right to nominate up to three directors to the Board. Christopher Hagedorn is a Hawthorne Nominee and the executive vice president and division president of The Hawthorne Gardening Company (an affiliate of The Hawthorne Collective). Katy Wiles is a Hawthorne Nominee and the Vice President, Legal at ScottsMiracle-Gro (an affiliate of The Hawthorne Collective).

For additional information regarding the Etain Acquisition and the Hawthorne Investments, please refer to the AIF under the headings “*General Development of the Business – History – Fiscal Year 2022*”, “*General Development of the Business – History – Fiscal Year 2023*” and “*Material Contracts*”.



## MANAGEMENT CONTRACTS

No management functions of the Company and its subsidiaries are performed to any substantial degree by persons other than the directors and executive officers of the Company or its subsidiaries.

## STATEMENT OF CORPORATE GOVERNANCE

The Company and the Board recognize the importance of corporate governance for the effective management of the Company and the protection of its stakeholders, particularly Shareholders. The Company's approach to issues of corporate governance is designed with a view to ensuring that the business and affairs of the Company are effectively managed so as to enhance Shareholder value. The Board fulfills its mandate directly and through its committees at regularly scheduled meetings or as required. The directors are kept informed regarding the Company's operations at regular meetings and through reports and discussions with management on matters within their particular areas of expertise. Frequency of meetings may be increased and the nature of the agenda items may be changed depending upon the state of the Company's affairs and in light of opportunities or risks that the Company faces.

National Policy 58-201 – *Corporate Governance Guidelines* (“NP 58-201”) establishes corporate governance guidelines that apply to all public companies. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* mandates disclosure of corporate governance practices, which disclosure is set out below, in accordance with Form 58-101F1 – *Corporate Governance Disclosure*.

The Company believes that its corporate governance practices are in compliance with applicable Canadian guidelines including NP 58-201. The Company has considered the applicable requirements and believes that its approach to corporate governance is appropriate and works effectively for the Company and the Shareholders. The Company continues to monitor developments in Canada with a view to further revising its governance policies and practices, as appropriate.

The following is a description of the Company's corporate governance practices, which has been approved by the CNG Committee and the Board.

### Board of Directors

#### *Composition of the Board*

Pursuant to National Instrument 52-110 – *Audit Committee* (“NI 52-110”), a director is considered to be independent if he or she has no direct or indirect material relationship with the Company that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment. NI 52-110 sets out certain situations where a director is deemed to have a material relationship with the Company.

As of the date this Circular, the Board is composed of six directors, five of whom have been determined to be independent based upon the criteria set forth in NI 52-110. Mr. Mavrinac, Mr. Mimran, Mr. Hagedorn, Ms. Sweeney and Ms. Curran have been determined to be independent within the meaning of NI 52-110. Ms. Peckham is not considered by the Board to be independent within the meaning of NI 52-110 due to her role as an employee of RIV Capital US Services LLC between the initial closing of the Etain Acquisition and the second closing of the Etain Acquisition.

Of the seven Nominees standing for election as directors at the Meeting, six have been determined to be independent based upon the criteria set forth in NI 52-110. Mr. Mavrinac, Mr. Mimran, Mr. Hagedorn, Ms. Sweeney, Ms. Curran and Ms. Wiles have been determined to be independent within the meaning of NI 52-110. Ms. Peckham is not considered by the Board to be independent within the meaning of NI 52-110 due to her prior role as an employee of RIV Capital US Services LLC between the initial closing of the Etain Acquisition and the second closing of the Etain Acquisition.

The independent directors regularly held *in camera* meetings following scheduled meetings of the Board during Fiscal 2023 at which non-independent directors and members of management were not in attendance. It is anticipated that

independent directors' meetings will continue to be held as deemed appropriate during the 2024 fiscal year and that the independent directors will continue to hold regular *in camera* meetings scheduled following meetings of the Board.

The majority of the Nominees are considered to be independent within the meaning of NI 52-110. During Fiscal 2020, the Board formed the Conflicts Review Committee, which is currently comprised of Mr. Mimran (Chair), Ms. Sweeney, and Mr. Mavrinac, who are all independent directors who are not Hawthorne Nominees. The Conflicts Review Committee reviews and provides a recommendation or approval, as applicable, to the Board for any material transaction or agreement proposed to be entered into by the Company with a Related Party (as defined herein) or that otherwise involves a conflict and meetings of the Conflicts Review Committee will continue to be held as deemed appropriate during the 2024 fiscal year. The Board may form special committees, from time to time, comprised of only independent directors to address specific issues that arise. The Board has also implemented processes to facilitate the exercise of independent judgement in carrying out its responsibilities. Non-independent directors are asked to leave Board meetings when necessary to facilitate open and candid discussion among the independent directors and *in-camera* sessions of the independent directors may be held at the end of Board meetings. In addition, any item which could involve a potential conflict of interest among one or more directors is voted on by those directors that are not related to the conflict in question.

### ***Chair of the Board***

Mr. Mimran is currently the Chair of the Board and the Board determined that he is independent within the meaning of NI 52-110. Immediately following the Meeting, the Board will meet to, amongst other things, appoint a Chair of the Board, who is expected to be independent within the meaning of NI 52-110.

### **Meetings of the Board**

The Board held 30 meetings during Fiscal 2023. The members of the Board and their meeting attendance during Fiscal 2023 are set forth below:

<b>Board of Directors</b>		
<b>Name of Director</b>	<b>Independent</b>	<b>Meeting Attendance<sup>(1)</sup></b>
Laura Curran <sup>(2)</sup>	Yes	17 of 17
Christopher Hagedorn	Yes	27 of 30
Richard Mavrinac	Yes	30 of 30
Joseph Mimran	Yes	27 of 30
Amy Peckham <sup>(3)</sup>	No	15 of 17
Mark Sims <sup>(4)</sup>	No	24 of 28
Dawn Sweeney <sup>(5)</sup>	Yes	17 of 17

Notes:

- (1) In addition to official Board meetings, the Board has met frequently on an informal basis to discuss ongoing matters.
- (2) Ms. Curran was elected to the Board at the Company's annual meeting of shareholders held on September 29, 2022.
- (3) Ms. Peckham was elected to the Board at the Company's annual meeting of shareholders held on September 29, 2022.
- (4) Mr. Sims resigned as a director on February 28, 2023.
- (5) Ms. Sweeney was elected to the Board at the Company's annual meeting of shareholders held on September 29, 2022.

## Other Directorships

The following table summarizes current directorships of other reporting issuers (or the equivalent) for the current and proposed directors of the Company:

Director	Name of Reporting Issuer and Exchange
Laura Curran	N/A
Christopher Hagedorn	N/A
Richard Mavrinac	Roots Corporation (TSX: ROOT)
Joseph Mimran	LXRandCo, Inc. (TSX: LXR)
Amy Peckham	N/A
Dawn Sweeney	SITE Centers Corp. (NYSE: SITC)
Katy Wiles	N/A

## Board Mandate

The Board has adopted a written “Board Mandate” pursuant to which the Board assumes responsibility for the stewardship of the Company. The Board mandate is attached hereto as Schedule “A”. The Board’s primary responsibility is to develop and adopt the strategic direction of the Company and to review and approve the strategic plans developed and proposed by management, which takes into account the business opportunities and risks of the Company. The Board is responsible for reviewing and approving the Company’s financial objectives, plans and actions, including significant capital allocations and expenditures. The Board is also responsible for, among other things: (i) monitoring corporate performance against the strategic and business plans; (ii) identifying principal business risks and implementing appropriate systems to manage such risks; (iii) monitoring and ensuring internal controls and procedures; (iv) ensuring appropriate standards of corporate conduct; (v) reviewing and approving Company’s financial statements and MD&As; (vi) approving director and Senior Executive compensation based on the recommendation of the CNG Committee; (vii) reviewing and approving material transactions; (viii) developing the Company’s approach to corporate governance; and (ix) assessing its own effectiveness in fulfilling its mandate.

## Position Descriptions

The Board has developed written position descriptions for the Chair of the Board, the CEO, the Chair of the Audit Committee, the Chair of the CNG Committee and the Chair of the Conflicts Review Committee. In addition, the Audit Committee, the CNG Committee and the Conflicts Review Committee each have a written charter.

### *Chair*

Mr. Mimran is currently the Chair of the Board and the Board determined that he is independent within the meaning of NI 52-110. Immediately following the Meeting, the Board will meet to, amongst other things, appoint a Chair of the Board, who is expected to be independent within the meaning of NI 52-110.

The Chair presides over all meetings of the directors and Shareholders of the Company. The primary responsibility of the Chair is to oversee the operations of the Board and to provide leadership to the Board while enhancing its overall effectiveness.

### *CEO*

Mr. Totzke is the Interim CEO and COO of the Company. Mr. Totzke, with assistance from the Senior Executives and, in certain areas of the business, with assistance and oversight from the Strategic Growth Committee, leads the management of the Company’s business and affairs and the implementation of the resolutions and policies of the Board. The key responsibilities of the CEO include: duties relating to the Company’s values, strategy, governance,

risk management, risk appetite, financial information, human resources management, operational direction, Board interaction, talent management, succession planning and effective communication with Shareholders, clients, employees, regulators and other stakeholders.

### ***Committee Chairs***

The primary responsibility of the Chair of each committee of the Board is to provide oversight and leadership to the applicable committee with a view to enhancing the overall efficacy of the committee. Each committee Chair plays an integral role in the fulfillment of the committee's duties as set out in the charter of the committee and the management of the committee process.

### **Board Orientation and Continuing Education**

The CNG Committee is responsible for ensuring that new directors are provided with an orientation and education program, which includes written information about the role of the Board and its committees, the nature and operation of the business of the Company and the contribution that individual directors are expected to make to the Board in terms of both time and resource commitments, as well as access to recent, publicly-filed documents of the Company and the Company's internal financial information. Directors are expected to attend all meetings of the Board and are also expected to prepare thoroughly in advance of each meeting in order to actively participate in the deliberations and decisions.

The Board recognizes the importance of ongoing director education and the need for each director to take personal responsibility for this process. Through discussions and meetings with other directors, officers and employees, new directors will be provided with a thorough description of the Company's business, policies, properties, assets, operations and strategic plans and objectives. Orientation activities will be tailored to the particular needs and experience of each director and the overall needs of the Board.

While the Board does not have a formal orientation and training program for directors, the CNG Committee provides continuing education for directors on an ad hoc basis in respect of issues that are necessary for them to understand to meet their obligations as directors. Board members are also encouraged to communicate with management, auditors, and consultants to keep themselves current with industry trends and developments and changes in legislation and to attend related industry seminars to ensure that each member of the Board maintains the skills and knowledge necessary to meet their obligations as directors. The Company and the CNG Committee also encourage directors and the Senior Executives to participate in professional development programs and courses and supports management's commitment to training and developing employees.

### **Board, Committee and Director Assessments**

The CNG Committee is responsible for implementing an annual process for assessing the overall effectiveness of the Board as a whole, the committees of the Board and the contributions of individual directors. Directors are required to complete self-evaluations, peer evaluations and to consider, among other things, the overall functioning and performance of the Board, the Board's standing committees and oversight thereof, the operational oversight of the Board, management structure and succession issues, the effectiveness of the Company's internal controls and financial reporting, ethics and compliance matters and accountability. The Chair of the CNG Committee encourages discussion amongst the Board to evaluate the effectiveness of the Board as a whole, its committees and its individual directors. All directors are also encouraged to make suggestions for improvement of the practices of the Board at any time.

### **Ethical Business Conduct**

As part of its responsibility for the stewardship of the Company, the Board seeks to foster a culture of ethical conduct by requiring the Company to carry out its business in line with high business and moral standards and applicable legal and financial requirements.

In exercising its powers and discharging its duties, the Board 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. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to officers, directors, employees and consultants, to help them recognize and deal with ethical issues; promoting a culture of honesty, integrity and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

The Board takes steps to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or an employee or consultant of the Company has a material interest, which includes ensuring that such individuals are familiar with rules concerning reporting conflicts of interest and obtaining direction from the Board or a Senior Executive of the Company regarding any potential conflicts of interest.

The Board has adopted a written code of business conduct and ethics (the “**Code**”), which applies to all employees, contractors, consultants, officers and directors of the Company. The purpose of the Code is to, among other things, promote honest and ethical conduct, promote the avoidance of conflicts of interest, promote full, fair, accurate, timely and understandable disclosure in filings and public communications, promote compliance with applicable laws, rules and regulations, promote internal reporting of Code violations; provide guidance to employees, contractors, consultants, officers and directors of the Company to help them recognize and deal with ethical issues and help foster a culture of honesty, respect, positivity and accountability for the Company. A copy of the Code has been filed with the regulators, in accordance with applicable legislation, and is available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors).

The Board has also adopted a written “Whistleblower Policy” which establishes procedures for: (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, auditing matters or violations of the Code; and (ii) the submission by employees, contractors, consultants, directors or officers of the Company, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations of the Code, any other policy, charter or mandate of the Company, or applicable laws, rules and regulations.

The Board has also adopted a “Corporate Disclosure and Insider Trading Policy” to ensure, among other things: (i) that the Company complies with timely disclosure obligations under securities laws and the regulations of the stock exchanges on which the Company’s securities are listed; (ii) that the Company prevents the selective disclosure of “material information” (as defined in the policy); (iii) that all communications to the public are informative, timely, factual, balanced, accurate and broadly disseminated; (iv) that persons to whom the policy applies understand their obligations to preserve the confidentiality of “undisclosed material information”; (v) strict compliance by all insiders with all requirements relating to the reporting of insider trading and with respect to trading when in possession of “undisclosed material information” (as defined in the policy); and (vi) that individuals subject to scheduled and unscheduled blackout periods adhere to the restrictions on trading as set out in the policy.

In addition, the Board has adopted an “Anti-Bribery and Anti-Corruption Policy” to ensure that all interactions with government officials, business partners, third parties and community stakeholders are undertaken with integrity and in compliance with applicable anti-bribery and anti-corruption laws.

### **Nomination of Directors**

The CNG Committee is also responsible for reviewing candidates for election as directors and recommending director nominees for approval by the Board and election by Shareholders. The CNG Committee is responsible for assessing the skills and other attributes of existing Board members and, in light thereof, identifying individuals believed to be qualified to be Board members and recommending candidates to the Board for appointment or election to fill new or vacant positions.

In collaboration with the CNG Committee, the full Board has the responsibility for identifying potential Board candidates. The Board monitors and assesses the mix of skills and competencies required in order for the Board to fulfill its role effectively. In addition, the Board discusses with each director his or her intention to continue to serve as a Board member in order to plan and prepare for succession at the Board level in a seamless manner.

The Board will consider its size each year when it determines the number of directors to be nominated for election. In recommending and considering Board candidates, the CNG Committee and Board will identify and recommend new director nominees based upon the following considerations:

- (a) the competencies and skills necessary for the Board as a whole to possess;
- (b) the competencies and skills necessary for each individual director to possess;
- (c) the competencies and skills which each new nominee of the Board is expected to bring; and
- (d) whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Company.

The Board may retain external consultants or advisors to conduct searches for appropriate potential director candidates if necessary.

### ***Investor Rights Agreements***

As further described above, under “*Voting Securities and Principal Holders of Voting Securities – Investor Rights Agreements*”, pursuant to the Investor Rights Agreements, The Hawthorne Collective and the Etain Group Representative are entitled to designate four nominees and one nominee, respectively. In addition, pursuant to the Hawthorne Investor Rights Agreement, the Company agreed to set the size of the Board at nine directors and also agreed not increase or decrease the size of the Board without the consent of The Hawthorne Collective. Notwithstanding the foregoing, the Company, The Hawthorne Collective and The Hawthorne Gardening Company have agreed that effective as of the Initial Designation Date (as defined in the Etain Investor Rights Agreement) the size of the Board shall be seven directors and that for so long as the size of the Board is seven directors, The Hawthorne Collective shall not be entitled to designate more than three Hawthorne Nominees pursuant to the Hawthorne Investor Rights Agreement.

### **Board Committees**

The Board currently has three standing committees: (i) the Audit Committee; (ii) the CNG Committee; and (iii) the Conflicts Review Committee. In addition, the Board may establish other committees, including special committees, from time to time to assist the Board in connection with specific matters. During Fiscal 2023, the Board established the Strategic Growth Committee to develop and lead growth strategies for the Company, including potential strategic M&A. The Board oversees the operations of the committees, the appointment of their respective members, their compensation and their conduct. The Board has no intention at this time to establish other standing committees.

### **Director Term Limits and Other Mechanisms of Board Renewal**

The Company has not adopted a formal policy with respect to director term limits or other mechanisms to force Board renewal. The Company believes that in taking into account the nature and size of the Board and the Company, it is more important to have relevant experience than to impose set time limits on a director’s tenure, which may create vacancies at a time when a suitable candidate cannot be identified and as such would not be in the best interests of the Company. In lieu of imposing term limits, the Company will periodically monitor director performance through formal and informal annual assessments, analyze the skills and experience necessary for the Board and evaluate the need for director changes to ensure that the Company has highly knowledgeable and motivated Board members, while ensuring that new perspectives are available to the Board.

Directors who have served on the Board for an extended period of time are in a unique position to provide valuable insight into the operations and future of the Company based on their experience and perspective on the Company’s history, performance and objectives. The Board believes it is important to have a balance between directors who have a long history and organizational understanding of the Company’s business with directors who bring new perspectives and ideas to the Board.

## **Diversity on the Board and in Senior Management**

The Board believes that diversity is important to ensure that Board members provide the necessary range of perspectives, experience and expertise required to achieve the Company's objectives and to deliver value for Shareholders. As a result, the Board has adopted a written "Board Diversity Policy" which seeks to increase diversity at the Board level. The Board Diversity Policy requires the Board and the CNG Committee to consider the benefits of diversity and the diversity of the Board members in reviewing Board composition and assessing Board effectiveness. It also provides for an annual review and discussion on the level of representation of women on the Board as well as a review of any diversity initiatives established by the Board and progress in achieving them.

At least annually, the CNG Committee reviews the composition of the Board and, when applicable, considers qualified candidates who are best able to meet the skills required by the Board. In doing so, the CNG Committee takes into consideration the overall knowledge, experience, skills, expertise and diversity of the Board as a whole.

The Company currently has six directors, three of whom are women, representing 50% of the Board members. Of the seven Nominees standing for election as directors at the Meeting, four are women, representing approximately 57% of the Nominees.

At this time, the Company has not adopted specific targets in relation to women on the Company's Board or in executive officer positions as the Board does not believe that targets necessarily result in the identification or selection of the best candidates. Rather, selection for Board members and executive officers is made based on merit, skills, qualifications, experience, background, needs of the Company at the time, etc. However, the Board has historically and continues to recognize the benefits of, and need for, extending opportunities to all internal personnel and outside candidates, without distinction as to gender, race, colour, religion, sexual orientation, family or marital status, political belief, age, national or ethnic origin, citizenship, disability, or any other basis. The Company's focus has always been, and will continue to be, working to attract the highest quality executive officers and Board candidates with special focus on the skills, experience, character and behavioral qualities of each candidate.

The Company believes that equality and a commitment to diversity and inclusion should extend beyond the boardroom. With respect to its workforce, the Company considers itself to be an equal opportunity employer and applies equal opportunity principles in compliance with applicable national and local requirements governing recruitment, employment and equal opportunities. The Company ensures that all job specifications, advertisements, application forms and contracts are gender neutral and non-discriminatory. Further, the Company applies its equal opportunity principles when recruiting and selecting staff; establishing employment terms and conditions; providing employee training; upholding the right of all employees to work in a supportive environment and providing opportunities to gain skills and develop competencies that enable them to pursue a fulfilling career; ensuring discriminatory practices or harassment are not tolerated and that any reported instances are formally investigated with appropriate disciplinary action taken; and expecting all employees, as a condition of employment, to contribute to a discrimination and harassment-free work environment.

## **The Audit Committee**

The Audit Committee is currently comprised of: Mr. Mavrinac (Chair), Mr. Mimran and Ms. Sweeney. Ms. Peckham is an observer. The Board has determined that each member of the Audit Committee is currently independent within the meaning of NI 52-110. 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" within the meaning of NI 52-110.

For a general description of the relevant education and experience of the Nominees who are expected to be members of the Audit Committee following the Meeting, see "*Business of Meeting – Election of Directors – Nominee Biographies*".

The Audit Committee is responsible for, among other things, monitoring the Company's systems and procedures for financial accounting, reporting and internal controls, reviewing certain public disclosure documents and monitoring the performance and independence of the Company's external auditors. The Audit Committee is also responsible for

reviewing the Company’s annual audited consolidated financial statements, annual MD&A, unaudited interim consolidated financial statements, interim MD&A and related operations prior to their approval by the Board.

Further information regarding the Audit Committee is contained in the AIF, under the heading “*Audit Committee Information*”. A copy of the Audit Committee charter is attached to the AIF as Appendix “A”. The AIF is available under the Company’s profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors).

The Audit Committee held four meetings during Fiscal 2023. The members of the Audit Committee and their meeting attendance during Fiscal 2023 are set forth below:

Audit Committee		
Name of Director	Independent	Meeting Attendance
Richard Mavrinac	Yes	4 of 4
Joseph Mimran	Yes	4 of 4
Dawn Sweeney <sup>(1)</sup>	Yes	2 of 2

Notes:

(1) Ms. Sweeney was elected to the Board at the Company’s annual meeting of shareholders held on September 29, 2022.

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

At no time since the commencement of the Company’s most recently completed financial year, has any recommendation of the Audit Committee to nominate or compensate an external auditor not been adopted by the Company on behalf of the Board.

#### ***Pre-Approvals Policies and Procedures***

Subject to the requirements of NI 52-110, the charter of the Audit Committee allows for the engagement of certain non-audit services by the Company’s external auditor and sets out that such non-audit services must be pre-approved by the Audit Committee.

#### ***External Auditor Service Fees (By Category)***

MNP is the present independent external auditors of the Company. Effective June 20, 2022, KPMG LLP (“KPMG”), who was first appointed as the independent external auditor of the Company on October 4, 2018, resigned as auditor of the Company, and was replaced by MNP at that time.

For the financial years ended March 31, 2023 and March 31, 2022, the aggregate fees incurred by the Company for services performed by the Company’s former external auditor, KPMG (for Fiscal 2022) and MNP (for Fiscal 2023), are as detailed below:

Financial Year Ended	Audit Fees <sup>(1)</sup>	Audit-Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
March 31, 2022	\$305,214 <sup>(5)</sup>	Nil	Nil	Nil
March 31, 2023	\$837,925 <sup>(6)</sup>	Nil	Nil	Nil

Notes:

(1) “**Audit fees**” include fees for services rendered by the external auditors in relation to the audit and review of the Company’s financial statements and in connection with the Company’s statutory and regulatory filings.

(2) “**Audited related fees**” include the aggregate audit related fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company’s financial statements and are not reported as “Audit fees”. The services provided include



due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

- (3) “Tax fees” include the aggregate fees billed for professional services rendered for tax compliance, tax advice and tax planning. The services provided include tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to investments in portfolio companies, preparation of tax returns and preparation or review of tax provisions.
- (4) “All other fees” include the aggregate fees billed for products and services, other than “Audit fees”, “Audit related fees” and “Tax fees” above.
- (5) Audit fees of C\$381,375 paid to KPMG in respect of Fiscal 2022 have been translated into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2022 (C\$1.00 = U.S.\$0.8003).
- (6) Audit fees of C\$1,134,017 paid to MNP in respect of Fiscal 2023 have been translated into United States dollars using the C\$:U.S.\$ daily exchange rate published by the Bank of Canada on March 31, 2023 (C\$1.00 = U.S.\$0.7389).

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

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on an exemption from NI 52-110, in whole or in part, granted under Part 8 (*Exemptions*) of NI 52-110.

The Company is a “venture issuer” as defined in NI 52-110 and is relying on the exemption set out in section 6.1 of NI 52-110 with respect to certain reporting obligations.

### **The Compensation, Nominating and Governance Committee**

The CNG Committee is currently comprised of: Ms. Sweeney (Chair), Mr. Mavrinac and Ms. Curran. The Board has determined that each of the members of the CNG Committee is currently independent within the meaning of NI 52-110.

For a general description of the relevant education and experience of the Nominees expected to serve as members of the CNG Committee following the Meeting, see “*Business of the Meeting – Election of Directors – Nominee Biographies*”.

The CNG Committee is responsible for, among other things:

- (a) implementing a process for assessing the effectiveness of the Board as a whole, the committees of the directors and the individual directors;
- (b) annually reviewing, approving and recommending to the Board for approval the remuneration of the Senior Executives of the Company;
- (c) reviewing and recommending to the Board for its approval the remuneration of directors;
- (d) developing and submitting to the Board recommendations with regard to bonus entitlements, other employee benefits and bonus plans;
- (e) reviewing on an annual basis the remuneration policies of the Company, including the total remuneration (including benefits) and the main components thereof for the directors and Senior Executives of the Company, and comparing such remuneration policies with the remuneration practices of peers in similar industries;
- (f) reviewing periodically bonus plans and any share-based compensation plans and considering these in light of new trends and practices of peers in similar industries;
- (g) identifying, evaluating and recommending Board candidates;
- (h) evaluating Board structure and organization; and
- (i) monitoring the effectiveness of and compliance with corporate governance policies and procedures.

The CNG Committee held 11 meetings during Fiscal 2023. The members of the CNG Committee and their meeting attendance during Fiscal 2023 are set forth below:

Compensation, Nominating and Governance Committee		
Name of Director	Independent	Meeting Attendance
Dawn Sweeney <sup>(1)</sup>	Yes	8 of 8
Laura Curran <sup>(2)</sup>	Yes	8 of 8
Richard Mavrinac	Yes	11 of 11

Notes:

(1) Ms. Sweeney was elected to the Board at the Company’s annual meeting of shareholders held on September 29, 2022.

(2) Ms. Curran was elected to the Board at the Company’s annual meeting of shareholders held on September 29, 2022.

### The Conflicts Review Committee

The Conflicts Review Committee is currently comprised of: Mr. Mimran (Chair), Mr. Mavrinac and Ms. Sweeney. The Board has determined that each of the members of the Conflicts Review Committee is currently independent within the meaning of NI 52-110.

The Conflicts Review Committee is responsible for, among other things:

- (a) recommending for approval by the Board procedures for the identification, consideration and approval of material transactions or agreements (each, a **“Subject Transaction”**) between the Company and (i) any “related parties”, as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”), or (ii) any person in which a Related Party is a director or an officer of, or has a material interest in (the persons in clauses (i) and (ii) are each herein referred to as a **“Related Party”**);
- (b) reviewing the proposed terms and conditions of any Subject Transaction and, as appropriate, approving such Subject Transaction;
- (c) taking measures to confirm that any Subject Transactions that are “related party transactions” for the purposes of MI 61-101 are in compliance with MI 61-101 and applicable securities laws; and
- (d) considering risks related to any proposed Subject Transaction.

The Conflicts Review Committee held six meetings during Fiscal 2023. The members of the Conflicts Review Committee and their meeting attendance during Fiscal 2023 are set forth below:

Conflicts Review Committee		
Name of Director	Independent	Meeting Attendance
Joseph Mimran	Yes	5 of 6
Richard Mavrinac	Yes	6 of 6
Dawn Sweeney <sup>(1)</sup>	Yes	4 of 4

Notes:

(1) Ms. Sweeney was elected to the Board at the Company’s annual meeting of shareholders held on September 29, 2022.

## CAUTION REGARDING FORWARD-LOOKING INFORMATION

Certain statements contained in this Circular constitute forward-looking information within the meaning of applicable Canadian securities laws, including, without limitation, those related to the strategy, objectives, goal, opportunities and plans of the Company; the Company's liquidity; expectations of the anticipated benefits of the Etain Acquisition and strategic rationales for acquiring Etain, including expectations regarding legal cannabis market opportunities in New York and the legalization of adult-use cannabis in New York; the Company's expectations regarding the U.S. cannabis market; expectations regarding expansion and timing thereof; the Company's expectations regarding growth opportunities; the anticipated benefits of investments from, and the Company's strategic partnership with, The Hawthorne Collective; expectations regarding the Company's strategic shift to a U.S. cannabis operating platform; the Company's plans to expand geographically; expectations regarding the expansion of Etain's retail dispensaries and cultivation and manufacturing space; the Company's expectations with respect to the development of a new Buffalo facility; the Company's expectations with respect to the Company's board of directors and management team, including the independence of the Board and Committee chairs; potential changes to the long term incentive program for Senior Executives; and expectations for other economic, business, and/or competitive factors. All information, other than statements of historical fact, included in this Circular that address activities, events or developments that the Company expects or anticipates will or may occur in the future, including such things as future business strategy, competitive strengths, goals, expansion and growth of the Company's business, operations, plans and other matters, is forward-looking information. To the extent any forward-looking information in this Circular constitutes "financial outlooks" within the meaning of applicable Canadian securities laws, the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such financial outlooks. Forward-looking information is often identified by the words "may", "would", "could", "should", "will", "intend", "plan", "anticipate", "believe", "estimate", "expect" or similar expressions.

Investors are cautioned that forward-looking information is not based on historical fact but instead reflects management's expectations, estimates or projections concerning future results or events based on the opinions, assumptions and estimates of management of the Company considered reasonable at the time they were made. Although the Company believe that the expectations reflected in such forward-looking information are reasonable, such information involves known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information.

Such factors include, but are not limited to the Company's ability to execute its go-forward strategy; stock market volatility; changes in the business activities, focus and plans of the Company, Etain and the Company's investees and the timing associated therewith; the timing of any changes to federal laws in the U.S. to allow for the general cultivation, distribution, and possession of cannabis; regulatory and licensing risks; changes in cannabis industry growth and trends; changes in general economic, business and political conditions, including changes in the financial markets; litigation risks; the global regulatory landscape and enforcement related to cannabis, including political risks and risks relating to regulatory change; risks relating to anti-money laundering laws; compliance with extensive government regulation, including the Company's interpretation of such regulation; public opinion and perception of the cannabis industry; divestiture risks; and the risk factors set out in the Annual MD&A and AIF filed with the Canadian securities regulators and available on the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

The Company has invested in and acquired, and intends to in the future invest in and/or acquire, companies that are involved in the manufacture, possession, use, sale, and distribution of cannabis in the recreational and medicinal cannabis marketplace in the United States. Local state laws where such operations occur permit such activities, however, investors should note that there are significant legal restrictions and regulations that govern the cannabis industry in the United States. Cannabis remains a Schedule I drug under the U.S. Controlled Substances Act, making it illegal under federal law in the United States to, among other things, cultivate, distribute or possess cannabis in the United States. Financial transactions involving proceeds generated by, or intended to promote, cannabis-related business activities in the United States may form the basis for prosecution under applicable U.S. federal money laundering legislation.

While the approach to enforcement of such laws by the federal government in the United States has trended toward non-enforcement against individuals and businesses that comply with recreational and medicinal cannabis programs

in states where such programs are legal, strict compliance with state laws with respect to cannabis will neither absolve the Company of liability under U.S. federal law, nor will it provide a defense to any federal proceeding which may be brought against the Company. The enforcement of federal laws in the United States is a significant risk to the business of the Company and any proceedings brought against the Company thereunder may adversely affect the Company's operations and financial performance.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking information prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected. Although the Company has attempted to identify important risks, uncertainties and factors that could cause actual results to differ materially, there may be others that cause results not to be as anticipated, estimated or intended. The Company does not intend, and does not assume any obligation, to update this forward-looking information except as otherwise required by applicable law.

### **ADDITIONAL INFORMATION**

Additional information relating to the Company is available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company's website at [www.rivcapital.com](http://www.rivcapital.com).

Financial information concerning the Company's most recently completed financial year is provided in the Annual Financial Statements and the Annual MD&A. Inquiries including requests for paper copies of the Annual Financial Statements and the Annual MD&A may be directed to Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America).

## **APPROVAL**

The contents of this Circular and the sending thereof to the Shareholders, directors and the auditors of the Company, have been approved by the Board.

**ON BEHALF OF THE BOARD OF  
DIRECTORS**

*(signed) "Joseph Mimran"*

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Chair of the Board

## **SCHEDULE “A”**

### **RIV CAPITAL INC.**

#### **MANDATE OF THE BOARD OF DIRECTORS**

##### **1. PURPOSE**

The Board of Directors (the “**Board**”) of RIV Capital Inc. (the “**Corporation**”) assumes responsibility for the stewardship of the Corporation.

##### **2. RESPONSIBILITIES**

As an integral part of that stewardship responsibility, the Board has responsibility for the following matters (either itself, or through duly appointed and constituted committees of the Board in accordance with applicable laws):

- (a) The Board has primary responsibility for the development and adoption of the strategic direction of the Corporation. The Board reviews with management from time to time the financing environment (including, without limitation, the relative demand for the Corporation’s shares, and the Corporation’s needs for and opportunities to raise capital), the emergence of new opportunities, trends and risks and the implications of these developments for the strategic direction of the Corporation. The Board reviews and approves the Corporation’s financial objectives, plans and actions, including equity and debt raises, significant capital allocations, and expenditures.
- (b) The Board monitors, at the least, quarterly corporate performance, including assessing operating results to evaluate whether the business is being properly managed.
- (c) The Board identifies and documents the principal business risks of the Corporation and ensures in cooperation with company’s management that there are appropriate systems put in place to manage these risks.
- (d) The Board monitors and ensures the integrity of the internal controls and procedures (including adequate management information systems) at least annually within the Corporation, as well as the financial reporting procedures of the Corporation.
- (e) The Board is responsible for ensuring appropriate standards of corporate conduct, including adopting a code of business conduct and ethics for all employees, contractors, consultants, officers and directors, and monitoring compliance with such code, if appropriate.
- (f) The Board is responsible for the review and approval of quarterly and annual financial statements, management’s discussion and analysis related to such financial statements, and forecasts.
- (g) The Board is responsible for, when it determines applicable, establishing and reviewing from time to time a dividend policy for the Corporation.
- (h) The Board is responsible for reviewing the compensation of members of the Board to ensure that the compensation realistically reflects the responsibilities and risks involved in being an effective director and for reviewing the compensation of members of the senior management team to ensure that they are competitive within the industry and that the form of compensation aligns the interests of each such individual with those of the Corporation. If the Board determines it necessary, the Board is responsible for engaging a consultant to review stock options granted to employees and Board compensation.
- (i) The Board reviews and approves material transactions in advance not in the ordinary course of business that are brought to its attention by the company’s management.

- (j) The Board reviews and approves the budget on an annual basis, including the spending limits and authorizations, as recommended by the Audit Committee.
- (k) The Board ensures that there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.
- (l) The Board is responsible for assessing its own effectiveness in fulfilling its mandate and evaluating the relevant disclosed relationships of each independent director. An effectiveness evaluation of the board has to be prepared at least annually (see s. (s) (vi)).
- (m) The Board approves a disclosure policy that includes a framework for investor relations and public disclosure.
- (n) The Board shall periodically (at least annually) review and make recommendations regarding the Anti-Bribery and Anti-Corruption Policy adopted by the Board;
- (o) The Board is responsible for satisfying itself as to the integrity of the Chief Executive Officer (the “CEO”) and other senior officers of the Corporation and that the CEO and other senior officers create a culture of integrity throughout the organization. The Board is responsible for developing and approving goals and objectives which the CEO is responsible for achieving.
- (p) The Board is responsible for developing the Corporation’s approach to corporate governance principles and guidelines that are specifically applicable to the Corporation.
- (q) The Board is responsible for ensuring that the business of the Corporation is conducted in accordance with recognized industry standards and with a view to meeting or exceeding all applicable environmental and occupational health and safety laws and regulations.
- (r) The Board is responsible for performing such other functions as prescribed by law or assigned to the Board in the Corporation’s governing documents.
- (s) Set forth below are procedures relating to the Board’s operations:
- (i) Size of Board and selection process.
- (1) The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. The Board will determine the nominees to be put forward to the shareholders for election based upon the following considerations and such other factors the Board considers relevant:
- the competencies and skills which the Board as a whole should possess;
  - the competencies and skills which each existing director possesses; and
  - the appropriate size of the Board to facilitate effective decision-making.
- (2) The Board also recommends the number of directors on the Board to shareholders for approval, subject to compliance with the requirements of the OBCA and the Corporation’s by-laws.
- (3) Between annual meetings, the Board may appoint directors to serve until the next annual meeting, subject to compliance with the requirements of the OBCA.
- (4) Individual Board members are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.

- (ii) Independence – At least a majority of the members of the Board shall be “independent” (as defined under National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators).
- (iii) Director orientation and continuing education – The Board, together with the Compensation, Nominating and Governance Committee, is responsible for providing an orientation and education program for new directors which deals with the following matters and such other matters the Board considers relevant:
  - (1) the role of the Board and its committees;
  - (2) the nature and operation of the business of the Corporation; and
  - (3) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

In addition, the Board, together with the Compensation, Nominating and Governance Committee is also responsible for providing continuing education opportunities to existing directors so that individual directors can maintain and enhance their abilities and ensure that their knowledge of the business of the Corporation remains current.

- (iv) Meetings – The Board shall endeavor to have at least four scheduled meetings a year. The Board is responsible for its agenda. Prior to each Board meeting, the Chair of the Board shall circulate an agenda to the Board. The Chair of the Board shall discuss the agenda items for the meeting with the CEO and, if a lead director has been appointed, the lead director. Materials for each meeting will be distributed to directors in advance of the meetings. Directors are expected to attend at least 75% of all meetings of the Board held in a given year, and are expected to adequately review meeting materials in advance of all such meetings.

The independent directors or non-management directors may meet at the end of each Board meeting without management and non-independent directors present. The Chair of the Board shall chair these meetings, unless the Chair of the Board is not an independent director, in which case the lead director shall chair these meetings. If a lead director has not been appointed, the independent directors shall appoint a chairman to chair these meetings. The independent directors shall appoint a person to maintain minutes of the meeting or, if no person is so appointed, the chair of the meeting shall maintain minutes of the meeting.

- (v) Committees – The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit Committee and the Compensation, Nominating and Governance Committee. Special committees are established from time to time to assist the Board in connection with specific matters. The Board will appoint the members of each committee and may appoint the chair of each committee annually following the Corporation’s annual meeting of shareholders. The chair of each committee reports to the Board following meetings of the relevant committee. The terms of reference of each standing committee are reviewed annually by the Board.
- (vi) Evaluation – The Compensation, Nominating and Governance Committee shall perform an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board, and the contributions of individual directors.
- (vii) Compensation – The Compensation, Nominating and Governance Committee shall recommend to the Board the compensation and benefits for non-management directors. The Compensation, Nominating and Governance Committee shall seek to ensure that such



compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the Corporation. The Compensation, Nominating and Governance Committee shall review all stock option grants and submit recommendations to the Board for approval.

- (viii) Nomination – Together with the Compensation, Nominating and Governance Committee, the Board and the individual directors from time to time, will identify and recommend new nominees as directors of the Corporation, based upon the following considerations:
  - (1) the competencies and skills necessary for the Board as a whole to possess;
  - (2) the competencies and skills necessary for each individual director to possess;
  - (3) the competencies and skills which each new nominee to the Board is expected to bring; and
  - (4) whether the proposed nominees to the Board will be able to devote sufficient time and resources to the Corporation.
- (ix) Access to independent advisors – The Board may at any time retain outside financial, legal or other advisors at the expense of the Corporation. Any director may, subject to the approval of the Compensation, Nominating and Governance Committee, retain an outside advisor at the expense of the Corporation.

### **3. LEAD DIRECTOR**

- (a) The Board will appoint a Lead Director in circumstances in which the Chair of the Board is not considered independent under applicable securities laws, in order to provide independent leadership to the Board and for the other purposes set forth below.
- (b) In circumstances where the Chair of the Board is not considered independent under applicable securities laws, the Compensation, Nominating and Governance Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board will be responsible for approving and appointing the Lead Director.
- (c) When appointed, the Lead Director will hold office at the pleasure of the Board, until a successor has been duly elected or appointed or until the Lead Director resigns or is otherwise removed from office by the Board.
- (d) When appointed, the Lead Director will provide independent leadership to the Board and will facilitate the functioning of the Board independently of the Corporation's management. Together with the Chair of the Compensation, Nominating and Governance Committee, the Lead Director will be responsible for overseeing the corporate governance practices of the Corporation.
- (e) When appointed, the Lead Director will:
  - (i) in conjunction with the Chair of the Compensation, Nominating and Governance Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
  - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
  - (iii) in the absence of the Chair of the Board, act as chair of meetings of the Board;

- (iv) recommend, where necessary, the holding of special meetings of the Board;
- (v) review with the Chair of the Board and the CEO items of importance for consideration by the Board;
- (vi) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and with or without the attendance of the Chair of the Board, and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
- (vii) together with the Chair of the Board, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the Chair of the Board and the CEO, formulate an agenda for each Board meeting;
- (viii) together with the Chair of the Board and the Chair of the Compensation, Nominating and Governance Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
- (ix) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
- (x) facilitate the process of conducting director evaluations;
- (xi) promote best practices and high standards of corporate governance; and
- (xii) perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time.

#### **4. APPROVAL**

Approved by the Board of Directors on September 17, 2018.

## **SCHEDULE “A”**

### **RIV CAPITAL INC.**

#### **POSITION DESCRIPTION FOR THE CHAIR OF THE BOARD OF DIRECTORS**

##### **1. PURPOSE**

The Chair of the Board shall be a director who is designated by the full Board to act as the leader of the Board.

##### **2. WHO MAY BE CHAIR**

The Chair of the Board will be selected amongst the directors of the Corporation who have a sufficient level of experience with corporate governance issues to ensure the leadership and effectiveness of the Board.

The Chair of the Board will be selected annually at the first meeting of the Board following the annual meeting of shareholders.

##### **3. RESPONSIBILITIES**

The following are the responsibilities of the Chair of the Board. The Chair of the Board may, where appropriate, delegate to or share with the Compensation, Nominating and Governance Committee and/or any other independent committee of the Board, certain of these responsibilities:

- (a) Chair all meetings of the Board in a manner that promotes meaningful discussion;
- (b) Provide leadership to the Board to enhance the Board’s effectiveness, including:
  - (i) ensure that the responsibilities of the Board are well understood by both management and the Board;
  - (ii) ensure that the Board works as a cohesive team with open communication;
  - (iii) ensure that the resources available to the Board (in particular timely and relevant information) are adequate to support its work;
  - (iv) together with the Compensation, Nominating and Governance Committee, ensure that a process is in place by which the effectiveness of the Board and its committees (including size and composition) is assessed at least annually; and
  - (v) together with the Compensation, Nominating and Governance Committee, ensure that a process is in place by which the contribution of individual directors to the effectiveness of the Board is assessed at least annually;
- (c) Manage the Board, including:
  - (i) prepare the agenda of the Board meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
  - (ii) adopt procedures to ensure that the Board can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
  - (iii) ensure meetings are appropriate in terms of frequency, length and content;

- (iv) ensure that, where functions are delegated to appropriate committees, the functions are carried out and results are reported to the Board;
  - (v) ensure that a succession planning process is in place to appoint senior members of management and directors when necessary;
  - (vi) ensure procedures are established to identify, assess and recommend new nominees for appointment to the Board and its committees; and
  - (vii) together with any special committee appointed for such purpose, approach potential candidates once potential candidates are identified, to explore their interest in joining the Board and proposing new nominees for appointment to the Board and its committees;
- (d) If the Chair of the Board is an independent director, the Chair will:
- (i) in conjunction with the Chair of the Compensation, Nominating and Governance Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
  - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
  - (iii) recommend, where necessary, the holding of special meetings of the Board;
  - (iv) review with the CEO items of importance for consideration by Board;
  - (v) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
  - (vi) ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties to supervise the management of the business and affairs of the Corporation, and together with the CEO, formulate an agenda for each Board meeting;
  - (vii) together with the Chair of the Compensation, Nominating and Governance Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
  - (viii) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
  - (ix) facilitate the process of conducting director evaluations; and
  - (x) promote best practices and high standards of corporate governance;
- (e) Act as liaison between the Board and management to ensure that relationships between the Board and management are conducted in a professional and constructive manner. This involves working with the Compensation, Nominating and Governance Committee to ensure that the Corporation is building a healthy governance culture; and
- (f) At the request of the Board, represent the Corporation to external groups such as shareholders and other stakeholders, including community groups and governments.

**SCHEDULE "B"**  
**SHARE UNIT PLAN**

Please see attached.

**RIV CAPITAL INC.**  
**SHARE UNIT PLAN FOR NON-EMPLOYEE DIRECTORS**

Enacted on March 18, 2020, amended on February 25, 2021 and further amended on August 8, 2023

## **Section 1        Interpretation**

### **1.1                Purpose**

The purposes of the Plan are:

- (a) to promote a greater alignment of long-term interests between Non-Employee Directors and Shareholders; and
- (b) to provide a compensation system for Non-Employee Directors that, together with the other Director compensation mechanisms of the Corporation, is reflective of the responsibility, commitment and risk accompanying membership on the Board and the performance of the duties required of the various committees of the Board.

### **1.2                Definitions**

As used in the Plan, the following terms have the following meanings:

- (a) “**Account**” means the account maintained by the Corporation in its books for each Participant to record the Share Units credited to such Participant under the Plan;
- (b) “**Annual Period**” means a fiscal year of the Corporation, which, until changed by the Corporation, shall be the 12-month period ending March 31, and “**Annually**” means each such fiscal year;
- (c) “**Annual Remuneration**” means all amounts ordinarily payable in cash to a Non-Employee Director by the Corporation in respect of the services provided by the Non-Employee Director to the Corporation in connection with such Non-Employee Director’s service on the Board in an Annual Period, including as applicable and without limitation (i) the Annual Retainer; (ii) the fee for serving as a member of a Board committee; and (iii) the fee for chairing a Board committee. For greater certainty, “**Annual Remuneration**” shall exclude any meeting fees payable in respect of attendance at individual meetings and amounts received by a Non-Employee Director as a reimbursement for expenses incurred in attending meetings;
- (d) “**Annual Retainer**” means the annual base retainer fee payable to a Non-Employee Director by the Corporation for serving as a Director;
- (e) “**Applicable Law**” means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder and Stock Exchange Rules;
- (f) “**Award Agreement**” means a written agreement setting out the terms of any Share Unit award under Section 2.3(b) in the form of Schedule B hereto, or such other form as may be prescribed by the Board from time to time;
- (g) “**Beneficiary**” means an individual who, on the date of a Participant’s death, is the person who has been designated in accordance with Section 5.7 and the laws applying to the Plan, or where no such individual has been validly designated by the Participant, or where the individual does not survive the Participant, the Participant’s legal representative;
- (h) “**Board**” means the Board of Directors of the Corporation;
- (i) “**Change in Control**” means:
  - (i) the acquisition by any “offeror” (as defined in the *Securities Act* (Ontario)) of beneficial ownership of more than 50% of the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;

- (ii) any consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities, or pursuant to which Shares would be converted into cash, securities or other property, other than a merger of the Corporation in which Shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;
  - (iii) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation;
  - (iv) the approval by the Shareholders of any plan of liquidation or dissolution of the Corporation; or
  - (v) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board, unless such election or appointment is approved by 50% or more of the Board in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened;
- (j) “**Conversion Date**” means the date used to determine the Fair Market Value of a Share Unit for purposes of determining the number of Share Units to be credited to a Participant under Section 2.3;
- (k) “**Corporation**” means RIV Capital Inc., and any successor corporation whether by amalgamation, arrangement, merger, transfer of all or substantially all corporate assets or otherwise;
- (l) “**Director**” means a member of the Board;
- (m) “**Election Notice**” means the written election under Section 2.2 to receive Share Units, in the form of Schedule A hereto, or such other form as may be prescribed by the Board from time to time;
- (n) “**Fair Market Value**” means, with respect to any particular date:
- (i) if the Shares are listed on only one Stock Exchange, the volume weighted average trading price per Share on such Stock Exchange during the immediately preceding five (5) Trading Days;
  - (ii) if the Shares are listed on more than one Stock Exchange, the Fair Market Value as determined in accordance with paragraph (i) above for the Stock Exchange on which the greatest volume of trading of the Shares occurred during the immediately preceding twenty (20) Trading Days; and
  - (iii) if the Shares are not listed for trading on a Stock Exchange, a price which is determined by the Board in good faith to be the fair market value of the Shares;
- (o) “**Insider**” has the meaning ascribed thereto in the Toronto Stock Exchange Company Manual with respect to Security Based Compensation Arrangements, provided that if the Shares are not listed on the Toronto Stock Exchange, “**Insider**” shall have the meaning ascribed to “reporting insiders” in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions*;
- (p) “**Non-Employee Director**” means a Director who is not an officer or employee of the Corporation or any subsidiary thereof, and includes any non-executive Chair of the Board;
- (q) “**Participant**” means a Non-Employee Director to whom Share Units have been credited under the Plan;



- (r) “**Plan**” means this RIV Capital Inc. Share Unit Plan for Non-Employee Directors, as amended from time to time;
- (s) “**Security Based Compensation Arrangements**” has the meaning ascribed thereto in the Toronto Stock Exchange Company Manual provided that if the Shares are not listed on the Toronto Stock Exchange, “**Security Based Compensation Arrangement**” shall mean a stock option, stock appreciation right, stock option plan, employee stock purchase plan, share unit plan, deferred share unit plan or any other compensation or incentive mechanism, in each case, involving the issuance or potential issuance of Shares as compensation including a Share purchase from treasury which is financially assisted by the Corporation by way of a loan, guaranty or otherwise.
- (t) “**Share Unit**” means a unit credited by the Corporation to a Participant by way of a bookkeeping entry in the books of the Corporation, as determined by the Board, pursuant to the Plan, the value of which at any particular date shall be the Fair Market Value at that date;
- (u) “**Shareholder**” means a holder of a Share;
- (v) “**Shares**” means the Class A common shares of the Corporation or, in the event of an adjustment contemplated by Section 2.6 hereof, such other security as may be substituted for a Class A common share as a result of such adjustment and “**Share**” means any one of them;
- (w) “**Stock Exchange**” means the Toronto Stock Exchange and such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market;
- (x) “**Stock Exchange Rules**” means the applicable rules of any Stock Exchange upon which any Shares are listed; and
- (y) “**Trading Day**” means any date on which the Stock Exchange is open for the trading of Shares and on which Shares are actually traded.

### **1.3 Effective Date**

The Corporation established the Plan on March 18, 2020, amended the Plan effective as of February 25, 2021 and further amended the Plan effective as of August 8, 2023.

### **1.4 Eligibility**

Each Non-Employee Director shall be eligible to receive Share Units under the Plan. If a Participant becomes an officer (other than non-executive Chair of the Board) or employee of the Corporation while remaining as a Director, such individual’s eligibility to receive Share Units pursuant to an election in accordance with Section 2.2 shall be suspended effective as of the date of the commencement of such individual’s employment and shall resume upon termination of such employment provided such individual continues as a Director. During the period of such ineligibility, such individual shall be entitled to continue to be credited with Share Units allocated as dividend equivalents under Section 2.4 for Share Units received under the Plan prior to such period of ineligibility.

### **1.5 Construction**

In this Plan, references to the singular shall include the plural and vice versa, as the context shall require. If any provision of the Plan or part hereof is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof. Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions contained herein. References to a Section or Sections mean a section or sections contained in the Plan unless expressly stated otherwise. All amounts referred to in this Plan are stated in Canadian dollars unless otherwise indicated.

## **1.6 Administration**

The Board shall, in its sole and absolute discretion: (a) interpret and administer the Plan; (b) establish, amend and rescind any rules and regulations relating to the Plan; (c) have the power to delegate, on such terms as the Board deems appropriate, any or all of its powers hereunder to any committee of the Board or officer of the Corporation; (d) amend the Plan or vary the terms of any outstanding Share Units or Award Agreement, subject to Section 5.3; (e) make any other determinations that the Board deems necessary or desirable for the administration of the Plan. Any decision of the Board with respect to the administration and interpretation of the Plan shall be conclusive and binding on all Non-Employee Directors and any other person claiming an entitlement or benefit through a Non-Employee Director. All expenses of administration of the Plan shall be borne by the Corporation as determined by the Board. Where the Board has delegated any of its powers with respect to any matter hereunder to any committee of the Board or officer of the Corporation any reference in the Plan to a determination, decision or other action by the Board with respect to such matter shall be construed as a reference to such committee or officer.

## **1.7 Governing Law**

The Plan shall be governed by and interpreted in accordance with the laws of the Province of Ontario and any actions, proceedings or claims in any way pertaining to the Plan shall be commenced in the courts of the Province of Ontario.

## **Section 2 Election Under the Plan and Share Unit Awards**

### **2.1 Payment of Director's Annual Remuneration**

Subject to Section 2.2 and such rules, regulations, policies, approvals and conditions as the Board may impose, a Non-Employee Director may elect to receive Annual Remuneration, or such component(s) of the Non-Employee Director's Annual Remuneration (as described in clauses (i), (ii) and (iii) of the definition of Annual Remuneration) as may be specified in the rules, regulations and policies established by the Board in respect of the Plan, in the form of Share Units, which shall be credited to the Non-Employee Director's Account Annually.

### **2.2 Non-Employee Director Election Process**

- (a) Subject to Section 2.2(d) and Section 5.4, a person who is a Non-Employee Director on the effective date of the Plan may elect to receive an amount or percentage (as specified in the Election Notice) of the Annual Remuneration, or a specified component of that Annual Remuneration, as contemplated in Section 2.1, that may be earned by such Non-Employee Director after such effective date of the Plan in Share Units by completing and delivering to the Secretary of the Corporation an initial Election Notice by no later than thirty (30) days after the effective date of the Plan, which shall apply to the Non-Employee Director's Annual Remuneration earned in Annual Periods that commence after the date the election is made.
- (b) Subject to Section 2.2(d) and Section 5.4, an individual who becomes a Non-Employee Director during a year may elect to receive an amount or percentage (as specified in the Election Notice) of the Annual Remuneration, or a specified component of that Annual Remuneration, as contemplated in Section 2.1, that may be earned by such Non-Employee Director after the date the election is made in Share Units by completing and delivering to the Secretary of the Corporation an Election Notice within thirty (30) days after the individual becomes a Non-Employee Director.
- (c) Subject to Section 2.2(d) and Section 5.4, a Non-Employee Director who has previously made an election under this Section 2.2, or who has never made any election under the Plan but who was previously eligible to do so, may elect to change the amount or percentage or to commence receiving an amount or percentage (each as specified in the Election Notice), as applicable, of Annual Remuneration, or a specified component of that Annual Remuneration, as contemplated in Section 2.1, for subsequent Annual Periods in Share Units by completing and delivering to the Secretary of the Corporation an Election Notice on or before the last day of the Annual Period immediately preceding the Annual Period to which such Election Notice is to apply.

- (d) Notwithstanding any of the foregoing provisions of Section 2, the Corporation shall not effect any election under this Section 2.2 (and shall notify any applicable Non-Employee Director of such determination) where the Board does not believe such action is appropriate having regard for any material information to which the Board may be privy that has not been publicly disclosed.
- (e) The Board may prescribe election forms for use by Non-Employee Directors who are residents of a jurisdiction other than Canada that differ from the election forms it prescribes for use by Canadian resident Non-Eligible Directors where the Board determines it is necessary or desirable to do so to obtain comparable treatment for the Plan, the Non-Employee Directors or the Corporation under the laws or regulatory policies of such other jurisdiction as is provided under the laws and regulatory policies of Canada and its Provinces, provided that no election form prescribed for use by a non-resident of Canada shall contain terms that would cause the Plan to cease to meet the requirements of Section 7 of the *Income Tax Act* (Canada) and any successor to such provisions.
- (f) For greater certainty, if the Corporation establishes a policy for members of the Board with respect to the acquisition and/or holding of Shares and / or Share Units, each Non-Employee Director shall ensure that any election made by such Non-Employee Director under this Section 2.2 complies with such policy.

### **2.3 Share Unit Awards**

- (a) Share Units elected by a Non-Employee Director pursuant to Section 2.2 that relate to the Non-Employee Director's services as a member of the Board in an Annual Period shall be credited to the Non-Employee Director's Account as of the applicable Conversion Date, which, unless otherwise determined by the Board (and announced by way of press release), shall be the last day of such Annual Period. The number of Share Units (including fractional Share Units) to be credited to a Non-Employee Director's Account as of a particular Conversion Date pursuant to this Section 2.3(a) shall be determined by dividing the portion of that Non-Employee Director's Annual Remuneration for the applicable period to be satisfied by Share Units by the Fair Market Value on the particular Conversion Date.
- (b) The Board may award such number of Share Units to a Non-Employee Director as the Board deems advisable to provide the Non-Employee Director with appropriate equity-based compensation for the services such Non-Employee Director renders to the Corporation as a Director in addition to any Share Units granted pursuant to Section 2.3(a). The Board shall determine the date on which such Share Units may be granted and the Conversion Date as of which such Share Units shall be credited to the Non-Employee Director's Share Unit Account, together with any terms or conditions with respect to the vesting of such Share Units. The Corporation and a Non-Employee Director who receives an award of Share Units pursuant to this Section 2.3(b) shall enter into an Award Agreement to evidence the award and the terms applicable thereto.
- (c) Share Units credited to a Participant's Account under Section 2.3(a), together with any additional Share Units granted in respect thereof under Section 2.4, will be fully vested upon being credited to the Participant's Account and the Participant's entitlement to payment of such Share Units as of the payment date provided for in Section 3.1 shall not thereafter be subject to satisfaction of any requirements as to any minimum period of membership on the Board.
- (d) Share Units credited to a Participant's Account under Section 2.3(b), together with any additional Share Units granted in respect thereof under Section 2.4, will vest in accordance with such terms and conditions as may be determined by the Board and set out in the Award Agreement.

### **2.4 Dividends**

On any payment date for dividends paid on Shares, a Participant shall be credited with dividend equivalents in respect of Share Units credited to the Participant's Account as of the record date for payment of such dividends. Such dividend

equivalents shall be converted into additional Share Units (including fractional Share Units) based on the Fair Market Value as of the date on which the dividends on the Shares are paid.

## **2.5 Participant's Account**

A Participant's Account shall record at all times the number of Share Units standing to the credit of the Participant. Upon payment in satisfaction of Share Units credited to a Participant in the manner described herein, such Share Units shall be cancelled. A written confirmation of the balance in each Participant's Account shall be provided by the Corporation to the Participant at least Annually.

## **2.6 Adjustments and Reorganizations**

Notwithstanding any other provision of the Plan, in the event of any change in the Shares by reason of any stock dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other form of corporate reorganization whatsoever, an equitable adjustment permitted under Applicable Law shall be made to any Share Units then outstanding and any references to specific quantities (including, but not limited to, percentage limits) of Shares or Share Units under the Plan. Such adjustment shall be made by the Board, subject to Applicable Law, shall be conclusive and binding for all purposes of the Plan.

## **Section 3 Redemptions**

### **3.1 Redemption of Share Units**

- (a) Subject to Section 3.1(c) and unless otherwise determined by the Board, each grant of Share Units credited to a Participant's Account pursuant to an election under Section 2.2 shall be redeemed, together with any dividend equivalent Share Units attributable thereto, in three equal instalments on each of the first three anniversaries of the Conversion Date applicable to such Share Unit grant for the purposes of Section 2.3(a).
- (b) Subject to Section 3.1(c) and unless otherwise determined by the Board, Share Units credited to a Participant's Account pursuant to an award under Section 2.3(b) that have vested shall be redeemed, together with any vested dividend equivalent Share Units attributable thereto, in accordance with the Award Agreement governing such Share Units.
- (c) In the event of a Change in Control, all Share Units that have been credited to a Participant under the Plan and not redeemed prior to such Change in Control shall be redeemed immediately prior to the effective time of the Change in Control.

### **3.2 Settlement of Share Units**

A Participant, or the Beneficiary of a Participant, as the case may be, whose Share Units are redeemed pursuant to Section 3.1 shall be entitled to receive one Share from the Corporation for each whole Share Unit then being settled, subject to Section 5.12.

### **3.3 Fractional Shares**

No fractional Shares shall be issued upon the surrender of any Share Unit and, if as a result of any adjustment, a Participant would become entitled to a fractional Share, such Participant shall have the right to receive only the next lowest whole number of Shares and no payment or other adjustment will be made for the fractional interest.

## **Section 4**      **Shares Subject to the Plan**

### **4.1**              **Total Number of Shares**

Subject to adjustment as provided for in Section 2.6, the maximum number of Shares that may be issued or issuable under the Plan shall be a number equal to 1.0% of the number of issued and outstanding Shares on a non-diluted basis from time to time.

### **4.2**              **Additional Limits.**

Notwithstanding any other provision of this Plan or any agreement relating to Share Units, no Share Units shall be granted under this Plan if:

- (a) together with any other Security Based Compensation Arrangements established or maintained by the Corporation, such grant of Share Units could result, at any time, in the aggregate number of Shares (i) issued to Insiders, within any one-year period or (ii) issuable to Insiders, at any time, exceeding 10% of the issued and outstanding Shares on a non-diluted basis;
- (b) such grant of Share Units to a Non-Employee Director is pursuant to Section 2.3(b) (or in respect thereof under Section 2.4) and will result in: (i) the aggregate number of Shares reserved for issuance to all Non-Employee Directors pursuant to outstanding Share Units granted under the Plan pursuant to Section 2.3(b) (or in respect thereof under Section 2.4) and all other Security Based Compensation Arrangements providing for the equity awards other than in lieu of cash fees exceeding 1.0% of the total number of Shares then-issued and outstanding; or (ii) the Fair Market Value of Share Units on their date of granting to any Non-Employee Director under the Plan pursuant to Section 2.3(b) (or in respect thereof under Section 2.4) and all other Security Based Compensation Arrangements providing for the equity awards other than in lieu of cash fees exceeding \$150,000 per year.

## **Section 5**      **General**

### **5.1**              **Rights as an Unsecured Creditor**

To the extent any individual holds any rights by virtue of an election under the Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured general creditor of the Corporation.

### **5.2**              **Successors and Assigns**

The Plan shall be binding on all successors and permitted assigns of the Corporation and a Participant, including without limitation, the estate of such Participant and the legal representative of such estate, or any receiver or trustee in bankruptcy or representative of the Corporation's or the Participant's creditors. Rights of Participants respecting Share Units and other benefits under the Plan shall not be transferable or assignable other than by will or the laws of descent and distribution.

### **5.3**              **Plan Amendments and Approvals**

- (a) This Plan is subject to the approval of a majority of the votes cast at the next succeeding meeting of the Shareholders and the final approval of the Stock Exchange. Any Share Units granted under this Plan prior to such time shall not be settled or binding on the Corporation unless and until such Shareholder approval and Stock Exchange approval is obtained. If this Plan is not approved by the majority of the votes cast at a meeting of the Shareholders and the Stock Exchange, it and all Share Units granted thereunder shall terminate and be null and void.
- (b) Subject to Section 5.3(c), the Board may at any time and for any reason amend, suspend or terminate this Plan, in whole or in part, and this Plan shall govern the rights and obligations of the Corporation and the Participants, as applicable, with respect to all then outstanding Share Units, provided that no such amendment, suspension or termination of this Plan may, without the consent of a Participant

to whom Share Units shall theretofore have been granted, adversely affect the rights of such Participant's outstanding Share Units, as determined by the Board acting in good faith.

- (c) Notwithstanding Section 5.3(b), except as set forth in Section 2.6 or Section 5.7, the Board may not, without approval by a majority of the votes cast by the holders of Shares present and voting in person or by proxy at a meeting of Shareholders:
- (i) increase the maximum percentage of Shares issuable by the Corporation pursuant to the Plan in Section 4.1;
  - (ii) expand the authority of the Board to permit assignability of the Share Units beyond that contemplated by Section 5.2;
  - (iii) increase or delete the percentage limit relating to Shares issuable or issued to Insiders in Section 4.2(a);
  - (iv) increase or delete any limit in Section 4.2(b);
  - (v) amend the Plan to provide for other types of compensation through equity issuance; and
  - (vi) amend this Section 5.3(c) or Section 5.3(b), other than as permitted under Stock Exchange Rules; and

for greater certainty and without limiting the foregoing, Shareholder approval shall not be required for the following amendments and the Board may make the following changes without Shareholder approval, subject to any applicable regulatory approvals including, where required, the approval of any Stock Exchange:

- (vii) amendments of a "housekeeping" nature;
- (viii) a change to the termination provisions of any Share Unit; or
- (ix) amendments to the provisions relating to a Change in Control.

#### **5.4 Applicable Trading Policies and Reporting Requirements**

The Board and each Participant will ensure that all actions taken and decisions made by the Board or a Participant, as the case may be, pursuant to the Plan, comply with applicable securities regulations and policies of the Corporation relating to insider trading and "black out" periods.

#### **5.5 Currency**

Except as otherwise determined by the Board, payments and benefits under the Plan shall be determined and paid in the lawful currency of Canada.

#### **5.6 Designation of Beneficiary**

Subject to the requirements of Applicable Law, a Participant may designate in writing a person who is a dependant or relation of the Participant as a beneficiary to receive any benefits that are payable under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in the form of Schedule C. Changes to such designation may be filed from time to time thereafter.

## **5.7 Death of Participant**

In the event of a Participant's death, any and all Share Units then credited to the Participant's Account shall become payable to the Participant's Beneficiary in accordance with Section 3.2 as soon as reasonably practicable after the Participant's date of death.

## **5.8 Rights of Participants**

- (a) Except as specifically set out in the Plan, no Participant, or any other person shall have any claim or right to any benefit in respect of Share Units granted or amounts payable pursuant to the Plan.
- (b) The Plan shall not be construed as granting a Participant a right to be retained as a member of the Board or a claim or right to any future grants of Share Units, future amounts payable or other benefits under the Plan.
- (c) Under no circumstances shall Share Units be considered Shares nor shall they entitle any Participant or other person to exercise voting rights or any other rights attaching to the ownership of Shares.

## **5.9 Compliance with Law**

Any obligation of the Corporation pursuant to the terms of the Plan is subject to compliance with Applicable Law. The Participants shall comply with Applicable Law and furnish the Corporation with any and all information and undertakings as may be required to ensure compliance therewith.

## **5.10 Administration Costs**

The Corporation will be responsible for all costs relating to the administration of the Plan.

## **5.11 Limited Liability**

No member of the Board or any officer or employee of the Corporation or any subsidiary, partnership, trust of the Corporation or other controlled entity of the Corporation shall be liable for any action or determination made in good faith pursuant to the Plan, any Election Notice or Award Agreement under the Plan. To the fullest extent permitted by law, the Corporation shall indemnify and save harmless each person made, or threatened to be made, a party to any action or proceeding in respect of the Plan by reason of the fact that such person is or was a member of the Board or is or was an officer or employee of the Corporation or any subsidiary, partnership, trust of the Corporation or other controlled entity of the Corporation.

## **5.12 Withholding**

So as to ensure that the Corporation will be able to comply with the applicable provisions of any Applicable Law relating to the withholding of tax or other required deductions, the Corporation shall withhold or cause to be withheld from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary to permit the Corporation, as applicable, to so comply. The Corporation may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Corporation may determine in its sole discretion, by (a) selling on such Participant's behalf, or requiring such Participant to sell, any Shares, and retaining any amount payable which would otherwise be provided or paid to such Participant in connection with any such sale, or (b) requiring, as a condition to the delivery of Shares in settlement of any Participant's Share Units, that such Participant make such arrangements as the Corporation may require so that the Corporation can satisfy such withholding obligations, including requiring such Participant to remit an amount to the Corporation in advance, or reimburse the Corporation for, any such withholding obligations.

**SCHEDULE A**

**RIV Capital Inc. Share Unit Plan for Non-Employee Directors (the "Plan")**

**ELECTION NOTICE**

**I. Election:**

Subject to Part II of this Notice, I hereby elect to receive the following amount or percentage of my Annual Remuneration, or a specified component of that Annual Remuneration, earned in Annual Periods commencing after \_\_\_\_\_ by way of share units ("**Share Units**")\*:

Type of Compensation	Amount	Percentage in Share Units
	\$	%

\*The balance, if any, will be payable in cash each fiscal quarter within the Annual Period, in arrears

Upon redemption of the Share Units, Shares should be issued, registered and delivered in accordance with the following instructions, which I may change from time to time upon written notice to the Corporation:

Registration Instructions	Registration Address	Delivery Address

**II. Acknowledgement**

I confirm and acknowledge that:

1. I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.
2. I do not possess any material non-public information about the Corporation that has not been publicly disclosed.
3. Share Units granted pursuant to this election will be credited to me on or about the last day of each Annual Period following the effective date of this election.
4. I will not be able to cause the Corporation to redeem Share Units granted under the Plan until the date specified in the Plan.
5. When Share Units credited to my Account pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the Share Units, the Corporation will make all appropriate withholdings as required by law at that time.
6. The value of the Share Units is based on the value of the Shares and therefore is not guaranteed.
7. This election is irrevocable until changed with respect to future Annual Remuneration in accordance with Section 2.2(c) of the Plan.
8. The foregoing is only a brief outline of certain key provisions of the Plan. In the event of any discrepancy between the terms of the Plan and the terms of this Election Notice, the terms of the Plan shall prevail. All capitalized expressions used herein shall have the same meaning as in the Plan unless otherwise defined above.

\_\_\_\_\_  
Date

\_\_\_\_\_  
(Name of Participant)

\_\_\_\_\_  
(Signature of Participant)



**Schedule B**

**RIV Capital Inc. Share Unit Plan for Non-Employee Directors (the "Plan")**

**AWARD AGREEMENT**

**I. Agreement and Grant**

This Agreement is entered into between RIV Capital Inc. (the “**Corporation**”) and the individual named below (the “**Participant**”) pursuant to Section 2.3(b) of the Plan and confirms that effective , 20 (the “**Conversion Date**”) share units (“**Share Units**”) have been granted by the Corporation to the Participant on the terms set out in this Agreement and the Plan.

**II. Vesting/Redemption**

All Share Units referred to in Part I above, together with any additional Share Units credited to the Participant’s Account pursuant to Section 2.4 of the Plan in respect of such Share Units shall at all times following their grant be fully vested in the Participant, and shall not be subject to forfeiture. Such Share Units shall be redeemed in three equal instalments on each of the first three anniversaries of the Conversion Date.

**III. Acknowledgement**

The Participant confirms and acknowledges that:

1. He/she has received and reviewed a copy of the terms of the Plan and this Agreement and agrees to be bound by them.
2. Only Share Units that vest in accordance with Part II above may be redeemed by the Participant or the Participant’s Beneficiary.
3. He/she will not be able to cause the Corporation to redeem Share Units referred to in Part I above or any additional Share Units credited to the Participant’s Account pursuant to Section 2.4 of the Plan in respect of such Share Units until the date specified herein.
4. When Share Units referred to in Part I above and additional Share Units credited to the Participant’s Account pursuant to this election are redeemed in accordance with the terms of the Plan after he/she is no longer either a director of the Corporation, income tax and other withholdings as required will arise at that time. Upon redemption of the Share Units, the Corporation will make all appropriate withholdings as required by law at that time.
5. The value of the Share Units is based on the value of the Shares and therefore is not guaranteed.
6. In the event of any discrepancy between the terms of the Plan and the terms of this Agreement, the terms of the Plan shall prevail. All capitalized expressions used herein shall have the same meaning as in the Plan unless otherwise specified herein.

**IN WITNESS WHEREOF** the Corporation and Participant have executed this Agreement as of the Conversion Date.

By: \_\_\_\_\_  
(Signature of Participant)

\_\_\_\_\_  
(Name of Participant)

**RIV CAPITAL INC.**

By: \_\_\_\_\_

(Signature)

**SCHEDULE C**

**BENEFICIARY DESIGNATION**

To: Secretary – RIV Capital Inc.

I, \_\_\_\_\_, being a Participant in the RIV Capital Inc. Share Unit Plan for Non-Employee Directors (the “**Plan**”) hereby designate the following person as my Beneficiary for purposes of the Plan:

Name of Beneficiary: \_\_\_\_\_

Address of Beneficiary: \_\_\_\_\_

\_\_\_\_\_

This designation revokes any previous beneficiary designation made by me under the Plan. Under the terms of the Plan, I reserve the right to revoke this designation and to designate another person as my Beneficiary.

Date: \_\_\_\_\_

Name: \_\_\_\_\_(please print)

Signature: \_\_\_\_\_

**SCHEDULE "C"**  
**LONG TERM INCENTIVE PLAN**

Please see attached.

**RIV CAPITAL INC.**  
**LONG TERM INCENTIVE PLAN**

Enacted on March 18, 2020, amended on February 25, 2021 and further amended on August 8, 2023

## PART I – GENERAL PROVISIONS

### 1. PREAMBLE AND DEFINITIONS

#### 1.1 Title.

The Plan described in this document shall be called the “RIV Capital Inc. Long Term Incentive Plan”.

#### 1.2 Purpose of the Plan.

The purposes of the Plan are:

- (a) to promote a further alignment of interests between officers, employees and other eligible service providers and the shareholders of the Corporation;
- (b) to associate a portion of the compensation payable to officers, employees and other eligible service providers with the returns achieved by shareholders of the Corporation; and
- (c) to attract and retain officers, employees and other eligible service providers with the knowledge, experience and expertise required by the Corporation.

#### 1.3 Definitions.

1.3.1 “**Affiliate**” means a related entity of the Corporation within the meaning of National Instrument 45-106 – *Prospectus Exemptions*, as such instrument may be amended, supplemented or replaced from time to time.

1.3.2 “**Applicable Law**” means any applicable provision of law, domestic or foreign, including, without limitation, applicable securities legislation, together with all regulations, rules, policy statements, rulings, notices, orders or other instruments promulgated thereunder, and Stock Exchange Rules.

1.3.3 “**Base Price**” means the base dollar amount used to calculate the amount, if any, payable to a Participant with respect to a Share subject to a Stand-Alone SAR upon settlement thereof, which base dollar amount shall be determined in accordance with Section 10.6.

1.3.4 “**Beneficiary**” means, subject to Applicable Law, an individual who has been designated by a Participant, in such form and manner as the Board may determine, to receive benefits payable under the Plan upon the death of the Participant, or, where no such designation is validly in effect at the time of death, the Participant’s legal representative.

1.3.5 “**Blackout Period**” means a period of time when, pursuant to any policies of the Corporation, any securities of the Corporation may not be traded by certain persons as designated by the Corporation, including any holder of a Grant.

1.3.6 “**Board**” means the Board of Directors of the Corporation.

1.3.7 “**Cause**” means:

- (a) subject to (b) below, “just cause” or “cause” for Termination by the Corporation or an Affiliate as determined under Applicable Law;
- (b) where a Participant has a written employment agreement with the Corporation or an Affiliate, “Cause” as defined in such employment agreement, if applicable; or
- (c) where a Participant provides services as an independent contractor pursuant to a contract for services with the Corporation or an Affiliate, any material breach of such contract.

1.3.8 **“Change in Control”** means:

- (a) the acquisition by any “offeror” (as defined in the *Securities Act* (Ontario)) of beneficial ownership of more than 50% of the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
- (b) any consolidation, reorganization, merger, amalgamation or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities, or pursuant to which Shares would be converted into cash, securities or other property, other than a merger of the Corporation in which Shareholders immediately prior to the merger have the same proportionate ownership of stock of the surviving corporation immediately after the merger;
- (c) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation;
- (d) the approval by the Shareholders of any plan of liquidation or dissolution of the Corporation; or
- (e) the replacement by way of election or appointment at any time of one-half or more of the total number of the then incumbent members of the Board, unless such election or appointment is approved by 50% or more of the Board in office immediately preceding such election or appointment in circumstances where such election or appointment is to be made other than as a result of a dissident public proxy solicitation, whether actual or threatened.

1.3.9 **“Corporation”** means RIV Capital Inc., and includes any successor corporation thereof.

1.3.10 **“Director”** means a director of the Corporation from time to time.

1.3.11 **“Disability”** means:

- (a) subject to (b) below, a Participant’s physical or mental incapacity that prevents him/her from substantially fulfilling his or her duties and responsibilities on behalf of the Corporation or, if applicable, an Affiliate, as determined by the Board and, in the case of a Participant who is an employee of the Corporation or an Affiliate, in respect of which the Participant commences receiving, or is eligible to receive, disability benefits under the Corporation’s or Affiliate’s long-term disability plan; or
- (b) where a Participant has a written employment agreement with the Corporation or an Affiliate, **“Disability”** as defined in such employment agreement, if applicable.

1.3.12 **“Disability Date”** means, in relation to a Participant, that date determined by the Board to be the date on which the Participant experienced a Disability.

1.3.13 **“Eligible Person”** means an individual Employed by the Corporation or any Affiliate, including a Service Provider, who, by the nature of his or her position or job is, in the opinion of the Board, in a position to contribute to the success of the Corporation.

1.3.14 **“Employed”** means, with respect to a Participant, that:

- (a) the Participant is rendering services to the Corporation or an Affiliate (excluding services as a Director) including as a Service Provider (referred to in Section 1.3.43 as “active Employment”); or
- (b) the Participant is not actively rendering services to the Corporation or an Affiliate due to an approved leave of absence, maternity or parental leave or leave on account of Disability.

For greater certainty, a Participant shall not be considered to be Employed on a Vesting Date if, prior to such Vesting Date, such Participant received a payment in lieu of notice of termination of employment, whether under a contract of employment, as damages or otherwise.

and “**Employment**” has the corresponding meaning.

- 1.3.15 “**Exercise Price**” means, (i) with respect to an Option, the price payable by a Participant to purchase one Share on exercise of such Option, which shall not be less than one hundred percent (100%) of the Market Price on the Grant Date of the Option covering such Share, and (ii) with respect to a Tandem SAR, the Exercise Price (as defined in paragraph (i) above) applicable to the Option to which the Tandem SAR relates, in each case subject to adjustment pursuant to Section 5.
- 1.3.16 “**Grant**” means a grant or right granted under the Plan consisting of one or more Options, Stock Appreciation Rights, RSUs or PSUs, shares of Restricted Stock or such other award as may be permitted hereunder.
- 1.3.17 “**Grant Agreement**” means an agreement between the Corporation and a Participant evidencing a Grant and setting out the terms under which such Grant is made, together with such schedules, amendments, deletions or changes thereto as are permitted under the Plan.
- 1.3.18 “**Grant Date**” means the effective date of a Grant.
- 1.3.19 “**Insider**” means an insider of the Corporation as defined in the rules of the Toronto Stock Exchange Company Manual for the purpose of security based compensation arrangements.
- 1.3.20 “**Market Price**” means, with respect to any particular date:
- (a) if the Shares are listed on only one Stock Exchange, the volume weighted average trading price per Share on such Stock Exchange during the immediately preceding five (5) Trading Days;
  - (b) if the Shares are listed on more than one Stock Exchange, the Market Price as determined in accordance with paragraph (a) above for the primary Stock Exchange on which the greatest volume of trading of the Shares occurred during the immediately preceding twenty (20) Trading Days; and
  - (c) if the Shares are not listed for trading on a Stock Exchange, a price which is determined by the Board in good faith to be the fair market value of the Shares.
- 1.3.21 “**Option**” means an option to purchase a Share granted by the Board to an Eligible Person in accordance with Section 3 and Section 9.1.
- 1.3.22 “**Participant**” means an Eligible Person to whom a Grant is made and which Grant or a portion thereof remains outstanding.
- 1.3.23 “**Performance Conditions**” means such financial, personal, operational or transaction-based performance criteria as may be determined by the Board in respect of a Grant to any Participant or Participants and set out in a Grant Agreement. Performance Conditions may apply to the Corporation, an Affiliate, the Corporation and its Affiliates as a whole, a business unit of the Corporation or group comprised of the Corporation and some Affiliates or a group of Affiliates, either individually, alternatively or in any combination, and measured either in total, incrementally or cumulatively over a specified performance period, on an absolute basis or relative to a pre-established target or milestone, to previous years’ results or to a designated comparator group, or otherwise, and may incorporate multipliers or adjustments based on the achievement of any such performance criteria.
- 1.3.24 “**Performance Period**” means, with respect to PSUs, a period specified by the Board for achievement of any applicable Performance Conditions as a condition to Vesting.



- 1.3.25 “**Performance Share Unit**” or “**PSU**” means a right granted to an Eligible Person in accordance with Section 3.1(c) and (d) and Section 13.1 to receive a Share or the Market Price, as determined by the Board, that generally becomes Vested, if at all, subject to the attainment of certain Performance Conditions and satisfaction of such other conditions to Vesting, if any, as may be determined by the Board.
- 1.3.26 “**Plan**” means this RIV Capital Inc. Long Term Incentive Plan, including any schedules or appendices hereto, as may be amended from time to time.
- 1.3.27 “**Restricted Share Unit**” or “**RSU**” means a right granted to an Eligible Person in accordance with Section 3.1(c) and (d) and Section 13.1 to receive a Share or the Market Price, as determined by the Board, that generally becomes Vested, if at all, following a period of continuous Employment of the Participant.
- 1.3.28 “**Restricted Stock**” means Shares granted to a Participant that are subject to a Restriction (as defined in Section 17).
- 1.3.29 “**Restrictive Covenant**” means any obligation of a Participant to the Corporation or an Affiliate to (A) maintain the confidentiality of information relating to the Corporation or the Affiliate and/or its business, (B) not engage in employment or business activities that compete with the business of the Corporation or the Affiliate, (C) not solicit employees or other service providers, customers and/or suppliers of the Corporation or the Affiliate, whether during or after employment with the Corporation or Affiliate, and whether such obligation is set out in a Grant Agreement issued under the Plan or other agreement between the Participant and the Corporation or Affiliate, including, without limitation, an employment agreement, or otherwise.
- 1.3.30 “**Service Provider**” means a person or company, other than an employee, officer or director of the Corporation or an Affiliate, that:
- (a) is engaged to provide, on a *bona fide* basis, for an initial, renewable or extended period of twelve (12) months or more, services to the Corporation or an Affiliate, other than services provided in relation to a distribution of securities;
  - (b) provides the services under a written contract between the Corporation or an Affiliate and the person or company;
  - (c) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate;
- and includes
- (a) for an individual Service Provider, a corporation of which the individual Service Provider is an employee or shareholder, and a partnership of which the individual Service Provider is an employee or partner; and
  - (b) for a Service Provider that is not an individual, an employee, executive officer, or director of the Service Provider, provided that the individual employee, executive officer, or director spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate.
- 1.3.31 “**Share**” means a Class A common share of the Corporation or, in the event of an adjustment contemplated by Section 5.1, such other security to which a Participant may be entitled upon the exercise or settlement of a Grant as a result of such adjustment.
- 1.3.32 “**Share Unit**” means either an RSU or a PSU, as the context requires.
- 1.3.33 “**Stand-Alone SAR**” means a Stock Appreciation right that is granted without reference to any related Option.

- 1.3.34 “**Stock Appreciation Right**” or “**SAR**” means a right, granted to an Eligible Person, representing the right to receive payment, in cash, Shares or any combination thereof, as determined by the Board, equal to the excess of the Market Price over the Base Price or Exercise Price, whichever is applicable, on the terms and conditions and calculated in accordance with the provisions of Section 10.
- 1.3.35 “**Stock Exchange**” means the Toronto Stock Exchange and such other stock exchange on which the Shares are listed, or if the Shares are not listed on any stock exchange, then on the over-the-counter market.
- 1.3.36 “**Stock Exchange Rules**” means the applicable rules of any Stock Exchange upon which Shares of the Corporation are listed.
- 1.3.37 “**Tandem SAR**” means a Stock Appreciation Right attached to an Option, giving the holder, upon Vesting of the Option and Tandem SAR, the right to choose to exercise the Stock Appreciation Right or to exercise the Option.
- 1.3.38 “**Termination**” means (i) the termination of a Participant’s Employment with the Corporation or an Affiliate (other than in connection with the Participant’s transfer to Employment with the Corporation or another Affiliate), which shall occur on the earlier of the date on which the Participant ceases to render services to the Corporation or Affiliate, as applicable, and the date on which the Corporation or an Affiliate, as applicable, delivers notice of the termination of the Participant’s employment or contract for services, whether such termination is lawful or otherwise, without giving effect to any period of notice or compensation in lieu of notice (except as expressly required by applicable employment standards legislation), but, for greater certainty, a Participant’s absence from active work during a period of vacation, temporary illness, authorized leave of absence, maternity or parental leave or leave on account of Disability shall not be considered to be a “Termination”, and (ii) in the case of a Participant who does not return to active Employment with the Corporation or an Affiliate immediately following a period of absence due to vacation, temporary illness, authorized leave of absence, maternity or parental leave or leave on account of Disability, such cessation shall be deemed to occur on the last day of such period of absence, and “**Terminated**” and “**Terminates**” shall be construed accordingly.
- 1.3.39 “**Time Vesting**” means any conditions relating to the passage of time or continued service with the Corporation or an Affiliate for a period of time in respect of a Grant, as may be determined by the Board.
- 1.3.40 “**Trading Day**” means a day on which the Stock Exchange is open for trading and on which the Shares actually traded.
- 1.3.41 “**Vested**” means, with respect to any Option, SAR, Share Unit, share of Restricted Stock or other award included in a Grant, that the applicable conditions with respect to Time Vesting, achievement of Performance Conditions and/or any other conditions established by the Board have been satisfied or, to the extent permitted under the Plan, waived, whether or not the Participant’s rights with respect to such Grant may be conditioned upon prior or subsequent compliance with any Restrictive Covenants (and any applicable derivative term shall be construed accordingly).
- 1.3.42 “**Vesting Date**” means the date on which the applicable Time Vesting, Performance Conditions and/or any other conditions for an Option, SAR, Share Unit, share of Restricted Stock or other award included in a Grant becoming Vested are met, deemed to have been met or waived as contemplated in Section 1.3.47.

## 2. CONSTRUCTION AND INTERPRETATION

### 2.1 Gender, Singular, Plural.

In the Plan, references to the masculine include the feminine; and references to the singular shall include the plural and vice versa, as the context shall require.

## 2.2 **Severability.**

If any provision or part of the Plan is determined to be void or unenforceable in whole or in part, such determination shall not affect the validity or enforcement of any other provision or part thereof.

## 2.3 **Headings, Sections and Parts.**

Headings wherever used herein are for reference purposes only and do not limit or extend the meaning of the provisions herein contained. A reference to a section or schedule shall, except where expressly stated otherwise, mean a section or schedule of the Plan, as applicable. The Plan is divided into four Parts. Part I contains provisions of general application to all Grants; Part II applies specifically to Options and SARs; Part III applies specifically to Share Units; and Part IV applies specifically to Restricted Stock and other Share-based awards.

## 3. **ADMINISTRATION**

### 3.1 **Administration by the Board.**

The Plan shall be administered by the Board in accordance with its terms and subject to Applicable Law. Subject to and consistent with the terms of the Plan, in addition to any authority of the Board specified under any other terms of the Plan, the Board shall have full and complete discretionary authority to:

- (a) interpret the Plan and Grant Agreements;
- (b) prescribe, amend and rescind such rules and regulations and make all determinations necessary or desirable for the administration and interpretation of the Plan and instruments of grant evidencing Grants;
- (c) determine those Eligible Persons who may receive Grants as Participants, grant one or more Grants to such Participants and approve or authorize the applicable form and terms of the related Grant Agreement;
- (d) determine the terms and conditions of Grants granted to any Participant, including, without limitation, as applicable (i) Grant Value and the number of Shares subject to a Grant, (ii) the Exercise Price or Base Price for Shares subject to a Grant, (iii) the conditions to the Vesting of a Grant or any portion thereof, including, as applicable, the period for achievement of any applicable Performance Conditions as a condition to Vesting, and conditions pertaining to compliance with Restrictive Covenants, and the conditions, if any, upon which Vesting of any Grant or any portion thereof will be waived or accelerated without any further action by the Board, (iv) the circumstances upon which a Grant or any portion thereof shall be forfeited, cancelled or expire, including in connection with the breach by a Participant of any Restrictive Covenant, (v) the consequences of a Termination with respect to a Grant, (vi) the manner of exercise or settlement of the Vested portion of a Grant, (vii) whether, and the terms upon which, a Grant may be settled in cash, newly issued Shares or a combination thereof, and (viii) whether, and the terms upon which, any Shares delivered upon exercise or settlement of a Grant must be held by a Participant for any specified period of time;
- (e) determine whether, and the extent to which, any Performance Conditions or other conditions applicable to the Vesting of a Grant have been satisfied or shall be waived or modified;
- (f) make such rules, regulations and determinations as it deems appropriate under the Plan in respect of any leave of absence or disability of any Participant. Without limiting the generality of the foregoing, the Board shall be entitled to determine:
  - (i) whether or not any such leave of absence shall constitute a Termination within the meaning of the Plan;

- (ii) the impact, if any, of any such leave of absence on Grants issued under the Plan made to any Participant who takes such leave of absence (including, without limitation, whether or not such leave of absence shall cause any Grants to expire and the impact upon the time or times such Grants shall be exercisable);
- (g) amend the terms of any Grant Agreement or other documents evidencing Grants; and
- (h) determine whether, and the extent to which, adjustments shall be made pursuant to Section 5 and the terms of such adjustments.

3.2 All determinations, interpretations, rules, regulations, or other acts of the Board respecting the Plan or any Grant shall be made in its sole discretion and shall be conclusively binding upon all persons.

3.3 The Board may prescribe terms for Grant Agreements in respect of Eligible Persons who are subject to the laws of a jurisdiction other than Canada in connection with their participation in the Plan that are different than the terms of the Grant Agreements for Eligible Persons who are subject to the laws of Canada in connection with their participation in the Plan, and/or deviate from the terms of the Plan set out herein, for purposes of compliance with Applicable Law in such other jurisdiction or where, in the Board's opinion, such terms or deviations are necessary or desirable to obtain more advantageous treatment for the Corporation, an Affiliate or the Eligible Person in respect of the Plan under the Applicable Law of the other jurisdiction.

Notwithstanding the foregoing, the terms of any Grant Agreement authorized pursuant to this Section 3.3 shall be consistent with the Plan to the extent practicable having regard to the Applicable Law of the jurisdiction in which such Grant Agreement is applicable and in no event shall contravene the Applicable Law of Canada.

3.4 The Board may, in its discretion, subject to Applicable Law, delegate its powers, rights and duties under the Plan, in whole or in part, to a committee of the Board, a person or persons, as it may determine, from time to time, on terms and conditions as it may determine, except that the Board shall not, and shall not be permitted to delegate any such powers, rights or duties (i) with respect to the grant, amendment, administration or settlement of any Grant to the extent delegation is not consistent with Applicable Law and any such purported delegation or action shall not be given effect, and (ii) provided that the composition of the committee of the Board, person or persons, as the case may be, shall comply with Applicable Law. In addition, provided it complies with the foregoing, the Board may appoint or engage a trustee, custodian or administrator to administer or implement the Plan or any aspect of it.

3.5 Non-employee Directors are not eligible for Grants under this Plan. For greater certainty, any Grants granted pursuant to the Plan prior to the Participant becoming a non-employee Director shall be unaffected by this Section 3.5.

#### **4. SHARE RESERVE**

4.1 Subject to Section 4.4 and any adjustment pursuant to Section 5.1, the aggregate number of Shares that may be issued pursuant to Grants made under the Plan together with all other security based compensation arrangements of the Corporation shall be a number equal to 10.0% of the aggregate number of issued and outstanding Shares from time to time.

4.2 The aggregate number of Shares reserved for issuance to any one Participant under the Plan, together with all other security based compensation arrangements of the Corporation, must not exceed five percent (5%) of the aggregate issued and outstanding Shares (on a non-diluted basis).

4.3 The maximum number of Shares of the Corporation

- (a) issued to Insiders within any one year period, and

(b) issuable to Insiders, at any time,

under the Plan, or when combined with all of the Corporation's other security based compensation arrangements, shall not exceed ten percent (10%) of the number of the aggregate issued and outstanding Shares.

- 4.4 For purposes of computing the total number of Shares available for grant under the Plan or any other security based compensation arrangement of the Corporation, Shares subject to any Grant (or any portion thereof) that is forfeited, surrendered, cancelled or otherwise terminated, including if a number of Shares covered by an Option have not been issued due to the exercise of a Tandem SAR connected with such Option, prior to the issuance of such Shares shall again be available for grant under the Plan.

## **5. ALTERATION OF CAPITAL AND CHANGE IN CONTROL**

- 5.1 Notwithstanding any other provision of the Plan, and subject to Applicable Law, in the event of any change in the Shares by reason of any dividend (other than dividends in the ordinary course), split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Shares or distribution of rights to holders of Shares or any other relevant changes to the authorized or issued capital of the Corporation, if the Board shall determine that an equitable adjustment should be made, such adjustment shall, subject to Applicable Law, be made by the Board to (i) the number of Shares subject to the Plan; (ii) the securities into which the Shares are changed or are convertible or exchangeable; (iii) any Options and/or Stock Appreciation Rights then outstanding; (iv) the Exercise Price and/or Base Price, as appropriate in respect of such Options and/or Stock Appreciation Rights; and/or (v) with respect to the number of Share Units outstanding under the Plan, and any such adjustment shall be conclusive and binding for all purposes of the Plan.

- 5.2 No adjustment provided for pursuant to Section 5.1 shall require the Corporation to issue fractional Shares in satisfaction of its obligations under the Plan. Any fractional interest in a Share that would, except for the provisions of this Section 5.2, be deliverable upon the exercise of any Grant shall be cancelled and not deliverable by the Corporation.

- 5.3 In the event of a Change in Control prior to the Vesting of a Grant, and subject to the terms of a Participant's written employment agreement or contract for services with the Corporation or an Affiliate and the applicable Grant Agreement, the Board shall have full authority to determine in its sole discretion the effect, if any, of a Change in Control on the Vesting, exercisability, settlement, payment or lapse of restrictions applicable to a Grant, which effect may be specified in the applicable Grant Agreement or determined at a subsequent time. Subject to Applicable Law, rules and regulations, the Board shall, at any time prior to, coincident with or after the effective time of a Change in Control, take such actions as it may consider appropriate, including, without limitation: (i) provide for the acceleration of any Vesting or exercisability of a Grant; (ii) provide for the deemed attainment of Performance Conditions relating to a Grant; (iii) provide for the lapse of restrictions relating to a Grant; (iv) provide for the assumption, substitution, replacement or continuation of any Grant by a successor or surviving corporation (or a parent or subsidiary thereof) with cash, securities, rights or other property to be paid or issued, as the case may be, by the successor or surviving corporation (or a parent or subsidiary thereof); (v) provide that that a Grant shall terminate or expire unless exercised or settled in full on or before a date fixed by the Board; or (vi) terminate or cancel any outstanding Grant in exchange for a cash payment (provided that, if as of the date of the Change in Control, the Board determines that no amount would have been realized upon the exercise or settlement of the Grant, then the Grant may be cancelled by the Corporation without payment of consideration).

## **6. CLAWBACK**

### **6.1 Clawback.**

It is a condition of each Grant that if the Corporation's financial statements (the "**Original Statements**") are required to be restated (other than solely as a result of a change in accounting policy by the Corporation or

under International Financial Reporting Standards applicable to the Corporation) and such restated financial statements (the “**Restated Statements**”) disclose, in the opinion of the Board acting reasonably, materially worse financial results than those contained in the Original Statements, then the Board may, in its sole discretion, to the full extent permitted by governing law and to the extent it determines that such action is in the best interest of the Corporation, and in addition to any other rights that the Corporation or an Affiliate may have at law or under any agreement, take any or all of the following actions, as applicable:

- (a) require the Participant to reimburse the Corporation for any amount paid to the Participant in respect of a Grant in cash in excess of the amount that should otherwise have been paid in respect of such Grant had the determination of such compensation been based upon the Restated Statements, less the amount of tax withheld pursuant to the Income Tax Act (Canada) or other relevant taxing authority in respect of the amount paid in cash in the year of payment;
- (b) reduce the number or value of, or cancel and terminate, any one or more unvested Grants of Options, Share Units or SARs on or prior to the applicable maturity or Vesting Dates, or cancel or terminate any outstanding Grants which have Vested in the twelve (12) months prior to the date on which the Board determines that the Corporation’s Original Statements are required to be restated, such date being a “**Relevant Equity Recoupment Date**”); and/or
- (c) require payment to the Corporation of the value of any Shares of the Corporation acquired by the Participant pursuant to a Grant in the twelve (12) months prior to a Relevant Equity Recoupment Date (less any amount paid by the Participant to acquire such Shares and less the amount of tax withheld pursuant to the Income Tax Act (Canada) or other relevant taxing authority in respect of such Shares).

## 7. MISCELLANEOUS

### 7.1 Compliance with Laws and Policies.

The Corporation’s obligation to make any payments or deliver (or cause to be delivered) any Shares hereunder is subject to compliance with Applicable Law. Each Participant shall acknowledge and agree (and shall be conclusively deemed to have so acknowledged and agreed by participating in the Plan) that the Participant will, at all times, act in strict compliance with Applicable Law and all other laws and any policies of the Corporation applicable to the Participant in connection with the Plan including, without limitation, furnishing to the Corporation all information and undertakings as may be required to permit compliance with Applicable Law.

### 7.2 Withholdings.

So as to ensure that the Corporation or an Affiliate, as applicable, will be able to comply with the applicable obligations under any federal, provincial, state or local law relating to the withholding of tax or other required deductions, the Corporation or the Affiliate shall withhold or cause to be withheld from any amount payable to a Participant, either under this Plan, or otherwise, such amount as may be necessary to permit the Corporation or the Affiliate, as applicable, to so comply. The Corporation and any Affiliate may also satisfy any liability for any such withholding obligations, on such terms and conditions as the Corporation may determine in its sole discretion, by (a) selling on such Participant’s behalf, or requiring such Participant to sell, any Shares, and retaining any amount payable which would otherwise be provided or paid to such Participant in connection with any such sale, or (b) requiring, as a condition to the delivery of Shares hereunder, that such Participant make such arrangements as the Corporation may require so that the Corporation and its Affiliates can satisfy such withholding obligations, including requiring such Participant to remit an amount to the Corporation or an Affiliate in advance, or reimburse the Corporation or any Affiliate for, any such withholding obligations.

7.3 **No Right to Continued Employment.**

Nothing in the Plan or in any Grant Agreement entered into pursuant hereto shall confer upon any Participant the right to continue in the employ or service of the Corporation or any Affiliate, to be entitled to any remuneration or benefits not set forth in the Plan or a Grant Agreement or to interfere with or limit in any way the right of the Corporation or any Affiliate to terminate Participant's employment or service arrangement with the Corporation or any Affiliate.

7.4 **No Additional Rights.**

Neither the designation of an individual as a Participant nor the Grant of any Options, SARs, Share Units, Restricted Stock or other award to any Participant entitles any person to the Grant, or any additional Grant, as the case may be, of any Options, SARs, Share Units, Restricted Stock or other award under the Plan. For greater certainty, the Board's decision to approve a Grant in any period shall not require the Board to approve a Grant to any Participant in any other period; nor shall the Board's decision with respect to the size or terms and conditions of a Grant in any period require it to approve a Grant of the same or similar size or with the same or similar terms and conditions to any Participant in any other period. The Board shall not be precluded from approving a Grant to any Participant solely because such Participant may have previously received a Grant under this Plan or any other similar compensation arrangement of the Corporation or an Affiliate. No Eligible Person has any claim or right to receive a Grant except as may be provided in a written employment or services agreement between an Eligible Person and the Corporation or an Affiliate.

7.5 **Amendment, Termination.**

The Plan is subject to the approval of a majority of the votes cast at the next succeeding meeting of the shareholders of the Corporation and the final approval of the Stock Exchange. Any Grants under the Plan prior to such time shall not be settled or binding on the Corporation unless and until such shareholder approval and Stock Exchange approval is obtained. If the Plan is not approved by the majority of the votes cast at a meeting of the shareholders and the Stock Exchange, the Plan and all outstanding Grants shall terminate and be null and void.

The Plan and any Grant made pursuant to the Plan may be amended, modified or terminated by the Board without approval of shareholders, provided that no amendment to the Plan or Grants made pursuant to the Plan may be made without the consent of a Participant if it adversely alters or impairs the rights of the Participant in respect of any Grant previously granted to such Participant under the Plan, except that Participant consent shall not be required where the amendment is required for purposes of compliance with Applicable Law. For greater certainty, the Plan may not be amended without shareholder approval in accordance with the requirements of the Stock Exchange to do any of the following:

- (a) increase in the maximum number of Shares issuable pursuant to the Plan and as set out in Section 4.1;
- (b) reduce the Exercise Price of an outstanding Option or the Base Price of a Stand-Alone SAR;
- (c) extend the maximum term of any Grant made under the Plan;
- (d) amend the assignment provisions contained in Section 7.11;
- (e) permit a non-employee Director to be eligible for Grants under the Plan;
- (f) increase the number of Shares that may be issued or issuable to Insiders above the restriction or deleting the restriction on the number of Shares that may be issued or issuable to Insiders contained in Section 4.3;
- (g) include other types of equity compensation involving the issuance of Shares under the Plan; or

- (h) amend this Section 7.5 to amend or delete any of (a) through (h) above or grant additional powers to the Board to amend the Plan or entitlements without shareholder approval.

For greater certainty and without limiting the foregoing, shareholder approval shall not be required for the following amendments and the Board may make the following changes without shareholder approval, subject to any regulatory approvals including, where required, the approval of any Stock Exchange:

- (i) amendments of a “housekeeping” nature;
- (j) a change to the Vesting provisions of any Grants;
- (k) a change to the termination provisions of any Grant that does not entail an extension beyond the original term of the Grant; or
- (l) amendments to the provisions relating to a Change in Control.

7.6 **Currency.** Except where the context otherwise requires, all references in the Plan to currency refer to lawful Canadian currency. Any amounts required to be determined under this Plan that are denominated in a currency other than Canadian dollars shall be converted to Canadian dollars at the applicable Bank of Canada noon rate of exchange on the date as of which the amount is required to be determined.

7.7 **Administration Costs.**

The Corporation will be responsible for all costs relating to the administration of the Plan.

7.8 **Designation of Beneficiary.**

Subject to the requirements of Applicable Law, a Participant may designate a Beneficiary, in writing, to receive any benefits that are provided under the Plan upon the death of such Participant. The Participant may, subject to Applicable Law, change such designation from time to time. Such designation or change shall be in such form as may be prescribed by the Board from time to time. A Beneficiary designation under this Section 7.8 and any subsequent changes thereto shall be filed with the General Counsel of the Corporation.

7.9 **Governing Law.**

The Plan and any Grants pursuant to the Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Board may provide that any dispute to any Grant shall be presented and determined in such forum as the Board may specify, including through binding arbitration. Any reference in the Plan, in any Grant Agreement issued pursuant to the Plan or in any other agreement or document relating to the Plan to a provision of law or rule or regulation shall be deemed to include any successor law, rule or regulation of similar effect or applicability.

7.10 **Assignment.**

The Plan shall inure to the benefit of and be binding upon the Corporation, its successors and assigns.

7.11 **Transferability.**

Unless otherwise provided in the Plan or in the applicable Grant Agreement, no Grant, and no rights or interests therein, shall or may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. No such interest shall be subject to execution, attachment or similar legal process including without limitation seizure for the payment of the Participant’s debts, judgments, alimony or separate maintenance.



**8. EFFECTIVE DATE**

- 8.1 The Corporation established the Plan on March 18, 2020, amended the Plan effective as of February 25, 2021 and further amended the Plan effective as of August 8, 2023.

## **PART II – OPTIONS AND SARS**

### **9. OPTIONS**

- 9.1 The Corporation may, from time to time, make one or more Grants of Options to Eligible Persons on such terms and conditions, consistent with the Plan, as the Board shall determine. In granting such Options, subject to the provisions of the Plan, the Corporation shall specify,
- (a) the maximum number of Shares which the Participant may purchase under the Options;
  - (b) the Exercise Price at which the Participant may purchase his or her Shares under the Options;
  - (c) the term of the Options, to a maximum of ten (10) years from the Grant Date of the Options, the Vesting period or periods within this period during which the Options or a portion thereof may be exercised by a Participant and any other Vesting conditions (including Performance Conditions); and
  - (d) any Tandem SARs that are granted with respect to such Options.
- 9.2 The Exercise Price for each Share subject to an Option shall be fixed by the Board but under no circumstances shall any Exercise Price be less than one hundred percent (100%) of the Market Price on the Grant Date of such Option.
- 9.3 Unless otherwise designated by the Board in the applicable Grant Agreement, one third of the Options included in a Grant shall Vest on each of the first three anniversaries of the Grant Date and, subject to Section 9.5, any such Options shall expire on the fifth anniversary of the Grant Date (unless exercised or terminated earlier in accordance with the terms of the Plan or the Grant Agreement).
- 9.4 Subject to the provisions of the Plan and the terms governing the granting of the Option, and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 7.2, Vested Options or a portion thereof may be exercised from time to time by delivery to the Corporation at its registered office of a notice in writing signed by the Participant or the Participant's legal personal representative, as the case may be, and addressed to the Corporation. This notice shall state the intention of the Participant or the Participant's legal personal representative to exercise the said Options and the number of Shares in respect of which the Options are then being exercised and must be accompanied by payment in full of the Exercise Price under the Options which are the subject of the exercise. On the exercise of an Option, any related Tandem SAR shall be cancelled.
- 9.5 If the normal expiry date of any Option falls within any Blackout Period or within ten (10) business days (being a day other than a Saturday, Sunday or other than a day when banks in Toronto, Ontario are not generally open for business) following the end of any Blackout Period, then the expiry date of such Option shall, without any further action, be extended to the date that is ten (10) business days following the end of such Blackout Period. The foregoing extension applies to all Options whatever the Grant Date and shall not be considered an extension of the term of the Options as referred to in Section 7.5.

### **10. STOCK APPRECIATION RIGHTS**

- 10.1 The Board may from time to time make one or more Grants of Stock Appreciation Rights to Eligible Persons on such terms and conditions, consistent with the Plan, as the Board shall determine.
- 10.2 Tandem SARs may be granted at or after the Grant Date of the related Options, and each Tandem SAR shall be subject to the same terms and conditions and denominated in the same currency as the Option to which it relates and the additional terms and conditions set forth in this Section 10.
- 10.3 On exercise of a Tandem SAR, the related Option shall be cancelled and the Participant shall be entitled to an amount in settlement of such Tandem SAR calculated and in such form as provided in Section 10.8 below.

- 10.4 Tandem SARs may be exercised only if and to the extent the Options related thereto are then Vested and exercisable and shall be exercised in accordance with such procedures as may be established by the Board. For greater certainty, upon the expiry or forfeiture of the Option to which a Tandem SAR is attached, including in connection with a Participant's Termination, as provided in Section 11, such Tandem SAR shall also expire or be forfeited, as the case may be.
- 10.5 Stand-Alone SARs granted under the Plan shall become Vested at such times, in such installments and subject to the terms and conditions of this Plan (including satisfaction of Performance Conditions and/or continued employment) as may be determined by the Board and set forth in the applicable Grant Agreement. For greater certainty, except as set out in a Grant Agreement in respect of the Stand-Along SAR, or as otherwise approved by the Board, no Stand-Alone SAR granted to a Participant shall Vest after the Participant's Termination and any Stand-Alone SARs that are outstanding on the Participant's date of Termination shall be forfeited and cancelled as of such date.
- 10.6 The Base Price for each Stand-Alone SAR shall not be less than one hundred percent of the Market Price on the Grant Date of such Stand-Alone SAR.
- 10.7 Unless the Board determines otherwise, Stand-Alone SARs covered by a Grant shall, when and to the extent Vested, be settled by payment in cash of the amount determined in accordance with Section 10.8.
- 10.8 Upon exercise thereof, or the settlement thereof in accordance with Section 10.7, and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 7.2, Stock Appreciation Rights (and, in the case of Tandem SARs, the related Options) shall be settled by payment in cash, of an amount, or the delivery of Shares or a combination of cash and Shares, as determined by the Board with an aggregate value equal to the product of:
- (A) the excess of the Market Price on the date of exercise over the Exercise Price or Base Price under the applicable Stock Appreciation Right,  
  
multiplied by
  - (B) the number of Stock Appreciation Rights exercised or settled.
- 10.9 Any cash payment in settlement of a Stand-Alone SAR shall be payable in Canadian dollars. Any cash payment in settlement of a Tandem SAR shall be payable in the currency as the option to which it relates. Any portion of a Stock Appreciation Right that is to be settled in Shares shall be settled by delivery of the number of Shares having a Market Price on the date of exercise equal to the portion of the amount determined in accordance with Section 10.8 being settled, rounded down to the nearest whole Share.
- 10.10 If the normal expiry date of any Stock Appreciation Right falls within any Blackout Period or within ten (10) business days (being a day other than a Saturday, Sunday or other than a day when banks in Toronto, Ontario are not generally open for business) following the end of any Blackout Period, then the expiry date of such Stock Appreciation Right shall, without any further action, be extended to the date that is ten (10) business days following the end such Blackout Period. The foregoing extension applies to all SARs whatever and shall not be considered an extension of the term of the SARs as referred to in Section 7.5.

## **11. TERMINATION OF EMPLOYMENT AND DEATH OF A PARTICIPANT – OPTIONS AND TANDEM SARs**

- 11.1 Outstanding Options held by a Participant as of the Participant's date of Termination shall be subject to the provisions of this Section 11, as applicable; except that, in all events, the period for exercise of Options shall end no later than the last day of the maximum term thereof established under Section 9.1(c), 9.5, or 11.5, as the case may be.

11.2 Subject to the applicable Grant Agreement, Section 11.1 and Section 11.6, in the case of a Participant's Termination due to death, or in the case of the Participant's Disability (i) those of the Participant's outstanding Options that were granted prior to the year that includes the Participant's date of death or Disability Date, as the case may be, that have not become Vested prior to such date of death or Disability Date shall continue to Vest and, upon Vesting, be exercisable during the twelve (12) month period following such date of death or Disability Date, as the case may be, as if the Participant had remained Employed throughout such period and (ii) those of the Participant's outstanding Options that have become Vested prior to the Participant's date of death or Disability Date shall continue to be exercisable during the twelve (12) month period following the such date of death or Disability Date, as the case may be.

The number of Options granted to a Participant in the year that includes the Participant's date of death or Disability Date that remain eligible to Vest following such date of death or Disability Date (the "**Special Pro Rated Options**") shall be determined by the formula  $A \times B/C$  where:

- A equals the total number of Options included in the Grant that have not previously Vested,
- B equals the total number of days between January 1 of the year that includes the Grant Date of such Grant and the Participant's date of death or Disability Date, and
- C 365.

The Special Pro Rated Options shall continue to Vest and, upon Vesting, be exercisable during the twelve (12) month period following the Participant's date of death or Disability Date, as the case may be as if the Participant had remained Employed throughout such period. The balance of the Options granted to a Participant in the year that includes the Participant's date of death or Disability Date that are not Special Pro Rated Options shall be forfeited and cancelled as of the Participant's date of death or Disability Date, as the case may be.

11.3 Subject to the applicable Grant Agreement, Section 11.1 and Section 11.6, in the case of a Participant's Termination due to the termination of the Participant's employment or termination of the Participant's contract for services by the Corporation or an Affiliate without Cause, the Participant's outstanding Options that have become Vested prior to the Participant's Termination shall continue to be exercisable during the ninety (90) day period following the Participant's Date of Termination.

11.4 Subject to the applicable Grant Agreement and Section 11.6, in the case of a Participant's Termination due to the Participant's resignation (including the voluntary withdrawal of services by a Participant who is not an employee under Applicable Law), the Participant's outstanding Options that have become Vested prior to the date on which the Participant provides notice to the Corporation of his or her resignation shall continue to be exercisable during the sixty (60) day period following the Participant's date of Termination.

11.5 In addition to the Board's rights under Section 3.1, the Board may, at the time of a Participant's Termination or Disability Date, extend the period for exercise of some or all of the Participant's Options, but not beyond the original expiry date, and/or allow for the continued Vesting of some or all of the Participant's Options during the period for exercise or a portion of it. Options that are not exercised prior to the expiration of the exercise period, including any extended exercise period authorized pursuant to this Section 11.6, following a Participant's date of Termination or Disability Date, as the case may be, shall automatically expire on the last day of such period.

11.6 Notwithstanding any other provision hereof or in any Grant Agreement, in the case of a Participant's termination of employment or termination of the Participant's contract for services for Cause, any and all then outstanding unvested Options granted to the Participant shall be immediately forfeited and cancelled, without any consideration therefore, as of the commencement of the day that notice of such termination is given.

- 11.7 For greater certainty, a Participant shall have no right to receive Shares or a cash payment, as compensation, damages or otherwise, with respect to any Options that do not become Vested or that are not exercised before the date on which the Options expire.

## PART III – SHARE UNITS

### 12. DEFINITIONS

- 12.1 “**Grant Value**” means the dollar amount allocated to an Eligible Person in respect of a Grant of Share Units as contemplated by Section 3.
- 12.2 “**Share Unit Account**” has the meaning set out in Section 14.1.
- 12.3 “**Valuation Date**” means the date as of which the Market Price is determined for purposes of calculating the number of Share Units included in a Grant, which unless otherwise determined by the Board shall be the Grant Date.
- 12.4 “**Vesting Period**” means, with respect to a Grant of Share Units, the period specified by the Board, commencing on the Grant Date and ending on the last Vesting Date for such Share Units.

### 13. ELIGIBILITY AND GRANT DETERMINATION.

- 13.1 The Board may from time to time make one or more Grants of Share Units to Eligible Persons on such terms and conditions, consistent with the Plan, as the Board shall determine, provided that, in determining the Eligible Persons to whom Grants are to be made and the Grant Value for each Grant, the Board shall take into account the terms of any written employment agreement or contract for services between an Eligible Person and the Corporation or any Affiliate and may take into account such other factors as it shall determine in its sole and absolute discretion.
- 13.2 The Board shall determine the Grant Value and the Valuation Date (if not the Grant Date) for each Grant under this Part III. The number of Share Units to be covered by each such Grant shall be determined by dividing the Grant Value for such Grant by the Market Price of a Share as at the Valuation Date for such Grant, rounded up to the next whole number.
- 13.3 Each Grant Agreement issued in respect of Share Units shall set forth, at a minimum, the type of Share Units and Grant Date of the Grant evidenced thereby, the number of RSUs or PSUs subject to such Grant, the applicable Vesting conditions, the applicable Vesting Period(s) and the treatment of the Grant upon Termination and may specify such other terms and conditions consistent with the terms of the Plan as the Board shall determine or as shall be required under any other provision of the Plan. The Board may include in a Grant Agreement under this Part III terms or conditions pertaining to confidentiality of information relating to the Corporation’s operations or businesses which must be complied with by a Participant including as a condition of the grant or Vesting of Share Units.

### 14. ACCOUNTS AND DIVIDEND EQUIVALENTS

#### 14.1 Share Unit Account.

An account, called a “**Share Unit Account**”, shall be maintained by the Corporation, or an Affiliate, as specified by the Board, for each Participant who has received a Grant of Share Units and will be credited with such Grants of Share Units as are received by a Participant from time to time pursuant to Section 13 and any dividend equivalent Share Units pursuant to Section 14.2. Share Units that fail to Vest to a Participant and are forfeited pursuant to Section 15, or that are paid out to the Participant or his or her Beneficiary, shall be cancelled and shall cease to be recorded in the Participant’s Share Unit Account as of the date on which such Share Units are forfeited or cancelled under the Plan or are paid out, as the case may be. For greater certainty, where a Participant is granted both RSUs and PSUs, such RSUs and PSUs shall be recorded separately in the Participant’s Share Unit Account.

14.2 **Dividend Equivalent Share Units.**

Except as otherwise provided in the Grant Agreement relating to a Grant of RSUs or PSUs, if and when cash dividends (other than extraordinary or special dividends) are paid with respect to Shares to shareholders of record as of a record date occurring during the period from the Grant Date under the Grant Agreement to the date of settlement of the RSUs or PSUs granted thereunder, a number of dividend equivalent RSUs or PSUs, as the case may be, shall be credited to the Share Unit of Account of the Participant who is a party to such Grant Agreement. The number of such additional RSUs or PSUs will be calculated by dividing the aggregate dividends or distributions that would have been paid to such Participant if the RSUs or PSUs in the Participant's Share Unit Account had been Shares by the Market Price on the date on which the dividends or distributions were paid on the Shares. The additional RSUs or PSUs granted to a Participant will be subject to the same terms and conditions, including Vesting and settlement terms, as the corresponding RSUs or PSUs, as the case may be.

**15. VESTING AND SETTLEMENT OF SHARE UNITS**

15.1 **Continued Employment.**

Subject to this Section 15 and the applicable Grant Agreement, Share Units subject to a Grant and dividend equivalent Share Units credited to the Participant's Share Unit Account in respect of such Share Units shall Vest in such proportion(s) and on such Vesting Date(s) as may be specified in the Grant Agreement governing such Grant provided that the Participant is Employed on the relevant Vesting Date.

15.2 **Settlement.**

A Participant's RSUs and PSUs, adjusted in accordance with the applicable multiplier, if any, as set out in the Grant Agreement, and rounded down to the nearest whole number of RSUs or PSUs, as the case may be, shall be settled, by a distribution as provided below to the Participant or his or her Beneficiary following the Vesting thereof in accordance with Section 15.1 or 16.6, as the case may be, subject to the terms of the applicable Grant Agreement. In all events, unless the Grant Agreement specifies that RSUs and PSUs must be settled through the issuance of Shares, settlement will occur upon or as soon as reasonably practicable following Vesting and, in any event, on or before December 31 of the third year following the year in which the Participant performed the services to which the Grant of RSUs or PSUs relates. Settlement shall be made by the issuance of one Share for each RSU or PSU then being settled, a cash payment equal to the Market Price on the Vesting Date of the RSUs or PSUs being settled in cash (subject to Section 15.3), or a combination of Shares and cash, all as determined by the Board in its discretion, or as specified in the applicable Grant Agreement, and subject to payment or other satisfaction of all related withholding obligations in accordance with Section 7.2.

15.3 **Postponed Settlement.**

If a Participant's Share Units would, in the absence of this Section 15.3 be settled within a Blackout Period applicable to such Participant, such settlement shall be postponed until the earlier of the Trading Day following the date on which such Blackout Period ends (or as soon as practicable thereafter) and the otherwise applicable date for settlement of the Participant's Share Units as determined in accordance with Section 15.2, and the Market Price of any RSUs or PSUs being settled in cash will be determined as of the earlier of the Trading Day on which the Blackout Period ends and the day prior to the settlement date.

15.4 **Failure to Vest.**

For greater certainty, a Participant shall have no right to receive Shares or a cash payment, as compensation, damages or otherwise, with respect to any RSUs or PSUs that do not become Vested.

15.5 **Resignation.**

Subject to the applicable Grant Agreement and Section 15.8, in the event a Participant's employment is Terminated as a result of the Participant's resignation, no Share Units that have not Vested prior to the date of on which the Participant submits his or her resignation, including dividend equivalent Share Units in respect of such Share Units, shall Vest and all such Share Units shall be forfeited immediately.

15.6 **Death or Disability.**

Subject to the applicable Grant Agreement, in the case of a Participant's Termination due to death, or in the case of the Participant's Disability, all Share Units granted to the Participant that were granted prior to the year that includes the Participant's date of death or Disability Date, as the case may be, that have not Vested prior to the Participant's date of death or Disability Date, as the case may be, and related dividend equivalent Share Units, shall Vest at the end of the Vesting Period relating to such Grant(s) of such Share Units and in the case of a Grant of PSUs, subject to the achievement of the applicable Performance Conditions and the adjustment of the number of PSUs that Vest to reflect the extent to which such Performance Conditions were achieved, as if the Participant had remained Employed by the Corporation or an Affiliate until the end of the Vesting Period applicable to such Share Units.

The number of Share Units granted to a Participant in the year that includes the Participant's date of death or Disability Date that remain eligible to Vest following such date of death or Disability Date (the "**Special Pro Rated Share Units**") shall be determined by the formula  $A \times B/C$  where:

- A equals the total number of Share Units relating to such Grant that have not previously Vested,
- B equals the total number of days between January 1 of the year that includes the Grant Date of such Grant and the Participant's date of death or Disability Date, and
- C 365.

The Special Pro Rated Share Units, together with any dividend equivalent Share Units attributable thereto, shall Vest at the end of the Vesting Period relating to such Grant(s) of such Share Units and in the case of a Grant of PSUs that are subject to Performance Conditions, subject to the achievement of the applicable Performance Conditions and the adjustment of the number of Special Pro Rated PSUs and related dividend equivalent PSUs that Vest to reflect the extent to which such Performance Conditions were achieved, as if the Participant had remained Employed by the Corporation or an Affiliate until the end of the Vesting Period applicable to such Share Units. The balance of the Share Units included in a Grant made in the year that includes the Participant's date of death or Disability Date that are not Special Pro Rated Share Units shall be forfeited and cancelled as of the Participant's date of death or Disability Date, as the case may be.

15.7 **Termination of Employment without Cause.**

Subject to the applicable Grant Agreement and Section 15.8, in the event of a Participant's Termination due to the termination of the Participant's employment or termination of the Participant's contract for services by the Corporation or an Affiliate without Cause prior to the end of a Vesting Period relating to a Grant:

- (a) the number of RSUs determined by the formula  $A \times B/C$ , where
  - A equals the total number of RSUs relating to such Grant that have not previously Vested and dividend equivalent RSUs in respect of such RSUs,
  - B equals the total number of days between the first day of the Vesting Period relating to such Grant and the Participant's date of Termination, and
  - C equals total number of days in the Vesting Period relating to such Grant,



shall become Vested RSUs at the end of the Vesting Period relating to such Grant; and

(b) the number of PSUs (if any) determined by the formula  $A \times B/C$ , where

A equals the total number of PSUs relating to such Grant that have not previously Vested and dividend equivalent PSUs in respect of such PSUs that would have Vested had the Participant remained Employed until the end of the applicable Vesting Period having regard to the extent to which the applicable Performance Conditions were satisfied,

B equals the total number of days between the first day of the Performance Period relating to such Grant and the Participant's date of Termination, and

C equals total number of days in the Performance Period relating to such Grant,

shall become Vested PSUs at the end of Vesting Period relating to such Grant.

**15.8 Extension of Vesting.**

The Board may, at the time of Termination or a Disability Date, extend the period for Vesting of Share Units, but not beyond the original end of the applicable Vesting Period.

**15.9 Termination of Employment for Cause.**

In the event a Participant's employment is Terminated for Cause by the Corporation, no Share Units, that have not Vested prior to the date of the Participant's Termination for Cause including dividend equivalent Share Units in respect of such Share Units, shall Vest and all such Share Units shall be forfeited immediately.

**16. SHAREHOLDER RIGHTS**

**16.1 No Rights to Shares.**

Share Units are not Shares and a Grant of Share Units will not entitle a Participant to any shareholder rights, including, without limitation, voting rights, dividend entitlement or rights on liquidation.

## PART IV – RESTRICTED STOCK

### 17. DEFINITIONS

- 17.1 “**Restriction**” means any restriction on a Participant’s free enjoyment of the Shares granted as Restricted Stock. Restrictions may be based on the passage of time or the satisfaction of Performance Conditions or the occurrence of one or more events or conditions, and shall lapse separately or in combination upon satisfaction of such conditions and at such time or times, in instalments or otherwise, as the Board shall specify.

### 18. RESTRICTED STOCK

#### 18.1 **Dividends; Voting.**

While any Restriction applies to any Participant’s Restricted Stock, (i) unless the Board provides otherwise, the Participant shall receive the dividends paid on the Restricted Stock and shall not be required to return those dividends to the Corporation in the event of the forfeiture of the Restricted Stock, (ii) the Participant shall receive the proceeds of the Restricted Stock in the event of any change in the Shares in respect of which the Board has determined that an equitable adjustment should be made pursuant to Section 5.1, which proceeds shall automatically and without need for any other action become Restricted Stock and be subject to all Restrictions then existing as to the Participant’s Restricted Stock, and (iii) the Participant shall be entitled to vote the Restricted Stock during the Restriction period.

#### 18.2 **Transfer Restrictions.**

The Participant shall not have the right to sell, transfer, assign, convey, pledge, hypothecate, grant any security interest in or mortgage on, or otherwise dispose of or encumber any shares of Restricted Stock or any interest therein while the Restrictions remain in effect. The Board may require, as a condition of a Grant of Restricted Stock, that the Participant deposit the shares of Restricted Stock into an escrow account.

#### 18.3 **Forfeiture.**

Grants of Restricted Stock shall be forfeited if the applicable Restriction does not lapse prior to such date or the occurrence of such event or the satisfaction of such other criteria as is specified in the Grant Agreement. Further, unless expressly provided for in the Grant Agreement, or as otherwise determined by the Board, any Restricted Stock held by the Participant at the time of the Participant’s Termination shall be forfeited by the Participant to the Corporation.

#### 18.4 **Evidence of Share Ownership.**

Restricted Stock will be book-entry Shares only unless the Board decides to issue certificates to evidence shares of the Restricted Stock.