

CANOPY RIVERS

CANOPY RIVERS INC.

NOTICE OF MEETING

and

MANAGEMENT INFORMATION CIRCULAR

for the

ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

to be held on

SEPTEMBER 26, 2019

DATED AS OF AUGUST 6, 2019

CANOPY RIVERS INC.

Notice of Annual General and Special Meeting of Shareholders

To be held on September 26, 2019, at 10:00 a.m. (EST)

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of Canopy Rivers Inc. (the “**Company**”) will be held at the offices of Cassels Brock & Blackwell LLP at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2 on September 26, 2019, at 10:00 a.m. (EST) for the following purposes, as more particularly described in the attached management information circular (the “**Circular**”):

1. to receive and consider the audited consolidated financial statements of the Company for the financial year ended March 31, 2019, and for the 340 days ended March 31, 2018, together with the auditors’ report thereon (the “**Annual Financial Statements**”);
2. to fix the number of directors to be elected at the Meeting at five;
3. to elect the directors of the Company for the ensuing year;
4. to re-appoint KPMG 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;
5. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the adoption of the Company’s amended and restated stock option plan;
6. to consider and, if deemed advisable, to pass, with or without variation, a special resolution authorizing the directors of the Company to determine the size of the Board from time to time; 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 July 31, 2019, 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.

Shareholders are invited to attend the Meeting. Registered Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign a proxy form and return it in the envelope provided for that purpose, to the Company c/o TSX Trust Company (“**TSX Trust**”) at 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, by hand or mail, by fax at 1-416-595-9593, or by electronic voting through www.voteproxyonline.com. Votes cast electronically are in all respects equivalent to, and will be treated in the exact same manner as, votes cast via a paper proxy form. 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 information form in accordance with the instructions provided by their broker or intermediary.

The Board has, by resolution, fixed 10:00 a.m. (EST) on September 24, 2019, 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 proxy forms 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, TSX Trust, by hand, mail, fax or electronic voting. Alternatively, a proxy form may be given to the Chair of the Meeting at which the proxy form 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.

This year, 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* 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, 2019 (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 them online.

Shareholders will receive a package in the mail containing information 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 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.

Electronic copies of the Meeting materials will be available on the Company's website at www.canopyrivers.com/investors/financials-and-public-filings and under the Company's profile on the System for Electronic Document Analysis and Retrieval at www.sedar.com. The Meeting materials will remain on the Company's website for a period of one year.

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 TSX Trust by calling toll-free at 1-866-600-5869 or by email at TMXEInvestorServices@tmx.com. 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 ten 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 TSX Trust no later than September 10, 2019.

If you would like more information about "notice-and-access", please contact TSX Trust by calling toll-free at 1-866-600-5869 or by email at TMXEInvestorServices@tmx.com.

DATED at Toronto, Ontario, this 6th day of August, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) John K. Bell

Chair of the Board

TABLE OF CONTENTS

GENERAL INFORMATION FOR THE MEETING.....	1
Time, Date and Place of Meeting.....	1
Currency.....	1
Record Date.....	1
Quorum.....	1
Notice-and-Access.....	1
Solicitation of Proxies.....	2
Appointment and Revocation of Proxies.....	2
Voting of Proxies.....	3
Advice to Beneficial Shareholders.....	3
INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON.....	4
VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES.....	4
OVERVIEW OF BUSINESS AND CORPORATE STRUCTURE.....	5
BUSINESS OF MEETING.....	6
Presentation of Financial Statements.....	6
Number of Directors.....	6
Election of Directors.....	6
Appointment of Auditors.....	10
Approval of the Option Plan Resolution.....	10
Approval of the Board Size Resolution.....	13
EXECUTIVE COMPENSATION.....	13
Compensation Discussion and Analysis.....	13
Compensation, Nominating and Governance Committee.....	14
Objectives and General Principles of the Compensation Program.....	14
Elements of Compensation.....	14
Market Benchmarking.....	15
Executive Compensation – Related Fees.....	15
How the Company Determines Compensation.....	15
Determining Each Element of Compensation.....	16
Compensation Plan Changes for Fiscal 2020.....	18
Option-Based Awards.....	18
Compensation Risk.....	18
Financial Instruments.....	19
Summary Compensation Table.....	19
Incentive Plan Awards.....	20
Outstanding Option-Based Awards.....	20
Outstanding Share-Based Awards.....	21
Incentive Plan Awards – Value Vested or Earned During the Year.....	22
Pension Plan Benefits.....	22
Management Agreements and Termination and Change of Control Benefits.....	22
Employee Agreements.....	22
Estimated Incremental Payments on Termination Without Cause, Change of Control, All Other Termination.....	23
Director Compensation.....	25
Compensation of Directors.....	25
Outstanding Option-Based Awards.....	26
Outstanding Share-Based Awards.....	26
Incentive Plan Awards – Value Vested or Earned During Fiscal 2019.....	27
SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS.....	28
Stock Option Plan.....	28
INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS.....	31

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTION.....	31
MANAGEMENT CONTRACTS.....	31
STATEMENT OF CORPORATE GOVERNANCE.....	31
Board of Directors.....	32
Meetings of the Board.....	32
Other Directorships.....	33
Board Mandate.....	33
Position Descriptions.....	33
Board Orientation and Continuing Education.....	34
Board, Committee and Director Assessments.....	34
Ethical Business Conduct.....	34
Nomination of Directors.....	35
Compensation of Directors and Officers.....	36
Board Committees.....	36
Director Term Limits and Other Mechanisms of Board Renewal.....	36
Representation of Women on the Board and Senior Management.....	37
The Audit Committee.....	37
The Compensation, Nominating and Governance Committee.....	38
ADDITIONAL INFORMATION.....	39
APPROVAL.....	40
Schedule “A”.....	A-1
Schedule “B”.....	B-1
Schedule “C”.....	C-1

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 Canopy Rivers 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 subordinated voting shares (the “**Subordinated Voting Shares**”) and multiple voting shares (the “**Multiple Voting Shares**”) and, together with the Subordinated Voting Shares, the “**Shares**”) of the Company, to be held at the offices of Cassels Brock & Blackwell LLP at 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario M5H 3C2 on September 26, 2019, at 10:00 a.m. (EST) 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 6, 2019. Information set forth herein as to shareholdings is based upon information supplied by the respective persons holding such Shares.

Currency

In this Circular, all references to dollar amounts are to Canadian dollars.

Record Date

The Company has fixed the close of business on July 31, 2019, 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, TSX Trust Company (“**TSX Trust**”), 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 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 Shares entitled to be voted at the Meeting.

Notice-and-Access

This year, 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 year ended March 31, 2019, and for the 340 days ended March 31, 2018, together with the auditors’ report thereon (collectively, the “**Annual Financial Statements**”) and the management’s discussion and analysis (“**MD&A**”) for the three and twelve months ended March 31, 2019 (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 them online.

Shareholders will receive a package in the mail containing information 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 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.

Electronic copies of the Meeting materials will be available on the Company's website at www.canopyrivers.com/investors/financials-and-public-filings and under the Company's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. The Meeting materials will remain on the Company's website for a period of one year.

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 TSX Trust by calling toll-free at 1-866-600-5869 or by email at TMXEInvestorServices@tmx.com. 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 ten 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 TSX Trust no later than September 10, 2019.

If you would like more information about "notice-and-access", please contact TSX Trust by calling toll-free at 1-866-600-5869 or by email at TMXEInvestorServices@tmx.com.

Solicitation of Proxies

The enclosed form of proxy is being solicited by the management of the Company for use at the Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile 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 accompanying 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 this Circular 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 proxy form or VIF; or (b) completing another valid form of proxy.** In either case, the completed form of proxy must be delivered to TSX Trust at the place and within the time limits specified herein for the deposit of proxies. 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 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 the Company c/o TSX Trust at 301 – 100 Adelaide Street West, Toronto, Ontario, M5H 4H1, by hand or mail, by fax at 1-416-595-9593, or by electronic voting through www.voteproxyonline.com, in each case by 10:00 a.m. (EST) on September 24, 2019, 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 proxy form. Further details on the electronic voting process are provided in the form of proxy. Alternatively, a proxy form may be given to the Chair of the Meeting at which the proxy form 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.

A Shareholder who has given a proxy may revoke it, any time before it is exercised, by either: (a) attending the Meeting and voting in person if you were a registered Shareholder at the close of business on the Record Date; (b) signing and delivering a form of proxy bearing a later date; (c) preparing an instrument in writing executed by such Shareholder or by his or her attorney authorized in writing, or if the Shareholder is a corporation, by an officer or attorney thereof duly authorized, and depositing it at the registered office of the Company (Canopy Rivers Inc., 40 King Street West, Suite 2504, Toronto, ON M5H 3Y2. Attention: General Counsel); or (d) in any other manner permitted by law.

A form of proxy will only be revoked if a revocation is received by 4:00 p.m. (EST) on the last business day before the Meeting, or any adjournment or postponement thereof, or delivered to the Chair of the Meeting before it commences. If a registered Shareholder revokes a form of proxy and does not replace it with another form of proxy that is deposited with TSX Trust before the proxy deadline, such Shareholder can still vote its 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 Shares by completing the blanks on the form of proxy.

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 Shares will be voted accordingly. In the absence of such instructions, such 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 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 Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Shares will not be registered in such Shareholder’s name on the records of the Company. Such Shares will more likely be registered under the name of the Shareholder’s Intermediary. In Canada, the vast majority of such 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. Shares held by Intermediaries can only be

voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Shares for their clients.

The directors and officers of the Company do not know for whose benefit the 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 Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the proxy form 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 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 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 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 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 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, 2018; (b) proposed nominee for election as a director of the Company; 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 and the approval of the Amended and Restated Option Plan (as defined herein). See “*Business of Meeting – Election of Directors*” and “*Business of Meeting – Approval of the Option Plan Resolution*”.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Subordinated Voting Shares and an unlimited number of Multiple Voting Shares, of which 154,609,360 Subordinated Voting Shares were issued and outstanding as at the Record Date, representing approximately 17.5% of the voting rights attached to all issued and outstanding Shares, and 36,468,318 Multiple Voting Shares were issued and outstanding as at the Record Date, representing approximately 82.5% of the voting rights attached to all issued and outstanding Shares. Each Subordinated Voting Share carries the right to one vote per share and each Multiple Voting Share carries the right to 20 votes per share. Canopy Growth Corporation (“**CGC**”) is the sole holder of the Multiple Voting Shares. No other voting securities were issued and outstanding as of the Record Date.

To the knowledge of the directors and the executive officers of the Company, as at the Record Date, no person beneficially owned, or controlled or directed, directly or indirectly, more than 10% of the issued and outstanding Subordinated Voting Shares and/or Multiple Voting Shares, other than as set out below:

Name and Municipality of Residence	Number of Subordinated Voting Shares ⁽¹⁾	Number of Multiple Voting Shares ⁽¹⁾	Number of Shares ⁽¹⁾
Canopy Growth Corporation Smiths Falls, Ontario	15,223,938 (9.8%)	36,468,318 (100%)	51,692,256 (27.1%) ⁽²⁾
JW Asset Management, LLC ⁽³⁾ New York, New York	33,333,334 (21.6%)	Nil	33,333,334 (17.4%) ⁽⁴⁾

(1) All percentages are calculated on a non-diluted basis.

(2) While CGC only owns approximately 27.1% of the outstanding Shares, due to the voting rights associated with the Multiple Voting Shares, CGC controls approximately 84.2% of the voting rights attached to the outstanding Shares.

(3) 24,333,334 Subordinated Voting Shares are held by JW Partners, LP and 9,000,000 Subordinated Voting Shares are held by JW Opportunities Master Fund, Ltd., each of which is controlled or directed by JW Asset Management, LLC.

(4) While JW Asset Management, LLC owns approximately 17.4% of the outstanding Shares, due to the voting rights associated with the Multiple Voting Shares, JW Asset Management, LLC only controls approximately 3.8% of the voting rights attached to the outstanding Shares.

Under applicable Canadian securities laws, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinated Voting Shares. In accordance with the rules of the TSX Venture Exchange (“TSXV”), in order to ensure that, in the event of a take-over bid where an offer is made for the Multiple Voting Shares, the holders of Subordinated Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, CGC, as the sole holder of the outstanding Multiple Voting Shares, the Company and TSX Trust entered into a coattail agreement dated September 17, 2018 (the “**Coattail Agreement**”). The Coattail Agreement contains provisions customary for dual class, TSXV-listed corporations designed to prevent transactions that would otherwise deprive the holders of Subordinated Voting Shares of rights under the take-over bid provisions of applicable Canadian securities laws that they would have been entitled to if the Multiple Voting Shares had been Subordinated Voting Shares.

The foregoing description is a summary of the material terms of the Coattail Agreement. Reference should be made to the full text of the Coattail Agreement, which is available for review under the Company’s profile on SEDAR at www.sedar.com.

OVERVIEW OF BUSINESS AND CORPORATE STRUCTURE

The Company was incorporated on October 31, 2017 as “AIM2 Ventures Inc.” under the *Business Corporations Act* (Ontario) (“**OBCA**”). Canopy Rivers Corporation (“**CRC PrivateCo**”) was incorporated on April 26, 2017 under the *Canada Business Corporations Act*. On September 14, 2018, the Company was renamed “Canopy Rivers Inc.” and on September 17, 2018, it completed a reverse take-over with CRC PrivateCo (the “**Qualifying Transaction**”). Pursuant to the Qualifying Transaction, the Company acquired all of the issued and outstanding shares of CRC PrivateCo by way of a three-cornered amalgamation, whereby (i) the Company incorporated 10859150 Canada Inc. (“**Subco**”), a new wholly-owned subsidiary of the Company; (ii) the Company issued one Subordinated Voting Share in exchange for each Class B common share of CRC PrivateCo then held by CRC PrivateCo shareholders; (iii) the Company issued one Multiple Voting Share in exchange for each Class A common share of CRC PrivateCo then held by CRC PrivateCo shareholders; and (iv) Subco amalgamated with CRC PrivateCo and the resulting entity became a wholly-owned subsidiary of the Company and continued under the name “Canopy Rivers Corporation”.

Upon completion of the Qualifying Transaction, former shareholders of CRC PrivateCo became shareholders of the Company, the former directors and officers of the Company resigned and new directors and officers of the Company were appointed, and the Company assumed the business operations of CRC PrivateCo. The Subordinated Voting Shares trade on the TSXV under the ticker symbol “RIV”. The registered and head office of the Company is located at 40 King Street West, Suite 2504, Toronto, Ontario M5H 3Y2. Further information about the Company can be found under the Company’s profile on SEDAR at www.sedar.com and on the Company’s website at www.canopyrivers.com.

BUSINESS OF MEETING

To the knowledge of the board of directors of the Company (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 have been provided to Shareholders in accordance with applicable laws and are available under the Company’s profile on SEDAR at www.sedar.com or on the Company’s website at www.canopyrivers.com/investors/financials-and-public-filings and copies of these documents will also be available at the Meeting.

Number of Directors

The Company’s articles provide that the Board shall consist of a minimum of one and a maximum of 10 directors. The by-laws of the Company provide that the number of directors of the Company may be fixed from time to time by the Shareholders by way of special resolution. The Board is currently comprised of four directors. At the Meeting, it will be proposed that the number of directors to be elected to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed, in accordance with the articles and by-laws of the Company, be fixed at five.

To be effective, the resolution fixing the number of directors to be elected at the Meeting at five requires the affirmative vote of not less than two-thirds 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 resolution fixing the number of directors to be elected at the Meeting at five. Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR the resolution fixing the number of directors to be elected at the Meeting at five, unless a Shareholder has specified in the form of proxy that his, her or its Shares are to be voted against the resolution.**

Election of Directors

The Company currently has four directors and the Board intends to fix the number of directors to be elected at the Meeting at five. Of the five proposed nominees, whose names are set out below (the “**Nominees**”), four are currently directors of the Company and have been nominated by the Board for re-election as directors at the Meeting. These four Nominees have been directors of the Company since the dates indicated below. Mr. Alexandrian, who was appointed as Chief Executive Officer (“**CEO**”) of the Company on May 22, 2019, is standing for election as a director for the first time at the Meeting. 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.

Pursuant to the investor rights agreement dated September 17, 2018 between the Company and CGC (the “**Investor Rights Agreement**”), CGC is entitled to, among other things, nominate two members of the Board for so long as the percentage of voting rights (on a non-diluted basis) beneficially owned, directly or indirectly, by CGC is more than 50% of the voting rights of the Company or any successor entity thereto. Currently, CGC only has one nominee to the Board, Mr. John K. Bell.

The table below sets forth the name, province or state and country of residence, date of appointment as a director 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*”.

At the Meeting, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee.

Name, Province or State and Country of Residence	Director Since⁽¹⁾	Present Principal Occupation and Positions Held during the Preceding Five Years⁽²⁾	Number of Subordinated Voting Shares Beneficially Owned or Controlled⁽³⁾
Narbe Alexandrian Ontario, Canada	N/A	May 2019 to present – President and CEO of the Company January 2019 to May 2019 – President of the Company September 2018 to January 2019 – Vice-President, Business Development of the Company July 2018 to September 2018 – Vice-President, Business Development of CRC PrivateCo December 2014 to July 2018 – Venture Capitalist at OMERS Ventures December 2013 to December 2014 – Senior Strategy Manager at TELUS	5,000
John K. Bell⁽⁴⁾⁽⁵⁾⁽⁶⁾ Ontario, Canada	September 17, 2018	January 2005 to present – Chairman and CEO of Onbelay Capital Inc.	708,334 ⁽⁹⁾
Asha Daniere⁽⁷⁾ Ontario, Canada	September 17, 2018	September 2012 to present – Executive Vice-President, Legal & Business Affairs at Blue Ant Media	Nil
Richard Mavrinac⁽⁵⁾⁽⁸⁾ Ontario, Canada	September 17, 2018	March 2017 to present – Directorships May 2007 to March 2017 – Retired	179,000 ⁽¹⁰⁾
Joseph Mimran⁽⁶⁾ Ontario, Canada	September 17, 2018	June 2015 to present – Chairman, Gibraltar & Company, Inc. January 2002 to present – Chairman and President, Joseph Mimran & Associates Inc. January 2017 to July 2018 – Co-CEO, Gibraltar Opportunity, Inc. January 2017 to July 2018 – Co-CEO, Gibraltar Growth Corporation March 2006 to April 2015 – Founder and Creative Director, Joe Fresh	597,545 ⁽¹¹⁾

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, not being within the direct knowledge of the Company, has been furnished by the respective Nominees.
- (3) The information as to the number of Subordinated Voting Shares beneficially owned, or over which control or direction is exercised, 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 Subordinated Voting 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 Compensation, Nominating and Governance Committee of the Board (the "CNG Committee").
- (6) Member of the Audit Committee of the Board (the "Audit Committee").
- (7) Chair of the CNG Committee.
- (8) Chair of the Audit Committee.
- (9) 41,667 Subordinated Voting Shares are held indirectly by Mr. Bell through Onbelay Capital Inc., a corporation over which Mr. Bell has control.
- (10) 150,000 Subordinated Voting Shares are controlled indirectly by Mr. Mavrinac through his spouse.

- (11) 454,545 Subordinated Voting Shares are held indirectly by Mr. Mimran through Joseph Mimran & Associates Inc., a corporation over which Mr. Mimran has control. 143,000 Subordinated Voting Shares are held indirectly by Mr. Mimran through 3208575 Canada Inc., a corporation over which Mr. Mimran has control.

As at the date of this Circular, to the Company's knowledge, the current and proposed directors of the Company, as a group, beneficially own, directly or indirectly, or exercise control or direction over 1,489,879 Subordinated Voting Shares, representing approximately 1.0% of the total issued and outstanding Subordinated Voting Shares and approximately 0.2% of the voting rights attached to all of the outstanding Shares on a non-diluted basis.

To be effective, the election of each Nominee 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 election of each Nominee. Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR each Nominee unless a Shareholder has specified in the form of proxy that his, her, or its Shares, as applicable, 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; however, if for any reason, any of the Nominees do not stand for election or are unable to serve as such, proxies in favour of the person designated on the form of proxy will be voted for another Nominee in his or her discretion unless a Shareholder has specified in the form of proxy that his, her or its Shares are to be withheld from voting in respect of any particular Nominee or Nominees.**

Director Biographies

Narbe Alexandrian – Mr. Alexandrian is the President and CEO of the Company. Mr. Alexandrian previously served as Vice President, Business Development of CRC PrivateCo from July 2018 to September 2018 and of the Company from September 2018 to January 2019 and as President of the Company from January 2019 to May 2019. Prior to joining the Company, Mr. Alexandrian was a Venture Capitalist at OMERS Ventures, one of the most prominent technology venture capital funds in Canada. During his time at OMERS Ventures, Mr. Alexandrian helped fundraise for two funds (\$520,000,000 of capital), sourced and lead multiple debt/equity financings, and acted as a board observer for a number of portfolio companies. Prior to OMERS Ventures, he was a Senior Strategy Manager in TELUS' Internet of Things (IoT) group where he helped launch operational go-to-market strategies to TELUS' executive leadership team. Prior to TELUS, he held roles at Firmex Inc., a leading virtual data room company based in Toronto, and Deloitte LLP ("**Deloitte**"), where he held roles in Financial Advisory and Consulting (fka Monitor Deloitte). Mr. Alexandrian is a Sessional Instructor at the Schulich School of Business, teaching technology entrepreneurship and venture capital within the undergraduate and MBA programs. He holds a Bachelor of Business Administration degree from the Schulich School of Business at York University and is a Chartered Professional Accountant (CPA Canada).

John K. Bell, FCPA, FCA, ICD.D – Mr. Bell is the Chairman and CEO of Onbelay Capital Inc., an investment management and holding corporation. Mr. Bell is also the Chairman of the board of directors of CGC. Prior to that, he was the founder, CEO and owner of Shred-Tech Limited ("**Shred-Tech**"), a global leader in the mobile document shredding and recycling industry. He was founder, owner and CEO of Polymer Technologies Inc. ("**Polymer**"), a global manufacturer of automotive parts. He successfully exited Shred-Tech for a New York Stock Exchange-listed company and Polymer for private equity. He was Chairman and lead investor in BSM Technologies Inc. (TSX) where he led board and management renewals leading to profitable growth before successfully exiting. He was also interim CEO and director of ATS Automation (TSX) and led management and board renewals. Past boards that Mr. Bell served on include Royal Canadian Mint, Hospital of Ontario Pension Plan, Tuckamore Capital and Strongco Corp. He also served as Chairman of Cambridge Memorial Hospital, Waterloo Regional Police, Canada's Community Triangle Accelerator Network and Waterloo Region Prosperity Council and was a board member and National Secretary of Crohns and Colitis Canada. He is an Entrepreneur in Residence at the Ivey Business School, Western University and a member of the Board of Governors of The Stratford Festival.

Asha Daniere – Ms. Daniere is Executive Vice-President, Legal & Business Affairs at Blue Ant Media, a multi-platform media company. Ms. Daniere was previously the Senior Vice President and General Counsel at Score Media Inc. ("**Score Media**"), formerly a publicly traded sports media company. Prior to her role at Score Media, Ms. Daniere was General Counsel at Fun Technologies Inc. ("**Fun Technologies**"), an Internet start-up that previously traded on the TSX and on Alternative Investment Market. Fun Technologies was focused on online skill

games and online fantasy sports offerings and was bought by Liberty Media Inc. during her tenure at a valuation of \$454,000,000. In addition to her experience in Canada, Ms. Daniere practiced law in the United States as an associate at White and Case LLP in New York City and as in-house counsel to The Topps Company, Inc. Ms. Daniere was called to the bar in both New York State and Ontario. She received her J.D. from Tulane Law School and her B.A. from the University of Toronto.

Richard Mavrinac – Mr. Mavrinac served as Chief Financial Officer (“CFO”) of George Weston Limited (“GWL”) and Executive Vice-President of Loblaw Companies Limited (“Loblaws”) from 2003 to 2007. As CFO of GWL, a major Canadian company, Mr. Mavrinac’s experience covered all aspects of finance, including responsibility for financial reporting. Mr. Mavrinac began his career with Loblaws in 1982 and he held a variety of senior financial positions within the company. In 1996, Mr. Mavrinac assumed the role of Senior Vice-President, Finance for GWL and Loblaws. Mr. Mavrinac is currently a member of the board of directors of Roots Corporation and TerrAscend Corp. Mr. Mavrinac received his Bachelor of Commerce degree from the University of Toronto in 1975 and began his career with Peat Marwick Mitchell Chartered Accountants after receiving his Chartered Accountant designation in 1978.

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-CEO of Gibraltar Opportunity, Inc. and Gibraltar Growth Corporation. Mr. Mimran was the founder and former Creative Director of the Joe Fresh™ brand for Loblaws, 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, Loblaws 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.

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, CEO or 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 director, executive officer or shareholder.

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

The independent auditors of the Company are KPMG LLP, Chartered Professional Accountants (“KPMG”), located at Bay Adelaide Centre, 333 Bay Street, Suite 4600, Toronto, Ontario M5H 2S5. KPMG was first appointed as auditors of the Company on October 4, 2018, replacing the Company’s former auditors Deloitte.

The Company’s determination to change the auditor was not as a result of any “reportable event” as such term is defined in National Instrument 51-102 – *Continuous Disclosure Obligations* (“NI 51-102”). The resignation of Deloitte and the appointment of KPMG was considered and, upon recommendation of the Audit Committee, approved by the Board. A copy of the reporting package in connection with the change in auditors, consisting of the Company’s Notice of Change in Auditor and response letters from Deloitte, as the former auditor, and KPMG, as the successor auditor, is attached hereto as Schedule “A”.

The Board reviews and approves KPMG’s annual audit fees and considers the issue of auditor independence in the context of all services provided by KPMG to the Company. KPMG has confirmed that they are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. The Board recommends the appointment of KPMG as the auditors of the Company, to hold office until the close of the next annual meeting of Shareholders. The resolution to approve the re-appointment of KPMG will also authorize the Board to fix the remuneration to be paid to the auditors. Additional information with respect to the Company’s auditors can be found in the Company’s annual information form dated July 15, 2019 (the “AIF”), available under the Company’s profile on SEDAR at www.sedar.com.

To be effective, the resolution approving the appointment of KPMG 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 KPMG. Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR the resolution authorizing the appointment of KPMG 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 Shares are to be withheld from voting in respect thereof.**

Approval of the Option Plan Resolution

The Board originally approved the Company’s existing option plan (the “Option Plan”) on August 7, 2018 and Shareholders subsequently approved it on September 12, 2018. The purpose of the Option Plan is to provide incentives to attract, retain and motivate the Company’s directors, officers, employees, and other eligible persons whose contributions are important to the future success of the Company by providing them with the opportunity, through options (the “Options”), to acquire an increased proprietary interest in the Company. For a summary of the material terms of the existing Option Plan see “*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*”.

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to approve an ordinary resolution in the form set out below (the “**Option Plan Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, approving the amendment and restatement of the Option Plan. For reference, a copy of the Option Plan incorporating the proposed amendments (the “**Amended and Restated Option Plan**”) is appended hereto as Schedule “B”.

The Amended and Restated Option Plan was approved by the Board on August 5, 2019, subject to receipt of regulatory and Shareholder approval. The TSXV has approved the Amended and Restated Option Plan, subject to receipt of Shareholder approval. In the event that the Option Plan Resolution does not receive the required Shareholder approval at the Meeting, the Amended and Restated Option Plan will terminate and the existing Option Plan will remain in place.

The current Option Plan is a “rolling” plan, which sets the maximum number of Subordinated Voting Shares issuable under the Option Plan at an amount equal to 10% of the issued and outstanding Subordinated Voting Shares, calculated at the time of grant, on a non-diluted basis. The Amended and Restated Option Plan will increase the maximum number of Subordinated Voting Shares issuable under the Option Plan to an amount equal to 10% of the issued and outstanding Subordinated Voting Shares and Multiple Voting Shares, calculated at the time of grant, on a non-diluted basis.

Pursuant to the terms of the current Option Plan, as of the date of this Circular, a maximum of 15,460,936 Subordinated Voting Shares are issuable under the Option Plan representing 10% of the issued and outstanding Subordinated Voting Shares. As of the date of this Circular, 13,921,923 Options (representing approximately 9.0% of the current issued and outstanding Subordinated Voting Shares) are outstanding and 1,539,013 Options (representing approximately 1.0% of the current issued and outstanding Subordinated Voting Shares) are currently available for future grants based on the current issued and outstanding Subordinated Voting Shares.

If approved, under the proposed Amended and Restated Option Plan, a maximum of 19,107,768 Subordinated Voting Shares would be issuable under the Amended and Restated Option Plan, representing 10% of the outstanding Shares, and 5,185,845 Options (representing approximately 2.7% of the current issued and outstanding Shares) would remain available for future grants based on the current issued and outstanding Shares.

In addition, the Amended and Restated Option Plan will include a revised amendment provision that will provide that the Board may amend the Amended and Restated Option Plan without the approval of Shareholders in certain circumstances, including but not limited to:

- (a) for the purposes of making formal, minor or technical modifications to any of the provisions of the Amended and Restated Option Plan;
- (b) to correct any defect, supply any omission, or reconcile any inconsistency in the Amended and Restated Option Plan, any Option or any Option certificate;
- (c) to change the vesting provisions of Options or the Amended and Restated Option Plan;
- (d) to change the termination provisions of any Options or the Amended and Restated Option Plan that does not entail an extension beyond the original expiry date of the Options;
- (e) to add or modify a cashless exercise feature providing for the payment in cash or securities on the exercise of Options; and
- (f) to add or change provisions relating to any form of financial assistance provided by the Corporation to optionees that would facilitate the purchase of securities under the Amended and Restated Option Plan;

provided however, that the Shareholders must approve any amendment to the Amended and Restated Option Plan that results in:

- (g) an increase in the number of Subordinated Voting Shares issuable under Options granted pursuant to the Amended and Restated Option Plan (other than by virtue of adjustments in accordance with the terms of the Amended and Restated Option Plan);
- (h) a material change in the persons who qualify as Eligible Persons (as defined herein) under the Amended and Restated Option Plan;
- (i) a reduction in the exercise price of an Option;
- (j) the cancellation and reissue of any Option;
- (k) an extension of the term of an Option beyond its original expiry date;
- (l) Options becoming transferable or assignable other than for the purposes for estate settlement purposes as described in section 15 of the Amended and Restated Option Plan;
- (m) a change to the insider participation limits set forth in section 5 of the Amended and Restated Option Plan; or
- (n) an amendment to section 21 of the Amended and Restated Option Plan, so as to change or expand the ability of the Board to amend or modify the Amended and Restated Option Plan.

Other than the change to the maximum number of Subordinated Voting Shares available for issuance under the Amended and Restated Option Plan, the inclusion of the new amendment provision and certain other non-substantive modifications, all other terms of the Option Plan will remain unamended.

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

The text of the Option Plan Resolution to be submitted to Shareholders at the Meeting is set forth below:

“IT IS HEREBY RESOLVED, THAT:

- (1) the Amended and Restated Stock Option Plan (the “**Amended and Restated Option Plan**”) of Canopy Rivers Inc. (the “**Company**”), as more particularly described in the management information circular of the Company dated August 6, 2019, is hereby ratified, confirmed and approved and all unallocated options issuable thereunder are hereby authorized and approved;
- (2) the form of the Amended and Restated Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company; and
- (3) any one or more of the directors or officers of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolutions, the execution of any such document or the doing of any such other act or thing by any director or officer of the Company being conclusive evidence of such determination.”

Approval of the Board Size Resolution

Subsections 125(3) and 124(2) of the OBCA provide that the Shareholders may, by way of a special resolution, empower the directors to increase the size of the Board by up to 1/3 of the number of directors serving on the Board, within the minimum and maximum number of directors provided for in the articles of the Company, and appoint a director to fill any vacancy resulting from such an increase in the size of the Board between annual meetings of Shareholders. Therefore, Shareholders are being asked to consider and, if deemed advisable, approve a resolution, in the form set out below (the “**Board Size Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, authorizing the directors to determine the size of the Board from time to time in accordance with subsections 125(3) and 124(2) of the OBCA.

To be effective, the Board Size Resolution requires the affirmative vote of not less than two-thirds 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 Board Size Resolution. Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR the Board Size Resolution, unless a Shareholder has specified in the form of proxy that his, her or its Shares are to be voted against the Board Size Resolution.**

The text of the Board Size Resolution to be submitted to Shareholders at the Meeting is set forth below:

“IT IS HEREBY RESOLVED, THAT:

- (1) the directors of Canopy Rivers Inc. (the “**Company**”) are empowered to determine the number of directors of the Company from time to time, within the minimum and maximum set out in the Company’s articles, by a resolution of the directors, subject to the limitations set out in the *Business Corporations Act* (Ontario); and
- (2) any one or more of the directors or officers of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer of the Company be necessary or desirable to carry out the intent of the foregoing resolution, the execution of any such document or the doing of any such other act or thing by any director or officer of the Company being conclusive evidence of such determination.”

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

The purpose of this compensation discussion and analysis (“**CD&A**”) is to describe and explain the Company’s executive compensation strategy, philosophy, objectives and processes and to discuss decisions made by the Company during the financial year ended March 31, 2019 (“**Fiscal 2019**”) to determine the compensation of the Company’s CEO, CFO and three other most highly compensated executive officers (collectively, the “**NEOs**”).

The NEOs of the Company for Fiscal 2019 were:

- Narbe Alexandrian – President and CEO (formerly the Vice President, Business Development and President of the Company);
- Bruce Linton – former CEO, director and Chair of the Board;
- Zyshan Kaba – former CEO;
- Edward Lucarelli – CFO;
- Gavin Cooper – former CFO;

- Olivier Dufourmantelle – Chief Operating Officer; and
- Matthew Mundy – General Counsel and Corporate Secretary.

Compensation, Nominating and Governance Committee

The CNG Committee is constituted by the Board to assist in 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. The CNG Committee’s assessment of corporate performance is based on a number of qualitative and/or quantitative factors, including achievement of financial targets, investment and share price performance, progress on key corporate and strategic initiatives, and the execution of transactions.

As of the date of this Circular, the CNG Committee is composed of three directors: Ms. Daniere (Chair), Mr. Mavrillac and Mr. Bell. Each member of the CNG Committee is independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), other than Mr. Bell. Mr. Bell is the Board nominee of CGC, the controlling Shareholder of the Company, and is not considered by the Board to be independent within the meaning of NI 52-110 due to his role as Chair of CGC’s board of directors. Each of the CNG Committee members has prior management experience with corporate governance and determining compensation plans and levels in other organizations. For a general description of the CNG Committee members’ relevant education and experience, see “*Business of the Meeting – Election of Directors – Director Biographies*”.

Objectives and General Principles of the Compensation Program

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, 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**”). The remuneration of the Senior Executives other than the CEO are reviewed by the CNG Committee in consultation with the CEO.

Compensation for the Senior Executives is determined based on the following objectives and general principles: (i) establishing sound corporate governance practices that are in the best interest of Shareholders and that contribute to effective and efficient decision-making; (ii) offering competitive compensation to attract, retain and motivate qualified executives to best allow the Company to meet its goals; and (iii) acting in the best interests of the Company and the Shareholders through a fiscally prudent approach.

Elements of 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 Option Plan, which is described in this Circular under the heading “*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*”; and
- (4) other perquisites and benefits.

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 discretionary assessment of an individual’s past contribution and ability to contribute to future short-term and long-term business results. The CNG Committee understands that retention of the Senior Executives is critical to business continuity.

Market Benchmarking

In order to assist the CNG Committee in determining the key elements and the level of compensation for Senior Executives and directors, the CNG Committee considers Senior Executive and director compensation in comparison to a broad peer group of companies, with an emphasis on the cannabis industry. To assist with this analysis, the CNG Committee may periodically engage a third-party consultant to review Senior Executive and director compensation. This process will help the CNG Committee ensure that Senior Executive and director compensation and benefits package, as applicable, is competitive and aligned with those competitors in its peer group. When selecting the appropriate peer companies to survey, the CNG Committee will consider companies with a similar market capitalization.

On April 1, 2019, the CNG Committee engaged Accompass, a division of Gallagher Benefit Services (Canada) Group Inc. (“**Accompass**”), a third-party compensation consultant, to assist the Board with determining the compensation of the Company’s directors and Senior Executives for the financial year ended March 31, 2020 (“**Fiscal 2020**”), as well as the development of a compensation peer group and incentive programs on a go-forward basis. Accompass is independent of management and all work conducted by Accompass has been, and will be, pre-approved by the CNG Committee. It is expected that the CNG Committee will take Accompass’ reports and recommendations, as provided, into consideration when assessing compensation structure and Option grants, but will ultimately make its own decisions and recommendations for the Board to approve.

Executive Compensation – Related Fees

The aggregate fees billed for all services provided in connection with the compensation review were nil in Fiscal 2019 and for the 340 days ended March 31, 2018 (“**Fiscal 2018**”).

How the Company Determines Compensation

The Role of the Compensation, Nominating and Governance Committee

The CNG Committee is responsible for, among other things, reviewing and making recommendations to the Board with respect to remuneration of the Senior Executives and directors of the Company. In doing so, the CNG Committee may use information gathered from an independent consultant, if engaged, a comparison of the Company’s remuneration policies with the remuneration practices of 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 to establish compensation strategies for the Senior Executives. 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 Senior Executive, 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 of Options pursuant to the Option Plan.

During Fiscal 2019, 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.

The Role of Management

Mr. Alexandrian, the President and CEO of the Company, plays an important role in the compensation decision-making process for other Senior Executives. The CNG Committee engages in active discussions with Mr.

Alexandrian concerning the determination of performance objectives, including individual goals and initiatives, for other Senior Executives, and whether, and to what extent, objectives for the previous year have been achieved for those individuals. Mr. Alexandrian also submits a self-assessment of his own individual performance objectives and/or results achieved to the CNG Committee.

Mr. Alexandrian makes recommendations to the CNG Committee regarding the amount and type of compensation awards for other Senior Executives. Other than individual and corporate goal setting and performance benchmarking, Mr. Alexandrian does not engage in discussions with the CNG Committee regarding his own compensation. The CNG Committee makes its own determination regarding Mr. Alexandrian's compensation, including his entitlement to be paid an annual long or short-term incentive bonus, guided by an assessment of whether the Company met or exceeded its performance goals for the year in question and Mr. Alexandrian's success in meeting his individual goals. The CNG Committee then makes a recommendation to the Board with respect to Mr. Alexandrian's compensation.

The CNG Committee has *in-camera* discussions to complete an independent assessment of the performance of Mr. Alexandrian and the other Senior Executives, the latter of which is informed by Mr. Alexandrian's recommendations and input. The CNG Committee then determines the overall individual performance for Mr. Alexandrian, and provides feedback with respect to Mr. Alexandrian's recommendations regarding the compensation of the other Senior Executives, and considers this before making a recommendation to the Board.

Corporate Performance

The Board reviews an annual strategic plan and budget outlining corporate objectives in line with the Company's key long-term strategies for growth and value creation. These quantitative and qualitative objectives are utilized by the CNG Committee when making compensation recommendations to the Board for the Senior Executives.

At the end of each financial year, the CNG Committee reviews the results achieved by the Company and discusses them with the CEO. For the purposes of compensation deliberations, the CNG Committee reviews the Company's actual corporate performance relative to an expected level of performance. The Company's overall corporate performance provides context for the CNG Committee's review of individual performance by the Senior Executives.

Individual Performance

The CNG Committee may, but is not required to, recommend to the Board certain annual individual performance objectives for the Senior Executives in order to align individual and corporate objectives and to reflect key performance areas for each Senior Executive relative to his or her specific role. As with the corporate objectives, individual Senior Executive performance objectives may include a combination of quantitative and qualitative measures.

Each Senior Executive's compensation is generally considered in relation to other Senior Executives and employees in order to establish compensation levels. The difference between one Senior Executive's compensation to that of another Senior Executive reflects, in part, the difference in their relative responsibilities.

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 and other assessments of them 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 employee 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. 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 annual performance cash bonuses. Each Senior Executive and employee is eligible to receive a cash bonus. In the process of creating and approving its annual budget and strategic plan, the Company establishes financial and performance targets for the Senior Executives. Similarly, as a part of the annual budget and strategic planning process, the CEO, in consultation with the CFO and the respective Senior Executive responsible for each employee's functional area, establish financial and performance targets for other employees.

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. Both the Senior Executives' annual performance cash bonus and other employees' annual performance bonus are based upon certain financial and performance targets set for the Company in an applicable financial year.

The CNG Committee attempts to align the financial and performance targets of the Senior Executives with those that the CNG Committee believes will enhance future Shareholder value. In Fiscal 2019, the key financial and performance targets were based on: achievement of financial targets, investment and share price performance, progress on key corporate and strategic initiatives, and execution of transactions. Generally, an annual performance cash bonus will be paid if the Company meets its key financial and performance targets.

From time to time, the CNG Committee may change the applicable financial and performance targets in order to provide continued incentives to Senior Executives and other employees throughout the year, if it becomes clear that the key financial and performance targets as originally outlined are unachievable as a result of external factors beyond the control of senior management of the Company.

Long-term Incentives – Options

The Company provides long-term incentive compensation to the Senior Executives and certain other employees through the granting of Options. These long-term incentive arrangements are designed to motivate the Senior Executives and such other employees to achieve longer-term sustainable business results, to align their interests with those of Shareholders and to attract and retain current and future Senior Executives and specific employees. The Board has determined that the grant of Options to Senior Executives and certain other employees is desirable insofar as it encourages the attraction, retention and encouragement of both current and potential employees and Senior Executives by affording them the opportunity to acquire a proprietary interest in the Company. Options tie pay to performance because the value of the Options when they vest is based solely on the share price at that time. Accordingly, declines in share price have a negative impact on compensation, while increases have a positive impact. In addition, the three-year annual vesting period for Options typically used by the Company in connection with the grant of Options serves as a retention tool for the Senior Executives and other employees.

For Fiscal 2019, the CNG Committee utilized the following criteria for assessing Option grants to Senior Executives prior to making a recommendation to the Board for final approval: his or her responsibilities and individual performance factors, the Company's overall corporate performance, benchmark data and other assessments of such individuals as determined by the CNG Committee.

For a more detailed description of the considerations involved in granting Options, see "*Option-Based Awards*" below.

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

Compensation Plan Changes for Fiscal 2020

(1) Base Salary:

The following changes were made to the base salaries of the NEOs for Fiscal 2020:

- The NEOs received increases to their base salaries for Fiscal 2020 based on their respective responsibilities, individual and overall corporate performance during Fiscal 2019, benchmark data, and the assessment of them as determined by the CNG Committee and, for non-CEO Senior Executives, in conjunction with the CEO. The base salaries of Messrs. Lucarelli, Alexandrian, Dufourmantelle and Mundy increased by \$35,000, \$75,000, \$20,000 and \$40,000, respectively.

(2) Short-Term Incentive Plans:

- No changes were made to the Company's short-term incentive plans, which will continue to be based on the NEO's responsibilities, individual and overall corporate performance during the year, benchmark data, and the assessment of such individuals as determined by the CNG Committee and, for non-CEO Senior Executives, in conjunction with the CEO.

(3) Other Perquisites and Benefits:

- No changes were made to perquisites and benefits for Fiscal 2020.

Option-Based Awards

Participants in the Option Plan benefit only if the market value of the Subordinated Voting Shares at the time of Option exercise is greater than the exercise price of the Options at the time of grant. For a detailed description of the Option Plan, see "*Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*".

The granting of Options and 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, an individual's level of responsibility within the Company, previous Option grants and the individual's position, ongoing responsibilities, overall compensation and prevailing market conditions. The CEO and, when requested, the Senior Executives, are instrumental in making recommendations to the CNG Committee for 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.

Compensation Risk

The CNG Committee has not formally considered the implications of the risks associated with the Company's compensation policies or practices. However, when setting compensation levels, the Board and CNG Committee seek to alleviate risk by having a balance of short-term and long-term compensation. For example, Options typically do not vest immediately, which allows for continued appreciation over the term of the Options. As a part of reviewing compensation levels, the Board and CNG Committee seek an appropriate balance of base salary, variable pay opportunities based on the achievement of individual and corporate objectives and Option grants to balance the short-term and long-term interests of the Company by tying compensation to the achievement of the business objectives of the Company, while also ensuring that the Senior Executives and certain other employees of the Company have sufficient equity exposure to align their interests with the interests of Shareholders.

The Company believes that the compensation policies it has established reflect an appropriate mixture of guaranteed compensation, incentive-based compensation through short-term incentive plans and risk mitigation. The CNG Committee currently believes that its compensation policies and practices will not lead to inappropriate or excessive risk taking on the part of the Senior Executives or other employees of the Company.

Financial Instruments

Pursuant to the Company's Corporate Disclosure and Insider Trading Policy, the Senior Executives and certain other employees are prohibited from selling securities of the Company short or selling a call option or buying a put option in respect of securities of the Company or any of its affiliates or engaging in any other transaction to synthetically monetize securities of the Company. To the Company's knowledge, no Senior Executive or director of the Company has entered into or purchased any such financial instruments.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation awarded or paid to the Company's NEOs for Fiscal 2019 and Fiscal 2018:

Summary Compensation Table									
Name and Principal position	Year⁽¹⁾	Salary	Share-Based Awards	Option-Based Awards⁽²⁾	Non-equity Incentive Plan Compensation		Pension Value⁽³⁾	All Other Compensation	Total Compensation
					Annual Incentive Plans	Long-Term Incentive Plans			
					(\$)	(\$)			
Narbe Alexandrian⁽⁴⁾ , President and CEO	2019	111,205	Nil	458,044	120,329	Nil	Nil	75,000 ⁽¹²⁾	764,579
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Bruce Linton⁽⁵⁾ , Former CEO, director and Chair of the Board	2019	1	Nil	415,598	Nil	Nil	Nil	Nil	415,599
	2018	Nil	Nil	26,983	Nil	Nil	Nil	Nil	26,983
Zyshan Kaba⁽⁶⁾ , Former CEO	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	7,195	Nil	Nil	Nil	Nil	7,195
Edward Lucarelli⁽⁷⁾ , CFO	2019	165,000	Nil	284,150	150,000	Nil	Nil	Nil	599,150
	2018	9,493	Nil	17,936	Nil	Nil	Nil	Nil	27,429
Gavin Cooper⁽⁸⁾ , Former CFO	2019	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2018	Nil	Nil	8,994	Nil	Nil	Nil	Nil	8,994
Olivier Dufourmantelle⁽⁹⁾ , Chief Operating Officer	2019	193,890 ⁽¹¹⁾	Nil	259,749	90,000 ⁽¹¹⁾	Nil	Nil	Nil	543,639
	2018	Nil	Nil	16,865	Nil	Nil	Nil	Nil	16,865
Matt Mundy⁽¹⁰⁾ , General Counsel and Corporate Secretary	2019	136,767	Nil	198,694	128,219	Nil	Nil	10,000 ⁽¹²⁾	473,681
	2018	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Fiscal 2018 covers the financial period from April 26, 2017 to March 31, 2018. Fiscal 2019 covers the financial period from April 1, 2018 to March 31, 2019.
- (2) This value was used both for the purposes of compensation (grant date fair value) and accounting value, and was derived using the Black-Scholes methodology. The key inputs and assumptions used in fair valuing the options include the exercise and share prices on the date of grant (ranging from \$0.60 to \$4.35), expected volatility (ranging from 70% to 100%) and expected option life (ranging from 3.0 years to 5.0 years). Note that for accounting purposes, Mr. Linton's and Mr. Dufourmantelle's options are re-measured each reporting period, as these options were granted to Mr. Linton and Mr. Dufourmantelle in their capacities as consultants of the Company before their employment with the Company formally commenced.
- (3) The Company currently does not have a defined benefit plan or a defined contribution plan.
- (4) Mr. Alexandrian was appointed as the Vice President, Business Development of the Company upon completion of the Qualifying Transaction on September 17, 2018. Prior to completion of the Qualifying Transaction, Mr. Alexandrian served as the Vice President, Business Development of CRC PrivateCo from July 30, 2018 until completion of the Qualifying Transaction. Mr. Alexandrian was appointed as President of the Company on January 17, 2019 and as President and CEO of the Company on May 22, 2019.
- (5) Mr. Linton was appointed as the CEO of the Company and as a director and Chair of the Board upon completion of the Qualifying Transaction on September 17, 2018. Prior to completion of the Qualifying Transaction, Mr. Linton served as the CEO of CRC PrivateCo from CRC PrivateCo's inception on April 26, 2017 until completion of the Qualifying Transaction. Mr. Linton resigned as CEO of the Company on May 22, 2019 and as a director and Chair of the Board on July 2, 2019.
- (6) Mr. Kaba was appointed as the CEO of the Company from the Company's inception on October 31, 2017 and served in that role until completion of the Qualifying Transaction on September 17, 2018.
- (7) Mr. Lucarelli was appointed as the CFO of the Company upon completion of the Qualifying Transaction on September 17, 2018. Prior to completion of the Qualifying Transaction, Mr. Lucarelli served as the CFO of CRC PrivateCo from March 12, 2018 until completion of the Qualifying Transaction.
- (8) Mr. Cooper was appointed as the CFO of the Company from the Company's inception on October 31, 2017 and served in that role until completion of the Qualifying Transaction on September 17, 2018.
- (9) Mr. Dufourmantelle was appointed as the Chief Operating Officer of the Company upon completion of the Qualifying Transaction on September 17, 2018. Prior to completion of the Qualifying Transaction, Mr. Dufourmantelle served as the Chief Operating Officer of CRC PrivateCo, from April 30, 2018 until completion of the Qualifying Transaction.
- (10) Mr. Mundy was appointed as the General Counsel and Corporate Secretary of the Company upon completion of the Qualifying Transaction on September 17, 2018. Prior to completion of the Qualifying Transaction, Mr. Mundy served as the General Counsel and Corporate Secretary of CRC PrivateCo from May 23, 2018 until completion of the Qualifying Transaction.
- (11) Pursuant to an agreement with CGC, the Company is reimbursed an amount equal to 50% of Mr. Dufourmantelle's base salary and annual non-equity incentive plan compensation by CGC.
- (12) "All other compensation" includes (i) \$75,000 awarded to Mr. Alexandrian as a promotion bonus upon his appointment as President of the Company; and (ii) \$10,000 awarded to Mr. Mundy as a signing bonus upon commencement of his employment with CRC PrivateCo.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table sets forth details of all Option-based awards that were outstanding for each NEO as of March 31, 2019:

Name	Option-based Awards			
	Number of securities underlying unexercised Options	Option exercise price	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾
	(#)	(\$)		(\$)
Narbe Alexandrian	500,000	3.50	July 30, 2023	130,000
	400,000	4.35	January 17, 2024	Nil
Bruce Linton ⁽²⁾	200,000	0.60	December 4, 2022	632,000
Zyshan Kaba ⁽³⁾	Nil	N/A	N/A	Nil
Edward Lucarelli	900,000	1.10	February 23, 2023	2,394,000
Gavin Cooper ⁽⁴⁾	Nil	N/A	N/A	Nil
Olivier Dufourmantelle	125,000	0.60	December 4, 2022	395,000

Name	Option-based Awards			
	Number of securities underlying unexercised Options	Option exercise price	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾
	(#)	(\$)		(\$)
Matthew Mundy	700,000	1.10	April 25, 2023	1,862,000

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Subordinated Voting Shares on the TSXV on March 29, 2019, which was \$3.76, and the Option exercise price by the number of unexercised, in-the-money Options, regardless of whether or not the Options have vested. Where the difference is negative, the Options are not “in-the-money” and no value is ascribed. These granted Options may or may not ever be exercised. Whether granted Options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted Options become “in-the-money”.
- (2) Mr. Linton was appointed as the CEO of the Company and as a director and Chair of the Board upon completion of the Qualifying Transaction on September 17, 2018. Mr. Linton resigned as CEO of the Company on May 22, 2019 and as a director and Chair of the Board on July 2, 2019.
- (3) Mr. Kaba served as the CEO of the Company from the Company’s inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.
- (4) Mr. Cooper served as the CFO of the Company from the Company’s inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.

Outstanding Share-Based Awards

The following table sets forth details of all share-based awards that were outstanding for each NEO as of March 31, 2019:

Name	Share-based Awards			
	Number of shares or units of shares that have not vested	Expiration date	Market or payout value of share-based awards that have not vested	Market Value or payout value of vested share-based awards not paid out or distributed
	(\$)		(\$)	(\$)
Narbe Alexandrian	Nil	N/A	N/A	N/A
Bruce Linton⁽¹⁾	Nil	N/A	N/A	N/A
Zyshan Kaba⁽²⁾	Nil	N/A	N/A	N/A
Edward Lucarelli	Nil	N/A	N/A	N/A
Gavin Cooper⁽³⁾	Nil	N/A	N/A	N/A
Olivier Dufourmantelle	Nil	N/A	N/A	N/A
Matthew Mundy	Nil	N/A	N/A	N/A

Notes:

- (1) Mr. Linton was appointed as the CEO of the Company and as a director and Chair of the Board upon completion of the Qualifying Transaction on September 17, 2018. Mr. Linton resigned as CEO of the Company on May 22, 2019 and as a director and Chair of the Board on July 2, 2019.
- (2) Mr. Kaba served as the CEO of the Company from the Company’s inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.
- (3) Mr. Cooper served as the CFO of the Company from the Company’s inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth, for each of the NEOs, the value of Option and share-based awards that vested during Fiscal 2019, and the value of non-equity incentive plan compensation earned during Fiscal 2019:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
	\$	\$	\$
Narbe Alexandrian	Nil	Nil	120,329
Bruce Linton ⁽²⁾	210,668	Nil	Nil
Zyshan Kaba ⁽³⁾	Nil	Nil	Nil
Edward Lucarelli	798,000	Nil	150,000
Gavin Cooper ⁽⁴⁾	Nil	Nil	Nil
Olivier Dufourmantelle	131,668	Nil	90,000
Matthew Mundy	Nil	Nil	128,219

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Subordinated Voting Shares on the TSXV on March 29, 2019, which was \$3.76, and the Option exercise price by the number of Options that vested during the year. Where the difference is negative, the Options are not “in-the-money” and no value is ascribed. These granted Options may or may not ever be exercised. Whether granted Options are exercised or not will be based primarily, but not singularly, on the Company’s future stock price and whether the granted Options become “in-the-money”.
- (2) Mr. Linton was appointed as the CEO of the Company and as a director and Chair of the Board upon completion of the Qualifying Transaction on September 17, 2018. Mr. Linton resigned as CEO of the Company on May 22, 2019 and as a director and Chair of the Board on July 2, 2019.
- (3) Mr. Kaba served as the CEO of the Company from the Company’s inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.
- (4) Mr. Cooper served as the CFO of the Company from the Company’s inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.

For a detailed description of the Option Plan see “*Securities Authorized for Issuance Under the Equity Compensation Plans – Stock Option Plan.*”

PENSION PLAN BENEFITS

No benefits were paid and no benefits are proposed to be paid to any of the NEOs under any pension or retirement plan.

MANAGEMENT AGREEMENTS AND TERMINATION AND CHANGE OF CONTROL BENEFITS

Employee Agreements

The Company has written employment agreements with all of the NEOs. Under these employment 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 the NEO employment agreements are set out below.

The Company has entered into an employment agreement, as amended, with Narbe Alexandrian governing Mr. Alexandrian’s role as President and CEO of the Company (the “**Alexandrian Employment Agreement**”). The Alexandrian Employment Agreement continues indefinitely, until terminated in accordance with the terms of the agreement. The Alexandrian 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 Board granted Mr. Alexandrian 400,000 Options upon his appointment as President of the Company on January 17, 2019 and 240,000 Options in connection with his appointment as CEO of the Company on May 22, 2019.

The Company has entered into an employment agreement 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 with Olivier Dufourmantelle governing Mr. Dufourmantelle's role as Chief Operating Officer of the Company (the "**Dufourmantelle Employment Agreement**"). The Dufourmantelle Employment Agreement continues indefinitely, until terminated in accordance with the terms of the agreement. Pursuant to the Dufourmantelle Employment Agreement, the Company agreed to pay Mr. Dufourmantelle an annual performance bonus equal to \$90,000 based upon agreed upon performance objectives. The Dufourmantelle Employment Agreement includes standard non-competition and non-solicitation provisions during the term of the agreement and for a period of 12 months thereafter.

The Company has entered into an employment agreement with Matthew Mundy governing Mr. Mundy's role as 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.

The Company entered into a consulting agreement with Bruce Linton and HBAM Holding Inc. governing Mr. Linton's role as CEO of the Company (the "**Linton Consulting Agreement**"). Pursuant to the Linton Consulting Agreement, the Company paid HBAM Holding Inc. \$1 annually. The Linton Consulting Agreement was terminated upon Mr. Linton's resignation as CEO of the Company on May 22, 2019 and no payments were made by the Company to HBAM Holding Inc. or Mr. Linton in connection with Mr. Linton's resignation.

Messrs. Kaba and Cooper resigned from their positions with the Company on September 17, 2018 upon completion of the Qualifying Transaction. No payments were made by the Company in connection with the resignations of Messrs. Kaba and Cooper. All of the Options held by Messrs. Kaba and Cooper vested at the time of their resignation and remain exercisable until September 17, 2019.

Estimated Incremental Payments on Termination Without Cause, Change of Control, All Other Termination

Termination without Cause

Each of the Alexandrian Employment Agreement, 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 which 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. Alexandrian, Lucarelli or Mundy other than for cause, all of their unvested stock options will vest immediately.

The Dufourmantelle Employment Agreement provides that if the Company terminates the executive's employment, other than for cause, the executive is entitled to (i) six months' notice or salary in lieu thereof, plus one month for every year and part year which 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. Mr. Dufourmantelle's Options are governed by the terms of the Option Plan in the event of his termination. See "*Securities Authorized for Issuance Under the Equity Compensation Plans – Stock Option Plan.*"

Payment on Termination Without Cause

The following table provides details regarding the estimated incremental payments from the Company to each of the currently employed NEOs in the event of termination without cause, assuming that such termination was effective on March 31, 2019.

Name	Severance Period	Termination Payment	Pro-Rated Bonus/Other	Option-based Awards ⁽¹⁾	Share-based Awards	Total Incremental Payment
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Narbe Alexandrian	10	137,500	Nil	1,300,956	Nil	1,438,456
Edward Lucarelli	11	151,250	Nil	189,914	Nil	341,164
Olivier Dufourmantelle	7	122,500	Nil	145,512	Nil	268,012
Matthew Mundy	10	133,333	Nil	190,972	Nil	324,305
TOTALS		544,583	Nil	1,827,354	Nil	2,371,937

Notes:

(1) Based on the accounting value for the unamortized share-based compensation expense relating to unvested options and derived using the Black Scholes methodology. The key inputs and assumptions used in fair valuing the options include the exercise and share prices on the date of grant (ranging from \$0.60 to \$4.35); expected volatility (70%); and expected option life (ranging from 3.0 to 4.0 years).

Change of Control

The Alexandrian Employment Agreement, 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, all of the unvested stock options held by Messrs. Alexandrian, Lucarelli or Mundy will vest immediately.

The Dufourmantelle Employment Agreement does not provide for any payments upon a change of control and all of Mr. Dufourmantelle's Options are governed by the terms of the Option Plan. See "*Securities Authorized for Issuance Under the Equity Compensation Plans – Stock Option Plan.*"

Payment on Change of Control

The following table provides details regarding the estimated incremental payments from the Company to each of the currently employed NEOs on a change of control, assuming the applicable change of control occurred on March 31, 2019.

Name	Severance Period	Termination Payment	Pro-Rated Bonus/Other	Option-based Awards ⁽¹⁾	Share-based Awards	Total Incremental Payment
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Narbe Alexandrian	13	178,750	Nil	1,300,956	Nil	1,479,706
Edward Lucarelli	14	192,500	Nil	189,914	Nil	382,414

Name	Severance Period	Termination Payment	Pro-Rated Bonus/Other	Option-based Awards ⁽¹⁾	Share-based Awards	Total Incremental Payment
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Olivier Dufourmantelle	Nil	Nil	Nil	Nil	Nil	Nil
Matthew Mundy	13	173,333	Nil	190,972	Nil	364,305
TOTALS		544,583	Nil	1,681,842	Nil	2,226,425

Notes:

- (1) Based on the accounting value for the unamortized share-based compensation expense relating to unvested options derived using the Black-Scholes methodology. The key inputs and assumptions used in fair valuing the options include the exercise and share prices on the date of grant (ranging from \$0.60 to \$4.35); expected volatility (70%); and expected option life (ranging from 3.0 to 4.0 years).

DIRECTOR COMPENSATION

Compensation of Directors

The Company pays its independent directors for serving on the Board. In making recommendations to the Board relating to director compensation, the CNG Committee considers directors' compensation offered by similar companies, its directors' time commitments and the risks and responsibilities that the directors of the Company assume.

Director Compensation Table

As of March 31, 2019, the Company had five directors, one of whom was also an NEO. For a description of the compensation paid to Messrs. Linton, Kaba and Cooper, NEOs of the Company who also acted as directors of the Company during Fiscal 2019, see "Summary Compensation Table". The following table is a summary of compensation paid to the directors of the Company, other than directors who were also NEOs, for Fiscal 2019:

Name	Fees earned	Share-based awards	Option-based awards ⁽¹⁾	Non-equity incentive plan compensation	Pension value	All other compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
John K. Bell ⁽²⁾	Nil	Nil	415,598	Nil	Nil	Nil	415,598
Asha Daniere ⁽²⁾	32,123	Nil	52,782	Nil	Nil	Nil	84,905
Richard Mavrinac ⁽²⁾	32,123	Nil	52,782	Nil	Nil	Nil	84,905
Joseph Mimran ⁽²⁾	27,534	Nil	52,782	Nil	Nil	Nil	80,316
Alan Friedman ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Zachary Goldenberg ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Marc Sontrop ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Aaron Unger ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) This value was used both for the purposes of compensation (grant date fair value) and accounting value, and was derived using the Black-Scholes methodology. The key inputs and assumptions used in fair valuing the options include the exercise and share prices on the date of grant (ranging from \$0.60 to \$3.50); expected volatility (70%); and expected option life (ranging from 3.0 years to 4.0 years). Note that for accounting purposes, Mr. Bell's options are re-measured each reporting period as these options were granted to him in his capacity as a consultant of the Company before his directorship formally commenced.
- (2) Each of Messrs. Bell, Mavrinac and Mimran and Ms. Daniere were elected as directors of the Company effective upon completion of the Qualifying Transaction on September 17, 2018.

- (3) Each of Messrs. Friedman, Goldenberg, Sontrop and Unger served as directors of the Company from the Company's inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.

Outstanding Option-Based Awards

The following table is a summary of Option-based awards granted to the directors of the Company, other than directors who were also NEOs, that were outstanding as at March 31, 2019:

Name	Option-based Awards			
	Number of securities underlying unexercised Options	Option exercise price	Option expiration date	Value of unexercised in-the-money Options ⁽¹⁾
	(#)	(\$)		(\$)
John K. Bell ⁽²⁾	200,000	0.60	December 4, 2022	632,000
Asha Daniere ⁽²⁾	75,000	3.50	July 30, 2023	19,500
Richard Mavrinac ⁽²⁾	75,000	3.50	July 30, 2023	19,500
Joseph Mimran ⁽²⁾	75,000	3.50	July 30, 2023	19,500
Alan Friedman ⁽³⁾	3,613	2.66	September 17, 2019	3,974
Zachary Goldenberg ⁽³⁾	Nil	N/A	N/A	Nil
Marc Sontrop ⁽³⁾	8,130	2.66	September 17, 2019	8,943
Aaron Unger ⁽³⁾	7,227	2.66	September 17, 2019	7,950

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Subordinated Voting Shares on the TSXV on March 29, 2019, which was \$3.76, and the Option exercise price by the number of unexercised, in-the-money Options, regardless of whether or not the Options have vested. Where the difference is negative, the Options are not "in-the-money" and no value is ascribed. These granted Options may or may not ever be exercised. Whether granted Options are exercised or not will be based primarily, but not singularly, on the Company's future stock price and whether the granted Options become "in-the-money".
- (2) Each of Messrs. Bell, Mavrinac and Mimran and Ms. Daniere were elected as directors of the Company effective upon completion of the Qualifying Transaction on September 17, 2018.
- (3) Each of Messrs. Friedman, Goldenberg, Sontrop and Unger were directors of the Company from the Company's inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.

Outstanding Share-Based Awards

The following table is a summary of share-based awards granted to the directors of the Company, other than directors who were also NEOs, that were outstanding as at March 31, 2019:

Name	Share-based Awards		
	Number of shares or units of shares that have not vested	Expiration date	Value of unvested share-based awards
	(#)		(\$)
John K. Bell ⁽¹⁾	Nil	N/A	N/A
Asha Daniere ⁽¹⁾	Nil	N/A	N/A
Richard Mavrinac ⁽¹⁾	Nil	N/A	N/A
Joseph Mimran ⁽¹⁾	Nil	N/A	N/A

Name	Share-based Awards		
	Number of shares or units of shares that have not vested	Expiration date	Value of unvested share-based awards
	(#)		(\$)
Alan Friedman ⁽²⁾	Nil	N/A	N/A
Zachary Goldenberg ⁽²⁾	Nil	N/A	N/A
Marc Sontrop ⁽²⁾	Nil	N/A	N/A
Aaron Unger ⁽²⁾	Nil	N/A	N/A

Notes:

- (1) Each of Messrs. Bell, Mavrinac and Mimran and Ms. Daniere were elected as directors of the Company effective upon completion of the Qualifying Transaction on September 17, 2018.
- (2) Each of Messrs. Friedman, Goldenberg, Sontrop and Unger were directors of the Company from the Company's inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.

Incentive Plan Awards – Value Vested or Earned During Fiscal 2019

The following table sets forth, for each of the Company's directors, other than directors who were also NEOs, the value of Option and Share-based awards that vested during Fiscal 2019, and the value of non-equity incentive plan compensation earned during Fiscal 2019:

Name	Option-based awards – Value vested during the year ⁽¹⁾	Share-based awards – Value vested during the year	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
John K. Bell ⁽²⁾	210,668	Nil	Nil
Asha Daniere ⁽²⁾	Nil	Nil	Nil
Richard Mavrinac ⁽²⁾	Nil	Nil	Nil
Joseph Mimran ⁽²⁾	Nil	Nil	Nil
Alan Friedman ⁽³⁾	Nil	Nil	Nil
Zachary Goldenberg ⁽³⁾	Nil	Nil	Nil
Marc Sontrop ⁽³⁾	Nil	Nil	Nil
Aaron Unger ⁽³⁾	Nil	Nil	Nil

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Subordinated Voting Shares on the TSXV on March 29, 2019, which was \$3.76, and the Option exercise price by the number of Options that vested during the year. Where the difference is negative, the Options are not "in-the-money" and no value is ascribed. These granted Options may or may not ever be exercised. Whether granted Options are exercised or not will be based primarily, but not singularly, on the Company's future stock price and whether the granted Options become "in-the-money".
- (2) Each of Messrs. Bell, Mavrinac and Mimran and Ms. Daniere were elected as directors of the Company effective upon completion of the Qualifying Transaction on September 17, 2018.
- (3) Each of Messrs. Friedman, Goldenberg, Sontrop and Unger were directors of the Company from the Company's inception on October 31, 2017 until completion of the Qualifying Transaction on September 17, 2018.

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, 2019:

Plan Category	Number of securities to be issued upon exercise or vesting of outstanding Options ⁽¹⁾	Weighted average exercise price of outstanding Options	Number of securities remaining available for future issuance under equity compensation plans ⁽²⁾
	(#)	(\$)	(#)
Equity compensation plans approved by security holders	12,522,255	1.98	2,920,848
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	12,522,255	1.98	2,920,848

Notes:

- (1) Represents the number of Subordinated Voting Shares reserved for issuance upon the exercise of outstanding Options granted under the Option Plan as of March 31, 2019.
- (2) Represents the maximum number of additional; Subordinated Voting Shares remaining available for future issuance upon the exercise of Options that may be granted under the Option Plan, based on 154,431,028 Subordinated Voting Shares outstanding as of March 31, 2019.

Stock Option Plan

The Board approved the adoption of the Option Plan on August 7, 2018 and Shareholders subsequently approved it on September 12, 2018. The purpose of the Option Plan is to provide incentives that attract, retain and motivate the Company's directors, officers, employees, and other eligible persons whose contributions are important to the future success of the Company, by providing them with the opportunity, through Options, to acquire an increased proprietary interest in the Company.

The Amended and Restated Option Plan was approved by the Board on August 5, 2019, subject to receipt of regulatory and Shareholder approval. In the event that the Option Plan Resolution does not receive the required Shareholder approval at the Meeting, the Amended and Restated Option Plan will terminate and the existing Option Plan will remain in place. For a detailed description of the Amended and Restated Option Plan, see "*Business of the Meeting – Approval of the Stock Option Plan Resolution*".

The following is a summary of the material terms of the Option Plan. This summary is qualified in its entirety by reference to the Option Plan, which is attached as Schedule "L" to the joint management information circular of the Company and CRC PrivateCo dated August 8, 2018, which is available under the Company's profile on SEDAR at www.sedar.com.

Eligibility

Any senior officer, director, employee, management company employee, consultant, or investor relations person of the Company or its subsidiaries (each as described in the Option Plan and each, an "**Eligible Person**") is eligible to receive options under the Option Plan.

Subordinated Voting Shares Subject to the Option Plan

The Option Plan provides that the number of Subordinated Voting Shares which may be available for issuance under the Option Plan will not exceed 10% of the total number of Subordinated Voting Shares issued and outstanding from time to time.

Limits with Respect to Insiders

- (a) The maximum number of Subordinated Voting Shares which may be reserved for issuance under Options granted to Insiders (as defined in the TSXV Corporate Finance Manual) (as a group) under the Option Plan, together with any other of the Company's previously established and outstanding stock option plans or grants, shall be 10% of the Subordinated Voting Shares issued and outstanding at the time of the grant (on a non-diluted basis); and
- (b) The maximum number of Options which may be granted to Insiders (as a group) under the Option Plan, together with any other of the Company's previously established and outstanding stock option plans or grants, within any 12 month period shall be 10% of the issued Subordinated Voting Shares, calculated on the date an Option is granted to any insider (on a non-diluted basis).

Limits with Respect to Consultants and Investor Relations Persons

- (a) The maximum number of Options which may be granted to any one consultant under the Option Plan, together with any other of the Company's previously established and outstanding stock option plans or grants, within any 12 month period, must not exceed 2% of the issued and outstanding Subordinated Voting Shares, calculated at the date an Option is granted to such consultant (on a non-diluted basis); and
- (b) The maximum number of Options which may be granted to all investor relations person under the Option Plan, together with any other of the Company's previously established and outstanding stock option plans or grants, within any 12 month period, must not exceed, in the aggregate, 2% of the issued and outstanding Subordinated Voting Shares, calculated on the date an Option granted to any such investor relations person (on a non-diluted basis).

Exercise of Options

The exercise price of Options may not be less than the "market price" (as defined in the Option Plan) of the Subordinated Voting Shares at the time the Option is granted, subject to the minimum exercise price allowable by the stock exchange on which the Company's securities are listed. 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 Subordinated Voting 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 are determined by the Board at the time of granting the Options provided, however, that the maximum term of any Options awarded under the Option Plan is five years from the date of the Option grant.

Vesting

All Options granted pursuant to the Option Plan will be 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. 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 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 up to a maximum of 12 months with approval from the TSXV. 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.

Transferability

Options granted under the Option Plan will be non-assignable and non-transferable by an optionee other than pursuant to a will or by the laws of descent and distribution, and such Options shall be exercisable, during an optionee's lifetime, only by the optionee.

Capital Changes, Corporate Transactions and Change of Control

The Option Plan contains provisions for the treatment of Options in relation to capital changes and with regard to a reorganization, stock split, stock dividend, combination of shares merger, consolidation, rights offering or any other change in the corporate structure or shares of the Company. The aggregate number and kind of shares available under the Option Plan will be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or shares of the Company.

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.

Amendment and Termination of the Stock Option Plan

The Board may at any time amend or terminate the Option Plan, but where amended, such amendment may be subject to regulatory or shareholder approval.

A copy of the Amended and Restated Option Plan is attached hereto as Schedule “B” and can be found under the Company’s profile on SEDAR at www.sedar.com. The Company will provide a copy of the Amended and Restated Option Plan free of charge to Shareholders upon request.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during Fiscal 2019 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 2019 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 2019, 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 TRANSACTION

No “informed persons” of the Company (as defined in NI 51-102), nor any Nominee, nor any person who beneficially owns, directly or indirectly, Shares carrying more than 10% of the voting rights attached to the issued 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 2019 or in any proposed transaction which has materially affected the Company or would materially affect the Company, or any of its subsidiaries.

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 NI 52-110, a director is considered 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 four directors, a majority of whom are independent based upon the criteria set forth in NI 52-110. There are five Nominees standing for election as directors at the Meeting, three of whom are independent. Messrs. Mavrinac and Mimran and Ms. Daniere are independent directors within the meaning of NI 52-110. Mr. Alexandrian is not independent within the meaning of NI 52-110 due to his role as President and CEO of the Company. Mr. Bell is the Board nominee of CGC, the controlling Shareholder of the Company, and is not considered by the Board to be independent within the meaning of NI 52-110 due to his role as Chair of the board of directors of CGC.

The independent directors did not hold any regularly scheduled meetings during Fiscal 2019, at which non-independent directors and members of management were not in attendance. To facilitate open and candid discussion among the independent directors, at Board meetings, as applicable, non-independent directors will be asked to leave the meeting. 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. It is anticipated that independent directors’ meetings will be held as deemed appropriate during the current financial year.

Chair of the Board and Lead Director

Mr. Linton was a director and Chair of the Board during Fiscal 2019 and was not an independent director within the meaning of NI 52-110. Mr. Bell is the current Chair of the Board and is not an independent director within the meaning of NI 52-110. Mr. Mavrinac is the Lead Director of the Board and is independent within the meaning of NI 52-110. See “*Position Descriptions – Chair*” and “*Position Descriptions – Lead Director*” for a description of the roles of the Chair and the Lead Director.

Meetings of the Board

Following the Qualifying Transaction, the Board held three meetings during Fiscal 2019. The members of the Board and their meeting attendance during Fiscal 2019 are set forth below:

Board of Directors		
Name of Director	Independent	Meeting Attendance⁽¹⁾⁽²⁾
Bruce Linton	No	3 of 3
John K. Bell	No	3 of 3
Asha Daniere	Yes	3 of 3
Richard Mavrinac	Yes	3 of 3
Joseph Mimran	Yes	3 of 3

Notes:

- (1) Each director was appointed upon completion of the Qualifying Transaction on September 17, 2018.
- (2) In addition to official Board meetings, since September 17, 2018, following completion of the Qualifying Transaction, the Board has met frequently on an informal basis to discuss ongoing matters.

Other Directorships

The following table summarizes current directorships of other reporting issuers for the current directors of the Company:

Director	Name of Reporting Issuer and Exchange
John K. Bell	Canopy Growth Corporation (TSX: WEED) (NYSE:CGC) DelMar Pharmaceuticals, Inc. (NASDAQ: DPMI)
Asha Daniere	N/A
Richard Mavrinac	Roots Corporation (TSX: ROOT) TerrAscend Corp. (CSE: TER)
Joseph Mimran	Khiron Life Sciences Corp. (TSXV: KHRN) LXRandCo, Inc. (TSX: LXR) Pivot Pharmaceuticals Inc. (CSE: PVOT)

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 “C”. 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 control and procedures; (iv) ensuring appropriate standards of corporate conduct; (v) reviewing and approving financial statements and MD&A; (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 Lead Director, the Chair of the Audit Committee and the Chair of the CNG Committee. In addition, the Audit Committee and the CNG Committee each have a written charter.

Chair

Mr. Bell is the Chair of the Board. Mr. Bell 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.

Lead Director

Mr. Mavrinac is the Lead Director of the Board. Mr. Mavrinac provides independent leadership to the Board and facilitates the functioning of the Board independently of the Company’s management. The primary responsibility of the Lead Director is to, together with the Chair of the CNG Committee, oversee the corporate governance practices of the Company and to ensure Board independence.

CEO

Mr. Alexandrian is the President and CEO of the Company. While the Company does not have a written CEO position description, Mr. Alexandrian 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 respective 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, 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. Directors are required to complete self-evaluations and to consider, among other things, the overall functioning and performance of the Board, the Company's standing committees and oversight thereof, the operational oversight of the Board, review of management structure and succession issues, effectiveness of internal controls and financial reporting, ethics and compliance review and accountability. The Chair of the Board 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.sedar.com.

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 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 nominees as directors of the Company 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.

Pursuant to the Investor Rights Agreement, among other things, CGC is entitled to nominate two members of the Board for so long as the percentage of voting rights (on a non-diluted basis) beneficially owned directly or indirectly by CGC is more than 50% of the voting rights of the Company or any successor entity thereto. Currently, CGC only has one nominee to the Board, Mr. John K. Bell.

Compensation of Directors and Officers

The Board has also established the CNG Committee to assist in determining compensation matters for the Company. The CNG Committee is set up to ensure that compensation is competitive within the cannabis industry and aligns the interests of such individuals with those of the Company.

See “*Executive Compensation – Compensation Discussion and Analysis*” for additional details with respect to the CNG Committee and the compensation provided to directors and NEOs of the Company.

Board Committees

The Board currently has two committees: (i) the Audit Committee; and (ii) the CNG Committee. In addition, the Board may establish other committees from time to time to assist the Board in connection with specific matters. 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 with a 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.

Representation of Women on the Board and Senior Management

The CNG Committee periodically reviews the composition of the Board and when applicable, considers qualified candidates who are best able to meet the skills matrix developed for the Board. The CNG Committee takes into consideration the overall knowledge, experience, skills, expertise and diversity of the Board as a whole. The Company currently has four directors, one of whom is a woman, representing 25% of the Board members. The Corporation has nominated five Nominees, one of whom is a woman, representing 20% of the Nominees. Currently the senior management team of the Company is comprised of six individuals, one of whom, the Senior Director, Investor Relations and Communications, is a woman, representing 15% of the senior management team.

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 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.

The Company has not adopted specific targets or quotas in relation to women on the Company’s Board or in executive officer positions. The Board does not believe that quotas or strict rules 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 behavioural qualities of each candidate.

The Company believes that equality and a commitment to diversity extends beyond the boardroom. With respect to its workforce, the Company considers it 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 is 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. Bell and Mr. Mimran. Each of the members of the Audit Committee is independent within the meaning of NI 52-110, other than Mr. Bell.

For a general description of the Audit Committee members’ relevant education and experience, see “*Business of the Meeting – Election of Directors – Director 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, unaudited interim consolidated financial statements and MD&A for both annual and interim consolidated financial statements and review of 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”. A copy of the Audit Committee charter is attached to the AIF as Schedule “A” thereto. The AIF is available under

the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.canopyrivers.com/investors/financials-and-public-filings.

Following the Qualifying Transaction, the Audit Committee held three meetings during Fiscal 2019. The members of the Audit Committee and their meeting attendance during Fiscal 2019 are set forth below:

Audit Committee		
Name of Director	Independent	Meeting Attendance ⁽¹⁾
Richard Mavrinac	Yes	3 of 3
John K. Bell	No	3 of 3
Joseph Mimran	Yes	3 of 3

Notes:

(1) Each member of the Audit Committee was appointed upon completion of the Qualifying Transaction on September 17, 2018.

The Compensation, Nominating and Governance Committee

The CNG Committee is currently comprised of: Ms. Daniere (Chair), Mr. Mavrinac and Mr. Bell. Each of the members of the CNG Committee is independent within the meeting of NI 52-110, other than Mr. Bell.

For a general description of the CNG Committee members' relevant education and experience, see "*Business of the Meeting – Election of Directors – Director 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 the same industry;
- (f) reviewing periodically bonus plans and any share-based compensation plans and considering these in light of new trends and practices of peers in the cannabis industry;
- (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.

Following the Qualifying Transaction, the CNG Committee held one meeting during Fiscal 2019. The members of the CNG Committee and their meeting attendance during Fiscal 2019 are set forth below:

Compensation, Nominating and Governance Committee		
Name of Director	Independent	Meeting Attendance⁽¹⁾⁽²⁾
Asha Daniere	Yes	1 of 1
Richard Mavrinc	Yes	1 of 1
John K. Bell	No	1 of 1

Notes:

- (1) Each member of the CNG Committee was appointed upon completion of the Qualifying Transaction on September 17, 2018.
(2) In addition to official CNG Committee meetings, since September 17, 2018, following completion of the Qualifying Transaction, the CNG has met frequently on an informal basis to discuss ongoing matters.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com and on the Company's website at www.canopyrivers.com/investors/financials-and-public-filings.

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 TSX Trust by calling toll-free at 1-866-600-5869 or by emailing TMXInvestorServices@tmx.com.

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) John K. Bell

John K. Bell
Chair of the Board

SCHEDULE "A"

Please see attached.

NOTICE OF CHANGE OF AUDITOR

TO: KPMG LLP

AND TO: DELOITTE LLP

**CC: Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission**

TAKE NOTICE THAT Canopy Rivers Inc. (the “Company”) hereby provides notice pursuant to National Instrument 51-102 Continuous Disclosure Obligations (“NI 51-102”) of a change of auditors from Deloitte LLP (“Deloitte”), Chartered Professional Accountants, to KPMG LLP (“KPMG”), Chartered Professional Accountants, effective October 4, 2018.

TAKE FURTHER NOTICE THAT:

1. Deloitte, the former independent auditor of the Company, tendered its resignation effective October 4, 2018 and the Company has appointed KPMG in its place.
2. The resignation of Deloitte and the appointment of KPMG in its place have been recommended by the Audit Committee of the Board of Directors of the Company (the “Board”) and approved by the Board.
3. There have been no reservations contained in Deloitte’s auditors’ reports on any of the financial statements of the Company.
4. There are no reportable events (as defined under Section 4.11(1) of NI 51-102).
5. The Company has requested KPMG and Deloitte to each furnish a letter addressed to the securities administrators in each province in which the Company is a reporting issuer stating whether or not they agree with the information contained in this notice. A copy of each such letter to the securities administrators will be filed with this notice.

DATED as of this 9th day of October, 2018.

CANOPY RIVERS INC.

(signed) “Eddie Lucarelli”

Name: Eddie Lucarelli
Title: Chief Financial Officer

October 9, 2018

Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission

Dear Sirs/Mesdames:

Re: Canopy Rivers Inc.

As required by subparagraph (5)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the change of auditor notice of Canopy Rivers Inc. dated October 9, 2018 (the "Notice") and, based on our knowledge of such information at this time, we agree the statements 1, 3, 4 and 5 as it relates to us, and we have no basis to agree with statement 2 contained in the Notice.

Yours very truly,



Chartered Professional Accountants
Licensed Public Accountants



KPMG LLP
100 New Park Place, Suite 1400
Vaughan, ON L4K 0J3
Tel 905-265 5900
Fax 905-265 6390
www.kpmg.ca

To
Ontario Securities Commission
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Services
Commission, New Brunswick
Nova Scotia Securities Commission

October 18, 2018

Dear Sir/Madam:

Re: Notice of Change of Auditors of Canopy Rivers Inc.

We have read the Notice of Change of Auditor of Canopy Rivers Inc. dated October 9, 2018 and are in agreement with the statements contained in such Notice.

Yours very truly,

KPMG LLP

SCHEDULE “B”

AMENDED AND RESTATED STOCK OPTION PLAN OF CANOPY RIVERS INC.

1. PURPOSE

The purpose of this stock option plan (the “**Plan**”) is to authorize the grant to Eligible Persons (as such term is defined below) of Canopy Rivers Inc. (the “**Corporation**”) of options to purchase subordinated voting shares (“**Subordinated Voting Shares**”) in the capital of the Corporation and thus benefit the Corporation by enabling it to attract, retain and motivate Eligible Persons by providing them with the opportunity, through options to acquire an increased proprietary interest in the Corporation.

2. DEFINITIONS

- (a) “**Acceleration Event**” means
- (i) the acquisition by any “offeror” (as defined in the *Securities Act* (Ontario)), other than Canopy Growth, 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) the acquisition by Canopy Growth, directly or indirectly, of beneficial ownership of more than 90% of the outstanding voting securities of the Corporation, by means of a take-over bid or otherwise;
 - (iii) 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 Subordinated Voting 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;
 - (iv) 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;
 - (v) the approval by the shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation; or
 - (vi) 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;
- (b) “**Blackout Period**” has the meaning ascribed thereto in Section 9;
- (c) “**Board**” means the board of directors of the Corporation, or any committee of the board of directors to which the duties of the board of directors hereunder are delegated;

- (d) **“Canopy Growth”** means Canopy Growth Corporation, a company duly incorporated under the laws of Canada;
- (e) **“Company”** means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;
- (f) **“Consultant”** means an individual (other a director, senior officer, Employee or Management Company Employee of the Corporation) or Company that:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or an Affiliate (as defined under applicable securities laws) of the Corporation, other than services provided in relation to a Distribution (as defined under applicable securities laws);
 - (ii) provides the services under a written contract between the Corporation or the Affiliate and the individual or the Company, as the case may be;
 - (iii) 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 of the Corporation;
 - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation; and
 - (v) does not engage in Investor Relations Activities;
- (g) **“Corporation”** means Canopy Rivers Inc., a company duly incorporated under the laws of Ontario;
- (h) **“Eligible Person”** means any senior officer or director, Employee, Management Company Employee, Consultant, Investor Relations Person of the Corporation or its subsidiaries;
- (i) **“Employee”** means:
 - (i) an individual who is considered an employee of the Corporation under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source, or
 - (iii) an individual who works for the Corporation on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or any of its subsidiaries over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (j) **“Exchanged Share”** means a security that is exchanged for a Subordinated Voting Share in an Acceleration Event;
- (k) **“Exchanged Share Price”** means the product of the Subordinated Voting Share to Exchanged Share ratio multiplied by the five day volume weighted average price of the Exchanged Shares on

an exchange for the period ending one day prior to the effective date of the Acceleration Event, or, in the case of Exchanged Shares that are not listed or quoted for trading, the fair value of those Exchanged Shares, as determined by the Board, in its sole discretion, as of the day immediately preceding the effective date of the Acceleration Event;

- (l) “**Exercise Price**” has the meaning ascribed thereto in Section 8;
- (m) “**In-The-Money Amount**” means: (a) in the case of an Acceleration Event in which the holders of Subordinated Voting Shares will receive only cash consideration, the difference between the exercise price of an option and the cash consideration paid per Subordinated Voting Share pursuant to that Acceleration Event; (b) in the case of an Acceleration Event in which the holders of Subordinated Voting Shares will receive Exchanged Shares, the difference between the exercise price of an option and the Exchanged Share Price; or (c) in the case of an Acceleration Event in which the holders of Subordinated Voting Shares will receive cash consideration and Exchanged Shares per Subordinated Voting Share, the difference between the exercise price of an option and the sum of the cash consideration paid per Subordinated Voting Share plus the Exchanged Share Price;
- (n) “**Investor Relations Activities**” means activities or oral or written communications, by or on behalf of the Corporation or a shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
 - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
 - (1) to promote the sale of products or services of the Corporation, or
 - (2) to raise public awareness of the Corporation,that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
 - (ii) activities or communications necessary to comply with the requirements of
 - (1) applicable securities laws, policies or regulations,
 - (2) the rules, and regulations of the TSXV or the by-laws, rules or other regulatory instruments of any other self regulatory body or exchange having jurisdiction over the Corporation;
 - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if
 - (1) the communication is only through the newspaper, magazine or publication, and
 - (2) the publisher or writer received no commission or other consideration other than for acting in the capacity of publisher or writer; or
 - (iv) activities or communications that may be otherwise specified by the TSXV;
- (o) “**Investor Relations Person**” means a Person retained to provide Investor Relations Activities and any director or officer whose roles and duties primarily consist of Investor Relations Activities;

- (p) “**Management Company Employee**” means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- (q) “**Multiple Voting Shares**” means the multiple voting shares in the capital of the Corporation;
- (r) “**Option Certificate**” means the certificate, in the form set out as Appendix “A” hereto, evidencing an option to acquire Subordinated Voting Shares in the Corporation;
- (s) “**Optioned Shares**” has the meaning ascribed thereto in Section 10;
- (t) “**Person**” means a Company or individual;
- (u) “**Plan**” has the meaning ascribed thereto in Section 1;
- (v) “**Shares**” means, collectively, the Subordinated Voting Shares and the Multiple Voting Shares;
- (w) “**Subordinated Voting Shares**” has the meaning ascribed thereto in Section 1;
- (x) “**Subsidiary**” means a corporation which is a subsidiary of the Corporation, as defined under the *Securities Act* (Ontario);
- (y) “**TSXV**” means the TSX Venture Exchange; and
- (z) “**TSX**” means the Toronto Stock Exchange.

For the purposes of the forgoing, a Company is an “**Affiliate**” of another Company if: (i) one of them is the subsidiary of the other; or (ii) each of them is controlled by the same Person.

3. ADMINISTRATION

The Plan shall be administered by the Board or a committee established by the Board for that purpose. Subject to approval of the granting of options by the Board, the Corporation shall grant options under the Plan by notifying the option holder in writing of the award and enclosing with such notice the Option Certificate.

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

4. SHARES SUBJECT TO PLAN

Subject to adjustment under the provisions of Section 16 hereof, the maximum number of Subordinated Voting Shares which may be reserved for issuance under the Plan shall be 10% of the total number of Shares issued and outstanding from time to time. The total number of Subordinated Voting Shares which may be issued or reserved for issuance to any one Person (and Companies wholly owned by that Person) under the Plan within any 12month period shall not exceed 5% of the issued and outstanding Shares, calculated on the date an option is granted to such individual (unless the Corporation has obtained the requisite approval from disinterested shareholders). The Corporation shall not, upon the exercise of any option, be required to issue or deliver any Subordinated Voting Shares prior to (a) the admission of such Subordinated Voting Shares to listing on any stock exchange on which the Subordinated Voting Shares may then be listed, and (b) the completion of such registration or other qualification of such Subordinated Voting Shares under any law, rule or regulation as the Corporation shall

determine to be necessary or advisable. If any Subordinated Voting Shares cannot be issued to any optionee for whatever reason, the obligation of the Corporation to issue such Subordinated Voting Shares shall terminate and any option exercise price paid to the Corporation shall be returned to the optionee.

5. LIMITS WITH RESPECT TO INSIDERS

- (a) The maximum number of Subordinated Voting Shares which may be reserved for issuance to insiders (as a group) under the Plan, together with any other of the Corporation's previously established and outstanding stock option plans or grants, shall be 10% of the Shares issued and outstanding calculated on the date an option is granted (on a non-diluted basis); and
- (b) The maximum number of options which may be granted to insiders (as a group) under the Plan, together with any other of the Corporation's previously established and outstanding stock option plans or grants, within any 12 month period shall be 10% of the issued and outstanding Shares, calculated on the date an option is granted to any insider (on a non-diluted basis).

6. ELIGIBILITY

Options shall be granted only to Eligible Persons, any registered savings plan established by an Eligible Person or any Company wholly-owned by an Eligible Person.

For stock options granted to Employees, Consultants, Management Company Employees or Investor Relations Persons, the Corporation must represent that the optionee is a *bona fide* Employee, Consultant, Management Company Employee or Investor Relations Person as the case may be. The terms "insider", "controlled" and "subsidiary" shall have the meanings ascribed thereto in the *Securities Act* (Ontario) from time to time. Subject to the foregoing, the Board shall have full and final authority to determine the persons who are to be granted options under the Plan and the number of Subordinated Voting Shares subject to each option.

7. LIMITS WITH RESPECT TO CONSULTANTS AND INVESTOR RELATIONS PERSONS

- (a) The maximum number of stock options which may be granted to any one Consultant under the Plan, together with any other of the Corporation's previously established and outstanding stock option plans or grants, within any 12-month period, must not exceed 2% of the issued and outstanding Shares, calculated on the date an option is granted to such Consultant (on a non-diluted basis).
- (b) The maximum number of stock options which may be granted to all Investor Relations Persons under the Plan, together with any other of the Corporation's previously established and outstanding stock option plans or grants, within any 12 month period, must not exceed, in the aggregate, 2% of the issued and outstanding Shares, calculated on the date an option is granted to any such Investor Relations Person (on a non-diluted basis).

8. EXERCISE PRICE

The exercise price (the "**Exercise Price**") for the Subordinated Voting Shares underlying each option shall be determined by the Board on the basis of the market price, where "market price" shall mean the prior trading day closing price of the Subordinated Voting Shares on any stock exchange on which the Subordinated Voting Shares are listed or trade, and where there is no such closing price or trade on the prior trading day, "market price" shall mean the average of the daily high and low board lot trading prices of the Subordinated Voting Shares on any stock exchange on which the Subordinated Voting Shares are listed or trade for the five immediately preceding trading days. In the event the Subordinated Voting Shares are listed on the TSXV, the price may be the market price less any discounts from the market price allowed by the TSXV, subject to the minimum exercise price allowed by the TSXV. In the event the Subordinated Voting Shares are listed on the TSX, the exercise price shall not be less than the market price. In the event the Subordinated Voting Shares are not listed or traded on any stock exchange, the market price will be determined by the Board.

9. TERM OF OPTIONS

Subject to the provisions of this Section 9 and Sections 11, 13 and 14 below, the period within which an option may be exercised shall be determined by the Board at the time of granting the option provided, however, that no option shall be granted for a term exceeding five years from the date of the option grant.

Notwithstanding the foregoing, in the event that the expiry date of an option falls within a trading blackout period imposed by the Corporation (a “**Blackout Period**”), and neither the Corporation nor the individual in possession of the options is subject to a cease trade order in respect of the Corporation’s securities, then the expiry date of such option shall be automatically extended to the 10th business day following the end of the Blackout Period.

On the expiry date of any option granted under the Plan, and subject to any extension of such expiry date permitted in accordance with the Plan, such option hereby granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to those of the Optioned Shares in respect of which the option has not been exercised.

10. EXERCISE OF OPTIONS

Subject to the provisions of the Plan and the particular option, an option may be exercised from time to time by delivering to the Corporation at its registered office a written notice of exercise specifying the number of Subordinated Voting Shares with respect to which the option is being exercised (the “**Optioned Shares**”) and accompanied by payment in cash or certified cheque for the full amount of the purchase price of the Subordinated Voting Shares then being purchased. Upon receipt of a certificate of an authorized officer directing the issue of Subordinated Voting Shares purchased under the Plan, the Corporation or, if applicable, the transfer agent, is authorized and directed to issue and countersign share certificates for the Optioned Shares in the name of such optionee or the optionee’s legal personal representative or as may be directed in writing by the optionee’s legal personal representative. Certificates for such Optioned Shares shall be issued and delivered to the optionee within a reasonable time following the receipt of such notice and payment. Except as provided in Sections 11, 13 and 14 below, no option which is held by an Eligible Person may be exercised unless the optionee is then an Eligible Person.

11. VESTING RESTRICTIONS

Options issued under the Plan may vest and become exercisable at the discretion of the Board provided that if required by any stock exchange on which the Subordinated Voting Shares trade: (i) any options granted at an Exercise Price calculated as an allowable discount to the applicable market price shall contain such vesting restrictions as may be required by such stock exchange; and (ii) any options granted to an Investor Relations Person must vest in stages over not less than 12 months with no more than one-quarter of the aggregate number of options granted vesting in any single three month period.

12. EVIDENCE OF OPTIONS

Each option granted under the Plan shall be embodied in a written option agreement between the Corporation and the optionee which shall give effect to the provisions of the Plan.

13. CESSATION OF PROVISION OF SERVICES

Subject to Section 14 below, if any optionee ceases to be an Eligible Person of the Corporation for any reason, other than as a result of having been dismissed for cause or as a result of the optionee’s death, such optionee shall have the right for a period of 90 days (or until the normal expiry date of the option rights of such optionee, if earlier) from the date of ceasing to be an Eligible Person to exercise the options of such optionee, to the extent they were exercisable on the date of ceasing to be an Eligible Person, subject to extension by the Board to a maximum of one year with approval from the TSXV. Upon the expiration of such 90-day (or one year) period, all unexercised

options of that optionee shall immediately terminate and shall lapse notwithstanding the original term of option granted to such optionee under the Plan.

If an optionee ceases to be an Eligible Person as a result of having been dismissed from any such position for cause, all unexercised options of that optionee under the Plan shall immediately terminate and shall lapse, notwithstanding the original term of the option granted to such optionee under the Plan.

If an optionee engaged in providing Investor Relations Activities to the Corporation ceases to be retained in providing such Investor Relations Activities, such optionee shall have the right for a period of 30 days (or until the normal expiry date of the option rights of such optionee, if earlier) from the date of ceasing to provide such Investor Relations Activities to exercise the options of such optionee under the Plan, to the extent they were exercisable on the date of ceasing to provide such Investor Relations Activities. Upon the expiration of such 30-day period all unexercised options of that optionee shall immediately terminate and shall lapse notwithstanding the original term of the option granted to such optionee under the Plan.

14. DEATH OF OPTIONEE

In the event of the death of an optionee during the term of the optionee's option, the option theretofore granted to the optionee shall vest and be exercisable for a period of one year following the optionee's death (unless such period is extended by the Board with approval from the TSXV, if required) or until the normal expiry date of the option rights of such optionee, if earlier.

15. NON-ASSIGNABILITY AND NON-TRANSFERABILITY OF OPTION

An option granted under the Plan shall be non-assignable and non-transferable by an optionee other than by will or by the laws of descent and distribution, and such option shall be exercisable, during an optionee's lifetime, only by the optionee.

16. ADJUSTMENTS IN SHARES SUBJECT TO PLAN

The aggregate number and kind of Subordinated Voting Shares available under the Plan shall be appropriately adjusted in the event of a reorganization, recapitalization, stock split, stock dividend, combination of shares, merger, consolidation, rights offering or any other change in the corporate structure or Subordinated Voting Shares. The options granted under the Plan may contain such provisions as the Board may determine with respect to adjustments to be made in the number and kind of shares covered by such options and in the option price in the event of any such change.

17. NOTICE OF SALE OF ALL OR SUBSTANTIALLY ALL SHARES OR ASSETS

If at any time when an option granted under this Plan remains unexercised with respect to any Optioned Shares:

- (a) the Corporation seeks approval from its shareholders for a transaction which, if completed, would constitute an Acceleration Event; or
- (b) a third party makes a bona fide formal offer or proposal to the Corporation or its shareholders which, if accepted, would constitute an Acceleration Event;

the Corporation shall notify the optionee in writing of such transaction, offer or proposal as soon as practicable and, provided that the Board has determined that no adjustment shall be made pursuant to Section 16 hereof, the Board may (i) permit the optionee to exercise the option granted under this Plan, 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 the option and of the time for the fulfilment of any conditions or restrictions on such exercise. For greater certainty,

upon an Acceleration Event, optionees shall not be treated any more favourably than shareholders with respect to the consideration that the optionees may be entitled to receive for their Subordinated Voting Shares.

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 Corporation to offer to acquire from each optionee his or her options for a cash payment equal to the In-The-Money Amount, 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 Plan 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 Subordinated Voting 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.

For greater certainty, and notwithstanding anything else to the contrary contained in the Plan, the Board shall have the power, in its sole discretion, in connection with any Acceleration Event which may or has occurred, to make such arrangements as it shall deem appropriate for the exercise of outstanding options including, without limitation, to modify the terms of the Plan and/or the options as contemplated above. If the Board exercises such power, the options shall be deemed to have been amended to permit the exercise thereof in whole or in part by the optionee at any time or from time to time as determined by the Board prior to or in conjunction with completion of the Acceleration Event.

18. EMPLOYMENT

Nothing contained in the Plan shall confer upon any optionee any right with respect to employment or continuance of employment with the Corporation or any subsidiary, or interfere in any way with the right of the Corporation, or any subsidiary, to terminate the optionee's employment at any time. Participation in the Plan by an optionee is voluntary.

19. NO SHAREHOLDER RIGHTS PRIOR TO EXERCISE

An optionee shall have no rights whatsoever as a shareholder of the Corporation in respect of any of the Optioned Shares (including any right to receive dividends or other distributions therefrom or thereon), other than in respect of Optioned Shares in respect of which the optionee has exercised the option to purchase hereunder and which the optionee has actually taken up and paid for.

20. TAX MATTERS

The Corporation shall have the power and the right to deduct or withhold, or require an optionee to remit to the Corporation, the required amount to satisfy federal, provincial and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of any option granted under the Plan. With respect to any required withholding, the Corporation shall have the irrevocable right to, and the optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the optionee (whether arising pursuant to the optionee's relationship as a director, officer, employee or consultant of the Corporation or otherwise), or may make such other arrangements that are satisfactory to the optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Subordinated Voting Shares issuable upon exercise of the options as it determines

are required to be sold by the Corporation, as trustee, to satisfy any withholding obligations net of selling costs. The optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Subordinated Voting Shares issuable upon exercise of the options and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Subordinated Voting Shares issuable upon exercise of the options

21. AMENDMENT AND TERMINATION OF THE PLAN

The Board may at any time terminate this Plan, provided that no such termination shall adversely affect the rights of any optionee under any option previously granted, except with the consent of such optionee. The Board may, without notice, at any time and from time to time, amend the Plan or any provisions thereof, or the form of Option Certificate or instrument to be executed pursuant to the Plan, in such manner as the Board, in its sole discretion, determines appropriate without shareholder approval, including but not limited to:

- (a) for the purposes of making formal minor or technical modifications to any of the provisions of the Plan;
- (b) to correct any defect, supply any omission, or reconcile any inconsistency in the Plan, any option or any Option Certificate;
- (c) to change the vesting provisions of options or the Plan;
- (d) to change the termination provisions of any options or the Plan that does not entail an extension beyond the original expiry date of the options;
- (e) to add or modify a cashless exercise feature providing for the payment in cash or securities on the exercise of options; and
- (f) to add or change provisions relating to any form of financial assistance provided by the Corporation to optionees that would facilitate the purchase of securities under the Plan;

provided, however, that:

- (g) no such amendment of the Plan may be made without the consent of the affected optionee if such amendment would adversely affect the rights of such affected optionee under the Plan; and
- (h) shareholder approval shall be obtained for any amendment that results in:
 - (i) an increase in the number of Subordinated Voting Shares issuable under Options granted pursuant to the Plan (other than by virtue of adjustments pursuant to section 16 of the Plan);
 - (ii) a material change in the Persons who qualify as Eligible Persons under the Plan;
 - (iii) a reduction in the Exercise Price;
 - (iv) the cancellation and reissue of any option;
 - (v) an extension of the term of an option beyond its original expiry date;
 - (vi) options becoming transferable or assignable other than for estate settlement purposes as described in section 15 of the Plan;
 - (vii) a change to the insider participation limits set forth in section 5 of the Plan; or

- (viii) an amendment to this section 21 of the Plan, so as to change or expand the ability of the Board to amend or modify the Plan.

22. EFFECTIVE DATE OF THE PLAN

The Plan becomes effective on the date of its approval by the shareholders of the Corporation.

23. GOVERNING LAW

This Plan shall be construed in accordance with and be governed by the laws of the Province of Ontario and shall be deemed to have been made in said Province, and shall be in accordance with all applicable securities laws.

APPENDIX "A"

CANOPY RIVERS INC.

STOCK OPTION PLAN OPTION CERTIFICATE

This Certificate is issued pursuant to the provisions of the stock option plan (the "**Plan**") of Canopy Rivers Inc. (the "**Corporation**") and evidences that ● is the holder (the "**Option Holder**") of an option (the "**Option**") to purchase up to ● subordinated voting shares (the "**Subordinated Voting Shares**") in the capital of the Corporation at a purchase price of \$● per Subordinated Voting Share.

Subject to the provisions of the Plan:

- (a) the award date of the Option is ●;
- (b) the expiry date of the Option is ●; and
- (c) the Optioned Shares will vest in accordance with the following schedule:

Number of Subordinated Voting Shares	Date of Release
●	●
●	●
●	●

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the award date through to 5:00 p.m. local time in Toronto, Ontario on the expiry date by delivering to the Corporation an exercise notice, in the form attached, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the exercise price of the Subordinated Voting Shares in respect of which the Option is being exercised.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Option Holder hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this ● day of ●.

CANOPY RIVERS INC.

Per: _____
Authorized Signatory

APPENDIX "B"

CANOPY RIVERS INC.

STOCK OPTION PLAN EXERCISE NOTICE

TO: Canopy Rivers Inc. (the "Corporation")

The undersigned hereby irrevocably gives notice, pursuant to the Corporation's stock option plan (the "Plan"), of the exercise of the Option to acquire and hereby subscribes for **(cross out inapplicable item)**:

- (a) all of the Subordinated Voting Shares; or
- (b) _____ of the Subordinated Voting Shares; which are the subject of the Option Certificate attached hereto.

The undersigned tenders herewith a certified cheque or bank draft **(circle one)** in the amount of C\$ _____ payable to the Corporation, equal to the aggregate exercise price of the aforesaid Subordinated Voting Shares exercised, and directs the Corporation to issue the certificate evidencing said Subordinated Voting Shares in the name of the undersigned to be mailed to the undersigned at the following address:

By executing this exercise notice, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

DATED the ● day of ●, ● .

Signature of Option Holder

SCHEDULE "C"

CANOPY RIVERS INC.

MANDATE OF THE BOARD OF DIRECTORS

1. PURPOSE

The Board of Directors (the "**Board**") of Canopy Rivers 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”

CANOPY RIVERS 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.