



**RIV** CAPITAL

**RIV CAPITAL INC.**

**NOTICE OF MEETING**

**and**

**MANAGEMENT INFORMATION CIRCULAR**

**for the**

**ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**to be held on**

**September 30, 2021**

**DATED AS OF AUGUST 17, 2021**

## RIV CAPITAL INC.

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

To be held on September 30, 2021, at 10:00 a.m. (EDT)

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of shareholders (the “**Shareholders**”) of RIV Capital Inc. (the “**Company**”) will be held at the offices of the Company at 40 King Street West, Suite 2504, Toronto, Ontario, M5H 3Y2 on September 30, 2021, at 10:00 a.m. (EDT) 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 years ended March 31, 2021 and 2020, together with the auditors’ report thereon (the “**Annual Financial Statements**”);
2. to elect the directors of the Company for the ensuing year, as more fully described in the Circular;
3. to re-appoint 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;
4. to consider and, if deemed appropriate, to pass, with or without variation, an ordinary resolution approving the adoption of an advance notice by-law of the Company, as more fully described in the Circular; and
5. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

The Board has fixed the close of business on August 9, 2021, 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.

**Out of an abundance of caution, to proactively deal with potential issues arising from the public health impact of the COVID-19 pandemic, to comply with government and public health directives regarding physical distancing, and to limit and mitigate risks to the health and safety of its Shareholders, employees, directors and other stakeholders, the Company is urging all Shareholders to vote by proxy in advance of the Meeting and is discouraging physical attendance in person at the Meeting. The Meeting will not be open to the general public and will be limited to registered Shareholders and duly appointed proxyholders only.**

**Shareholders may access and ask questions at the Meeting by way of a live conference call and webcast, which will give all Shareholders an equal opportunity to access the Meeting regardless of their geographic location. Details regarding accessing the conference call and webcast are available on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors). Please monitor the Company’s website for additional information and instructions. Please note that Shareholders will not be able to vote on matters to be addressed at the Meeting through the conference call or webcast.**

The Company reserves the right to take any additional precautionary measures that it deems necessary or advisable in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak, including changing the time, date or location of the Meeting. Changes to the Meeting time, date or location and/or means of holding the Meeting may be announced by way of press release. Please monitor the Company’s press releases as well as its website at [www.rivcapital.com](http://www.rivcapital.com). The Company does not intend to prepare or mail an amended Circular in the event of changes to the Meeting format.

**The Company strongly encourages each Shareholder to submit a form of proxy or voting instruction form in advance of the Meeting using one of the methods described below and in the Circular.** Registered Shareholders should complete, date and sign a proxy form in advance of the Meeting and return it in the envelope provided for that purpose to Odyssey Trust Company (“**Odyssey**”), Attn: Proxy Department, Traders Bank Building, Suite 702, 67 Yonge St, Toronto, Ontario M5E 1J8, by courier, by mail, or by electronic voting through

<https://login.odysseytrust.com/pxlogin> in each case by 10:00 a.m. (EDT) on September 28, 2021. 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. **Shareholders are reminded to review the Circular prior to voting.**

The Board has, by resolution, fixed 10:00 a.m. (EDT) on September 28, 2021, 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, Odyssey. 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.

The Company has elected to use the "notice-and-access" mechanism provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* to deliver the Meeting materials to Shareholders, including this Notice of Annual General and Special Meeting of Shareholders, the Circular, the Annual Financial Statements and the management's discussion and analysis ("MD&A") for the three and twelve months ended March 31, 2021 (the "Annual MD&A"). This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials on the Company's website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors) and under the Company's profile on the System for Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com). The Meeting materials will remain on the Company's website for a period of one year.

Shareholders as of the Record Date will receive a package in the mail containing 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 that Shareholders can vote their shares. In addition, the package will include a place to request copies of the Annual Financial Statements, the Annual MD&A and/or the Company's interim financial statements and MD&A and a consent for electronic delivery.

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three business days of the request. If a request for paper copies is received on or after the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey no later than September 16, 2021.

DATED at Toronto, Ontario, this 9<sup>th</sup> day of August, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) Asha Daniere*

Chair of the Board

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## GENERAL INFORMATION FOR THE MEETING

### **Time, Date and Place of Meeting**

This management information circular (the “**Circular**”) is provided in connection with the solicitation, by or on behalf of the management of RIV Capital Inc. (the “**Company**”), of proxies for use at the Company’s annual general and special meeting (the “**Meeting**”) of the holders (collectively, the “**Shareholders**” or, individually, a “**Shareholder**”) of Class A common shares (the “**Common Shares**”) of the Company, to be held at the offices of the Company at 40 King Street West, Suite 2504, Toronto, Ontario, M5H 3Y2 on September 30, 2021, at 10:00 a.m. (EDT) for the purposes set forth in the accompanying notice of meeting (the “**Notice**”). References in this Circular to the Meeting include any adjournment or postponement thereof.

### **Date of Information**

Unless otherwise stated herein, the information contained in this Circular is given as of August 17, 2021. Information set forth herein as to shareholdings is based upon information supplied by the respective persons holding such Common 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 August 9, 2021, as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and to vote at the Meeting. Shareholders of record at the close of business on the Record Date will be entitled to vote in person or by proxy at the Meeting (subject, in the case of voting by proxy, to the timely deposit of a properly completed, signed and dated form of proxy with the Company’s registrar and transfer agent, Odyssey Trust Company (“**Odyssey**”), as specified herein and in the Notice).

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

### **Quorum**

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

### **Notice-and-Access**

The Company has elected to use the “notice-and-access” provisions provided for under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) to deliver the Meeting materials to Shareholders, including the Notice, this Circular and the Company’s audited consolidated financial statements for the financial years ended March 31, 2021 and 2020 (the “**Annual Financial Statements**”) and the management’s discussion and analysis (“**MD&A**”) for the three and twelve months ended March 31, 2021 (the “**Annual MD&A**”). This means that, rather than receiving paper copies of the Meeting materials in the mail, Shareholders as of the Record Date will have access to electronic copies of the Meeting materials on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors) and under the Company’s profile on the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) at [www.sedar.com](http://www.sedar.com). The Meeting materials will remain on the Company’s website for a period of one year.

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

Prior to the Meeting and for up to one year thereafter, those Shareholders who wish to receive paper copies of the Meeting materials may request them from Odyssey by calling toll-free at 1(888) 290-1175 (within North America) or 1(587) 885-0960 (outside of North America). If a request for paper copies is received before the Meeting, the Meeting materials will be sent to such Shareholders at no cost within three business days of the request. If a request for paper copies is received on or after the Meeting, and within one year of the Meeting materials being filed, the Meeting materials will be sent to such Shareholders within 10 calendar days after receiving the request. To receive paper copies of the Meeting materials in advance of the proxy deposit deadline, your request should be received by Odyssey no later than September 16, 2021.

### **COVID-19**

While as of the date of this Circular, the Company intends to hold the Meeting as set out above, it is continuously monitoring the public health crisis resulting from the spread of COVID-19. The Company asks that Shareholders follow the current instructions and recommendations of federal, provincial and local health authorities when considering attending the Meeting. While it is not known what the situation with COVID-19 will be on the date of the Meeting, the Company will follow the guidance and orders of government and public health authorities in that regard, including those restricting the size of public gatherings in order to support efforts to reduce the impact and spread of COVID-19. As such, in order to mitigate risks to the health and safety of its Shareholders, employees, directors and other stakeholders, the Company is urging all Shareholders to vote by proxy in advance of the Meeting and is discouraging physical attendance in person at the Meeting. In order to adhere to all government and public health authority recommendations, the Company notes that the Meeting will be limited to only the legal requirements for Shareholder meetings with no investor presentation, and guests will not be permitted entrance unless legally required. The Meeting will not be open to the general public and will be limited to registered Shareholders and duly appointed proxyholders only.

**Shareholders may access and ask questions at the Meeting by way of a live conference call and webcast, which will give all Shareholders an equal opportunity to access the Meeting regardless of their geographic location. Details regarding accessing the conference call and webcast are available on the Company's website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors). Please monitor the Company's website for additional information and instructions. Please note that Shareholders will not be able to vote on matters to be addressed at the Meeting through the conference call or webcast.**

The Company reserves the right to take any additional precautionary measures that it deems necessary or advisable in relation to the Meeting in response to further developments in respect of the COVID-19 outbreak, including changing the time, date or location of the Meeting. Changes to the Meeting time, date or location and/or means of holding the Meeting may be announced by way of press release. Please monitor the Company's press releases as well as its website at [www.rivcapital.com](http://www.rivcapital.com). The Company does not intend to prepare or mail an amended management information circular in the event of changes to the Meeting format.

### **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 Odyssey 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 Common Shares are to be voted. The proxy appointee should bring personal identification to the Meeting. In all cases the form of proxy should be dated and executed by a Shareholder or an attorney duly authorized in writing (with proof of such authorization attached, in the case where an appointed attorney has executed the form of proxy).

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is completed and delivered to Odyssey Trust Company, Attn: Proxy Department, Traders Bank Building, Suite 702, 67 Yonge St, Toronto, Ontario M5E 1J8, by courier, by mail, or by electronic voting through <https://login.odysseytrust.com/pxlogin> in each case by 10:00 a.m. (EDT) on September 28, 2021, 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 such Shareholder was 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 (RIV Capital Inc., 40 King Street West, Suite 2504, Toronto, Ontario, M5H 3Y2. Attention: Chief Strategy Officer, General Counsel and Corporate Secretary); 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. (EDT) 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 Odyssey before the proxy deadline, such Shareholder can still vote its Common Shares, but to do so the registered Shareholder must attend the Meeting in person.**

### **Voting of Proxies**

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

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

**The form of proxy confers discretionary authority upon the persons named therein with respect to amendments and variations to matters identified in the Notice and this Circular and with respect to any other matters which may properly come before the Meeting.** As of the date hereof, management of the Company knows of no such



amendments, variations or other matters to come before the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxyholder.

### **Advice to Beneficial Shareholders**

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

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

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

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholder meetings. Every Intermediary has its own mailing procedures and provides its own return voting instructions, which should be carefully followed by Beneficial Shareholders to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the 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 Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a form of proxy or VIF from Broadridge cannot use that form of proxy or VIF to vote Common Shares directly at the Meeting. The form of proxy or VIF must be returned to Broadridge or the Intermediary well in advance of the Meeting to have the Common Shares voted. A Beneficial Shareholder may revoke a form of proxy or VIF or a waiver of the right to receive Meeting materials and to vote which has been given to their Intermediary at any time by written notice to the Intermediary, provided that the Intermediary is not required to act on a revocation of a form of proxy or VIF or of a waiver of the right to receive Meeting materials and to vote, which is not received by the Intermediary at least seven days prior to the Meeting. If you have any questions regarding the voting of Common Shares held through a broker or other Intermediary, please contact your broker or other Intermediary for assistance.

In accordance with the requirements of NI 54-101, the Company 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, 2020; (b) Nominee (as defined herein); or (c) associate or affiliate of a person in (a) or (b) has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, other than the election of directors. See “*Business of Meeting – Election of Directors*”.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Company consists of an unlimited number of Common Shares, of which 142,468,471 were issued and outstanding as at the Record Date. Each Common Share carries the right to one vote per share. 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 Common Shares, other than as set out below:

Name and Municipality of Residence	Number of Common Shares <sup>(1)</sup>
JW Asset Management, LLC <sup>(2)</sup> New York, New York	33,433,334 (23.47%)

Notes:

- (1) Calculated on a non-diluted basis based on 142,468,471 Common Shares outstanding.
- (2) 24,333,334 Common Shares are held by JW Partners, LP, 9,000,000 Common Shares are held by JW Opportunities Master Fund, Ltd., 70,000 Common Shares are held by JW Growth Fund, LLC, and 30,000 Common Shares are held by Insight Wellness Fund, LLC, each of which is controlled or directed by JW Asset Management, LLC.

## OVERVIEW OF BUSINESS AND CORPORATE STRUCTURE

The Company was incorporated on October 31, 2017 as “AIM2 Ventures Inc.” under the *Business Corporations Act* (Ontario) (the “**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 (“**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 (“**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, 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.

On February 23, 2021, pursuant to an arrangement agreement entered into between the Company, RIV Capital Corporation, Canopy Growth Corporation (“**CGC**”) and The Tweed Tree Lot Inc., the Company completed a plan of arrangement (the “**Arrangement**”) whereby, among other things, the articles of the Company were amended to (i) change the name of the Company from “Canopy Rivers Inc.” to “RIV Capital Inc”, (ii) delete the Multiple Voting Shares from the authorized capital of the Company and delete all the rights, privileges, restrictions and conditions attached thereto, and (iii) re-designate and re-classify each issued and outstanding Subordinated Voting Share as a Common Share.

On August 9, 2021, the Company entered into a convertible promissory note purchase agreement (the “**Note Purchase Agreement**”) with The Hawthorne Collective, Inc. (the “**Hawthorne**”), a newly formed subsidiary of The Scotts Miracle-Gro Company (“**ScottsMiracle-Gro**”). Pursuant to the Note Purchase Agreement, Hawthorne will purchase an unsecured convertible promissory note (the “**Convertible Note**”) from the Company in the principal amount of C\$188,475,000 (being the Canadian dollar equivalent of US\$150,000,000 (based on the daily average rate of exchange for USD:CAD published by the Bank of Canada on August 9, 2021)) (the “**Hawthorne Transaction**”). The Convertible Note will be convertible into Common Shares in accordance with its terms. In connection with the Hawthorne Transaction, the Company and Hawthorne will enter into an investor rights agreement (the “**Investor Rights Agreement**”) and collectively with the Convertible Note and the Note Purchase Agreement, the “**Hawthorne**

**Transaction Documents**”) providing for, among other things, customary registration rights, participation rights, and the right to nominate up to three directors to the board of directors of the Company (the “**Board**”) in favour of Hawthorne and certain covenants of Hawthorne in favour of the Company, including standstill and transfer restrictions and an obligation to present certain business opportunities in the cannabis sector to the Company.

Closing of the Hawthorne Transaction is subject to the satisfaction of customary closing conditions and execution of definitive documentation. The completion of the Hawthorne Transaction is also conditional on the Company's ability to de-list its Common Shares from the TSX and list its Common Shares on the Canadian Securities Exchange (the “**CSE**”). The Company has submitted an application to voluntarily de-list its Common Shares from the TSX and has received conditional approval to list on the CSE, and it intends to complete this exchange transition prior to the closing of the Hawthorne Transaction.

The closing of the Hawthorne Transaction is expected to occur on or around August 24, 2021. On the closing of the Hawthorne Transaction, the Company will expand its Board to seven seats and add three Hawthorne nominees to the Board, who shall initially be Chris Hagedorn, Mark Sims and Gary Vaynerchuk. For more information on the Hawthorne nominees, see “*Business of Meeting – Election of Directors*”. The Company intends to use the proceeds of the Hawthorne Transaction for general corporate purposes and other permissible uses. More information concerning the Hawthorne Transaction and copies of the Hawthorne Transaction Documents are (or will be following completion of the Hawthorne Transaction) available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Common Shares currently trade on the TSX under the ticker symbol “RIV”. The Company expects the Common Shares to be de-listed from the TSX at the close of market on August 24, 2021, and for trading on the CSE under the symbol “RIV” to commence on or before August 24, 2021. 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](http://www.sedar.com) and on the Company’s website at [www.rivcapital.com](http://www.rivcapital.com).

## **BUSINESS OF MEETING**

To the knowledge of the Board and management of the Company, the only matters to be brought before the Meeting are those set out in the accompanying Notice and more particularly described below. **However, if other matters, which are not known to management, should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the persons voting the form of proxy.**

### **Presentation of Financial Statements**

The Annual Financial Statements will be placed before the Meeting. The Annual Financial Statements and Annual MD&A have been provided to Shareholders in accordance with applicable laws and are available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors) and copies of these documents will also be available at the Meeting.

### **Election of Directors**

The Company currently has four directors. The Board has fixed the number of directors to be elected at the Meeting at four unless the Hawthorne Transaction is completed prior to the Meeting, in which case, the Board has fixed the number of directors to be elected at the Meeting at seven.

All of the current directors of the Company have been nominated by the Board for re-election as directors at the Meeting (the “**Current Slate**”). In addition, conditional upon and effective at the closing of the Hawthorne Transaction, Chris Hagedorn, Mark Sims and Gary Vaynerchuk (the “**Hawthorne Slate**” and together with the Current Slate, the “**Nominees**”) will also be nominated for election as directors at the Meeting. The Nominees, whose names are set out below, have been directors of the Company since the dates indicated below. If elected at the Meeting, each Nominee will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed.

The 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, conditional on the closing of the Hawthorne Transaction, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee, including the Hawthorne Slate. If the Hawthorne Transaction is not completed and the Note Purchase Agreement is terminated, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee on the Current Slate only.

Name, Province or State and Country of Residence	Director Since <sup>(1)</sup>	Present Principal Occupation and Positions Held during the Preceding Five Years <sup>(2)</sup>	Number of Common Shares Beneficially Owned or Controlled <sup>(3)</sup>
<b>Narbe Alexandrian</b> <sup>(4)</sup> Ontario, Canada	September 26, 2019	May 2019 to present – President and Chief Executive Officer ("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	29,207 <sup>(13)</sup>
<b>Asha Daniere</b> <sup>(4)(6)(8)(12)</sup> Ontario, Canada	September 17, 2018	March 2020 to present – Independent Strategic Legal Advisor September 2012 to February 2020 – Executive Vice-President, Legal and Business Affairs at Blue Ant Media	24,573
<b>Richard Mavrincac</b> <sup>(4)(7)(9)(11)</sup> Ontario, Canada	September 17, 2018	March 2017 to present – Corporate Director May 2007 to March 2017 – Retired	199,551 <sup>(14)</sup>
<b>Joseph Mimran</b> <sup>(4)(8)(9)(10)</sup> Ontario, Canada	September 17, 2018	June 2015 to present – Chairman, Gibraltar & Company, Inc. January 2002 to present – Chairman and President, Joseph Mimran & Associates Inc. January 2017 to July 2018 – Co-CEO, Gibraltar Opportunity, Inc. January 2017 to July 2018 – Co-CEO, Gibraltar Growth Corporation	597,545 <sup>(15)</sup>
<b>Chris Hagedorn</b> <sup>(5)</sup> Vermont, United States	N/A	January 2021 to present – Executive Vice President and Division President of The Hawthorne Gardening Company January 2017 to December 2020 - SVP, General Manager – The Hawthorne Gardening Company April 2014 to January 2017 – VP & General Manager – The Hawthorne Gardening Company	Nil
<b>Mark Sims</b> <sup>(5)</sup> Ohio, United States	N/A	November 2020 to present – Senior Vice President, Strategy and M&A, ScottsMiracle-Gro January 2019 to November 2020 – Vice President, Strategy, ScottsMiracle-Gro December 2014 to January 2019 – Chief Information Officer and Vice President, ScottsMiracle-Gro	Nil

Name, Province or State and Country of Residence	Director Since <sup>(1)</sup>	Present Principal Occupation and Positions Held during the Preceding Five Years <sup>(2)</sup>	Number of Common Shares Beneficially Owned or Controlled <sup>(3)</sup>
Gary Vaynerchuk <sup>(5)</sup> New York, United States	N/A	April 2009 to present – Chairman of VaynerX, LLC and CEO of VaynerMedia, LLC	Nil

Notes:

- (1) Each director's term will continue until the next annual meeting of Shareholders or until the director resigns, becomes ineligible or unable to serve or until his or her successor is elected or appointed.
- (2) The information as to principal occupations of the Nominees, not being within the direct knowledge of the Company, has been furnished by the respective Nominees.
- (3) The information as to the number of Common Shares beneficially owned, or over which control or direction is exercised, by the Nominees directly or indirectly, not being within the direct knowledge of the Company, has been furnished by the respective Nominees or obtained from the System for Electronic Disclosure by Insiders, and may include Common Shares owned or controlled by the Nominees' spouses and/or children and/or companies controlled by them or their spouses and/or children.
- (4) Current Slate.
- (5) Hawthorne Slate.
- (6) Chair of the Board.
- (7) Member of the Compensation, Nominating and Governance Committee of the Board (the "CNG Committee").
- (8) Member of the Audit Committee of the Board (the "Audit Committee").
- (9) Member of the Conflicts Review Committee of the Board (the "Conflicts Review Committee").
- (10) Chair of the CNG Committee.
- (11) Chair of the Audit Committee.
- (12) Chair of the Conflicts Review Committee.
- (13) 5,592 Common Shares are controlled indirectly by Mr. Alexandrian through his spouse.
- (14) 150,000 Common Shares are controlled indirectly by Mr. Mavrinac through his spouse.
- (15) 454,545 Common Shares are held indirectly by Mr. Mimran through Joseph Mimran & Associates Inc., a corporation over which Mr. Mimran has control. 143,000 Common Shares are held indirectly by Mr. Mimran through 3208575 Canada Inc., a corporation over which Mr. Mimran has control.

As at the Record Date, to the Company's knowledge, the Nominees comprising the Current Slate, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 850,876 Common Shares, representing approximately 0.6% of the total issued and outstanding Common Shares on a non-diluted basis and the Nominees comprising the Current Slate and the Hawthorne Slate, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 850,876 Common Shares, representing approximately 0.6% of the total issued and outstanding Common Shares on a non-diluted basis.

**Conditional upon and effective at the closing of the Hawthorne Transaction, the Board recommends that Shareholders vote FOR the election of each Nominee. If the Hawthorne Transaction is not completed and the Note Purchase Agreement is terminated, the Board recommends that Shareholders vote FOR the election of each Nominee on the Current Slate.**

**Common 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 Common 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 the Hawthorne Transaction is not completed and the Note Purchase Agreement is terminated, the Nominees on the Hawthorne Slate will not stand for election. 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 Common 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. He was appointed as President of the Company in January 2019 and as President and CEO of the Company in May 2019, and was elected as a director of the Company in September 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 with 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, and serves on the board of the National Cannabis Industry Association. 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).

**Asha Daniere** – Ms. Daniere is a strategic and legal advisor to companies in the media and technology industries. Previously, she was Executive Vice-President, Legal and Business Affairs at Blue Ant Media, a multi-platform media company. Ms. Daniere was 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 the 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 is currently a board member of the Toronto International Film Festival and MDC Partners Inc. She received her J.D. from Tulane Law School and her B.A. from the University of Toronto.

**Richard Mavrinac** – Mr. Mavrinac served as 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 that operates grocery, drugstore and general retailers, a commercial bakery and a real estate investment trust, Mr. Mavrinac's experience covered all aspects of finance, including responsibility for financial reporting. Mr. Mavrinac began his career with Loblaws, a subsidiary of GWL, 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, TerrAscend Corp., and Gage Growth Corp. Mr. Mavrinac received his Bachelor of Commerce degree from the University of Toronto in 1975 and began his career with Peat Marwick Mitchell Chartered Accountants after receiving his Chartered Accountant designation in 1978.

**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., a private investment management company, and was formerly the Co-CEO of Gibraltar Opportunity, Inc., a provider of advisory and revenue acceleration services, and Gibraltar Growth Corporation, a special acquisition 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. Mr. Mimran has been the recipient of many industry awards, including the Canadian Style Award and the lifetime achievement award by the Design Exchange, and in 2015 he was inducted into Canada's Marketing Hall of Legends. Mr. Mimran began his career at Coopers & Lybrand (now PricewaterhouseCoopers) after receiving his Chartered Accountant designation.

**Chris Hagedorn** – Mr. Hagedorn is the Executive Vice President and Division President of The Hawthorne Gardening Company (“**Hawthorne Gardening**”), the ScottsMiracle-Gro subsidiary focused on providing products and solutions to the hydroponic and indoor growing industry. All aspects of the Hawthorne Gardening business report up through Mr. Hagedorn, who has held the position since 2014. During his tenure, Mr. Hagedorn has played a key role in the

acquisition of leading hydroponic brands under Hawthorne Gardening, which has locations throughout North America and in the Netherlands. Prior to his role with Hawthorne Gardening, Mr. Hagedorn held various positions within ScottsMiracle-Gro, ranging from marketing roles to director of indoor gardening. Mr. Hagedorn has a bachelor's degree from Bowdoin College.

**Mark Sims** – Mr. Sims is Senior Vice President, Strategy and M&A at ScottsMiracle-Gro, one of the world's leading marketers of branded consumer lawn and garden as well as hydroponic and indoor growing products. In this role, Mr. Sims is responsible for leading the corporate strategy department, which provides comprehensive strategy support for strategic intelligence, mergers and acquisitions, strategic planning, and internal consulting. Mr. Sims began his career with ScottsMiracle-Gro in 2007 and has held positions of increasing responsibility in strategy, M&A, enterprise risk management, process transformation and IT. Prior to joining ScottsMiracle-Gro, Mr. Sims spent 15 years in management consulting focused on business transformation to drive growth and productivity.

**Gary Vaynerchuk** – Mr. Vaynerchuk is an established and successful entrepreneur. In his current roles as Chairman of VaynerX, LLC and chief executive officer of VaynerMedia, LLC, Mr. Vaynerchuk assists Fortune 1000 brands in leveraging emerging platforms to attain and retain consumer attention. Mr. Vaynerchuk is also an accomplished investor with a track record of guiding businesses to successful exits, including Resy and Empathy Wines (each of which he co-founded), which were sold to American Express and Constellation Brands respectively.

#### ***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 Chief Financial Officer (“CFO”) of any company (including the Company) that:

- (a) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days and that was issued while the Nominee was acting in the capacity of director, CEO or CFO; or
- (b) was subject to a cease trade or similar order, or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the Nominee ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting in the capacity of a director, CEO or CFO.

To the knowledge of the Company, no Nominee:

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

To the knowledge of the Company, as at the date hereof, no Nominee has been subject to:

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

#### **Appointment of Auditors**

KPMG LLP, Chartered Professional Accountants (“KPMG”), has been the independent external auditors of the Company since October 4, 2018. At the Meeting, Shareholders will be asked to consider and, if deemed advisable, to

approve, an ordinary resolution re-appointing KPMG as auditors of the Company, to hold office until the close of the next annual meeting of Shareholders, and to authorize the Board to fix their remuneration. Additional information with respect to the Company's auditors can be found in the Company's annual information form dated June 28, 2021 (the "AIF"), available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors).

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

#### **Approval of Advance Notice By-Law**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution adopting and approving an advance notice by-law (the "**Advance Notice By-Law**") of the Company to improve alignment with the OBCA and market standards. The following is a summary of the material terms of the Advance Notice By-Law. This summary is qualified in its entirety by reference to the full text of the Advance Notice By-Law which is attached hereto as Schedule "B". Set forth below is a summary of the Advance Notice By-Law. The Advance Notice By-Law of the Company was approved by the Board on August 17, 2021, subject to and effective upon approval by Shareholders of the Company at the Meeting.

The purpose of the Advance Notice By-Law is to provide shareholders, directors and management of the Company with a clear framework for nominating directors. The Advance Notice By-Law fixes a deadline by which holders of Common Shares submit director nominations to the Company prior to any annual or special meeting of shareholders, and sets forth the information to be provided and other procedures to be followed, in respect of such nomination.

Subject only to the OBCA and the articles of the Company, only persons who are nominated in accordance with the procedures set out in the Advance Notice By-Law shall be eligible for election as directors to the Board. Nominations of persons for election to the Board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose at which the election of directors is a matter specified in the notice of meeting; (a) by or at the direction of the Board or an authorized officer of the Company, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the OBCA or a requisition of shareholders made in accordance with the provisions of the OBCA; or (c) by any person entitled to vote at such meeting (a "**Nominating Shareholder**"), who: (i) is, at the close of business on the date of giving notice and on the record date for notice of such meeting, either entered in the securities register of the Company as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in the Advance Notice By-Law.

In addition to any other applicable requirement, for a nomination made by a Nominating Shareholder to be timely notice, the Nominating Shareholder's notice must be received by the corporate secretary of the Company at the head office of the Company within the time periods prescribed by the Advance Notice By-Law.

To be timely, a Nominating Shareholder's notice must be made (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10th day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

The complete text of the resolution (the "**Advance Notice By-Law Resolution**"), which management intends to place before the Meeting, ratifying, adopting and approving Advance Notice By-Law is as follows:



**“BE IT HEREBY RESOLVED THAT:**

- (1) The Advance Notice By-Law of the Company, in the form attached as Schedule “B” to the management information circular of the Company dated August 17, 2021, be and is hereby adopted and approved; and
- (2) any director or officer of the Company is hereby authorized to take any and all such other steps or actions as may be reasonably necessary or appropriate to execute and deliver for and in the name of and on behalf of the Company, whether under corporate seal or not, all such other certificates, instruments, agreements, documents and notices, and to take such further actions as may be necessary or appropriate in order to give effect to this resolution.” Corporation

To be effective, the Advance Notice By-Law 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 Advance Notice By-Law Resolution. Common Shares represented by proxies in favour of the person designated on the form of proxy will be voted FOR the Advance Notice By-Law Resolution, unless a Shareholder has specified in the form of proxy that his, her or its Common Shares are to be voted against the Advance Notice By-Law Resolution.**

## **EXECUTIVE COMPENSATION**

### **Compensation Discussion and Analysis**

The purpose of this compensation discussion and analysis 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, 2021 (“**Fiscal 2021**”) to determine the compensation of the Company’s CEO, CFO and two other most highly compensated executive officers (collectively, the “**NEOs**”).

The NEOs of the Company for Fiscal 2021 were:

- Narbe Alexandrian – President and CEO;
- Edward Lucarelli – CFO;
- Matthew Mundy – Chief Strategy Officer, General Counsel and Corporate Secretary; and
- Olivier Dufourmantelle – Former Chief Operating Officer.

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

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

As of the date of this Circular, the CNG Committee is composed of three directors: Mr. Mimran (Chair), Ms. Daniere, and Mr. Mavrinac. The Board has determined that each member of the CNG Committee is independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Each of the CNG Committee members has prior 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 Meeting – Election of Directors – Director Biographies*”.

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

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

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

### **Compensation Consultants**

The CNG Committee may periodically engage a third-party consultant to review and advise the CNG Committee on Senior Executive and director compensation, including a compensation peer review.

On April 1, 2019, the CNG Committee engaged Gallagher Benefit Services (Canada) Group Inc. (“**Gallagher**”), a third-party compensation consultant. During Fiscal 2020, Gallagher assisted the Board with determining the compensation of the Company’s directors and Senior Executives. Its mandate included working with the Board to develop an executive compensation philosophy, setting an approach to benchmarking Senior Executive and director compensation, the development of an annual incentive structure, and advising on equity-based compensation. In addition, Gallagher’s benefits division works with the Company’s management on its group benefits program.

On November 14, 2019, the CNG Committee engaged Hugessen Consulting (“**Hugessen**” and, together with Gallagher, the “**Compensation Consultants**”), a third-party compensation consultant, to provide independent advice on the competitiveness and effectiveness of the Company’s compensation programs for its Senior Executives. In fulfilling its mandate, Hugessen (i) conducted comprehensive reviews of the Company’s compensation practices, plans and policies, including its incentive plans, (ii) provided compensation research and data, and education on emerging trends and best practices, (iii) assisted with the development of compensation peer groups and the performance of an in-depth compensation peer review, and (iv) provided recommendations regarding Senior Executive compensation on a go-forward basis, including with respect to the share unit plan for non-employee directors (the “**RSU Plan**”) and the Company’s long term incentive plan (the “**LTIP**”) and the terms of the awards to be granted thereunder. Hugessen does not provide any services directly to management of the Company.

During Fiscal 2021, Hugessen did not provide advice on the Company’s compensation programs for its Senior Executives but was engaged by the Board in connection with determining the compensation of the Company’s directors that served on various special committees, including the special committees formed in connection with the Company’s PharmHouse Inc. joint venture and the Arrangement with CGC.

Each of the Compensation Consultants is independent of management and all work conducted by the Compensation Consultants was pre-approved by the CNG Committee. The CNG Committee took the reports and recommendations of the Compensation Consultants into consideration when assessing director and Senior Executive compensation, but ultimately made its own decisions and recommendations for the Board to approve.

### **Executive Compensation – Related Fees**

The aggregate fees billed by each of the Compensation Consultants for all services provided in connection with their reviews in Fiscal 2021 and the financial year ended March 31, 2020 (“**Fiscal 2020**”) were as follows:

#### ***Gallagher***

<b>Fiscal Year</b>	<b>Compensation-Related Fees</b>	<b>All Other Fees</b>
<b>2021</b>	Nil	Nil
<b>2020</b>	\$24,295	Nil

## *Hugessen*

Fiscal Year	Compensation-Related Fees	All Other Fees
2021	\$6,565	Nil
2020	\$44,838	Nil

### **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 the remuneration of the Senior Executives and directors of the Company. In doing so, the CNG Committee may use information gathered from an independent compensation consultant, if engaged, a comparison of the Company's remuneration policies with the remuneration practices of its peers in the cannabis industry with a similar market capitalization to the Company, its own assessment of individual and corporate performance, and feedback from the CEO in order to establish compensation strategies for the Senior Executives. The CNG Committee also reviews, approves and recommends to the Board for approval and administers the Company's share-based compensation plans, including the Company's amended and restated option plan (the "**Option Plan**"), the RSU Plan and the LTIP. The compensation of all of the Senior Executives is reviewed annually by the CNG Committee and is subject to review and approval by the Board. The Board has the ultimate discretion to increase or decrease any and all elements of compensation for the Senior Executives.

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

During Fiscal 2021, 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

The CNG Committee engages in active discussions with Mr. Alexandrian, the President and CEO of the Company, and the other Senior Executives regarding the determination of performance objectives, including individual performance objectives, for Mr. Alexandrian and the 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. 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 corporate performance objectives for the year in question and Mr. Alexandrian's success in meeting his individual performance objectives.

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 and the CNG Committee's assessment of such individuals. The CNG Committee then determines the overall individual performance rating for Mr. Alexandrian and the other Senior Executives, 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 on Senior Executive compensation.

## Peer Groups

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 broad peer groups of companies, with an emphasis on the cannabis industry. This process helps the CNG Committee ensure that Senior Executive and director compensation and benefits packages, as applicable, are competitive and aligned with those companies in its peer groups.

During Fiscal 2020, the CNG Committee worked with Hugessen to develop peer groups for the Company for Senior Executive compensation benchmarking purposes. For purposes of Senior Executive compensation in Fiscal 2021, the CNG Committee relied upon the peer groups used for Fiscal 2020, which were selected based on the following criteria:

- **Geographic location** – including companies with Canadian headquarters;
- **Size** – using market capitalization (at the time of the review) as the primary size scoping criteria; and
- **Industry** – focused on publicly-traded cannabis companies.

Based on the above criteria, the CNG Committee considered the following issuers to be part of the Company’s peer group for Fiscal 2020 and did not change the peer group in connection with its determination of Senior Executive compensation for Fiscal 2021:

Peer Group	
<ul style="list-style-type: none"><li>• HEXO Corp.</li><li>• Organigram Holdings Inc.</li><li>• MediPharm Labs Corp.</li><li>• Auxly Cannabis Group Inc.</li><li>• The Valens Company Inc.</li></ul>	<ul style="list-style-type: none"><li>• The Supreme Cannabis Company, Inc.</li><li>• The Green Organic Dutchman Holdings Ltd.</li><li>• Aleafia Health Inc.</li><li>• Australis Capital Inc.</li><li>• Trichome Financial Corp.</li></ul>

In its analysis of the appropriate level and components of compensation for the Senior Executives, the CNG Committee relied upon the evaluation of Senior Executive compensation and the peer group analysis conducted in Fiscal 2020 and determined to provide each Senior Executive with a 5% base salary increase for Fiscal 2022.

## Corporate Performance

On an annual basis, and as may otherwise be required from time to time, the Board reviews a strategic plan and budget outlining the Company’s corporate objectives in line with the Company’s key long-term strategies for growth and value creation. The CNG Committee also performs an assessment of the Company’s corporate performance, taking into account a number of qualitative and/or quantitative factors, including achievement of financial targets, investment and share price performance and progress on key corporate and strategic initiatives. These quantitative and qualitative objectives are considered 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 and the Senior Executives. 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

At the beginning of each fiscal year, each Senior Executive, other than the CEO, sets individual performance objectives in consultation with the CEO, and the CEO sets individual performance objectives in consultation with the CNG Committee. As with the Company’s corporate objectives, these individual performance objectives include a combination of quantitative and qualitative measures, and are aimed at advancing the Company’s corporate objectives as well as its operating, financial and strategic position in the marketplace for the current and future fiscal years. At the end of each fiscal year, the individual performance of each Senior Executive is evaluated by the CEO and/or CNG Committee, as applicable, against such objectives, and the Senior Executive is assigned an overall individual

performance rating that is considered by the CNG Committee when making compensation recommendations to the Board for the Senior Executives.

Each Senior Executive's compensation is also generally considered in relation to other Senior Executives and employees as well as in relation to the compensation practices of the Company's peer group issuers 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.

### **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 and LTIP, which are described in this Circular under the headings "*Securities Authorized for Issuance Under Equity Compensation Plans – Option Plan*" and "*Securities Authorized for Issuance Under Equity Compensation Plans – LTIP*"; and
- (4) other perquisites and benefits.

Each element plays a role in meeting the Company's compensation goals and objectives. The allocation of compensation among these different compensation elements is flexible and is intended to reflect market practice as well as the CNG Committee's assessment of corporate and individual performance, as described above. The CNG Committee understands that retention of the Senior Executives is critical to business continuity, and the mix of compensation is designed to reward short-term results and motivate long-term performance.

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

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

#### **Base Salary**

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

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

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

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

Corporate performance and individual performance, as described above, are taken into consideration when determining short-term incentives for the Senior Executives. For Fiscal 2021, 75% of the NEOs' annual cash bonuses was allocated to corporate performance, including 25% allocated to the achievement of the Company's targeted normalized operating expense budget and, if the Company achieved its targeted normalized operating expense budget, 50% allocated to specific performance targets relating to the trading price of the Common Shares during Fiscal 2021, and 25% allocated to individual performance. Annual performance cash bonuses may not be paid if corporate and/or individual performance objectives are not achieved. While annual performance cash bonuses are generally paid if corporate and/or individual performance objectives are achieved, the Board may, in its discretion, determine not to award any annual cash bonuses even if such objectives are achieved. Senior Executives are eligible to receive a cash bonus of up to 100% of their base salaries.

The CNG Committee attempts to align the corporate and individual performance objectives of the Senior Executives with those that the CNG Committee believes will enhance future Shareholder value. In Fiscal 2021, the key corporate performance objectives were based on: achievement of financial targets and progress on key corporate and strategic initiatives. Individual performance objectives vary based on the role and responsibilities of each Senior Executive.

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

#### Long-Term Incentives

Long-term incentives for Senior Executives are reviewed and approved by the CNG Committee and then recommended to the Board for final approval. Historically, the Company provided long-term incentive compensation to the Senior Executives and other employees by granting options under the Option Plan. However, no options were granted to Senior Executives during Fiscal 2021 and the Company has ceased issuing options pursuant to the Option Plan and instead will only issue options pursuant to the LTIP going forward.

The Board has determined that the grant of performance share units ("PSUs") and other awards to Senior Executives and other employees pursuant to the LTIP may be desirable insofar as it encourages the attraction and retention of both current and potential employees and Senior Executives by affording them a proprietary interest in the Company. PSUs tie pay to performance because the value of the PSUs is based on the Common Share price and the number of PSUs that will be eligible to vest on a vesting date may be adjusted upwards based on the Common Share price performance between the grant date and the vesting date. Accordingly, declines in Common Share price have a negative impact on compensation, while increases have a positive impact. In addition, the three-year annual vesting period for the PSUs issued to the NEOs, as well as the other vesting conditions that may be set out in the award agreement for other awards granted to Senior Executives and other employees pursuant to the LTIP, serves as a retention tool for the Senior Executives and other employees. As a result of the Company entering into the Retention Agreements (as defined below) with each of Messrs. Alexandrian, Lucarelli and Mundy, no PSUs were granted to the NEOs during Fiscal 2021.

For a more detailed description of the considerations involved in granting options and PSUs, see "*Option-Based Awards*" and "*PSU 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 and wellness benefit. The Company believes its benefits program is reasonable and consistent with its overall executive compensation program and is based on competitive market practices. These perquisites are afforded to all employees of the Company.

#### Retention Agreements

In connection with the Arrangement, the Company entered into retention agreements (the "**Retention Agreements**") with each of Messrs. Alexandrian, Lucarelli and Mundy, as amended on April 29, 2021. Pursuant to the Retention Agreements, the Company agreed to pay a cash retention bonus (the "**Retention Bonus**") equal to, at the option of each of Messrs. Alexandrian, Lucarelli and Mundy, either (i) \$542,500 to Mr. Alexandrian and \$325,000 to each of

Messrs. Lucarelli and Mundy; or (ii) an amount that is the product of (A) 250,000 in the case of Mr. Alexandrian; and (B) 150,000 in the case of each of Messrs. Lucarelli and Mundy, multiplied by the five-day volume weighted average trading price of the Common Shares as at the Valuation Date (as defined below). The election by each of Messrs. Alexandrian, Lucarelli and Mundy must be made by the election deadline, being the date that is three days prior to the closing of a Material Transaction (as defined below).

The Retention Bonuses are only payable upon closing of the first Material Transaction, provided that, among other things, the executive remains an employee of the Company or an affiliate of the Company at the date of closing of such Material Transaction.

A “**Material Transaction**” is defined in the Retention Agreements as: (i) a transaction that satisfies any of the three significance tests set out in subsection 8.3(2) of NI 51-102 if “30 percent” is read as “50 percent”; (ii) a transaction described in paragraphs (a) or (c) of the definition of “restructuring transaction” in NI 51-102; or (iii) such other transaction not referred to in clause (i) or (ii) above determined by the independent directors of the Company in good faith. The independent directors have determined that the Hawthorne Transaction will constitute a Material Transaction for purposes of the retention agreements.

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

### **Compensation Plan Changes for Fiscal 2022**

The Company has implemented the following compensation changes for the financial year ended March 31, 2022 (“**Fiscal 2022**”):

(1) **Base Salary:**

- Each of Messrs. Alexandrian, Lucarelli, and Mundy received a 5% increase to their respective base salary for Fiscal 2022.

(2) **Short-Term Incentives:**

- No changes were made to the Company’s short-term incentives, which will continue to be based on the NEOs’ responsibilities, individual and overall corporate performance during the year, benchmark data, the recommendation of a compensation consultant, if applicable, and the assessment of such individuals as determined by the CNG Committee and, for non-CEO Senior Executives, in conjunction with the CEO.

(3) **Long-Term Incentives:**

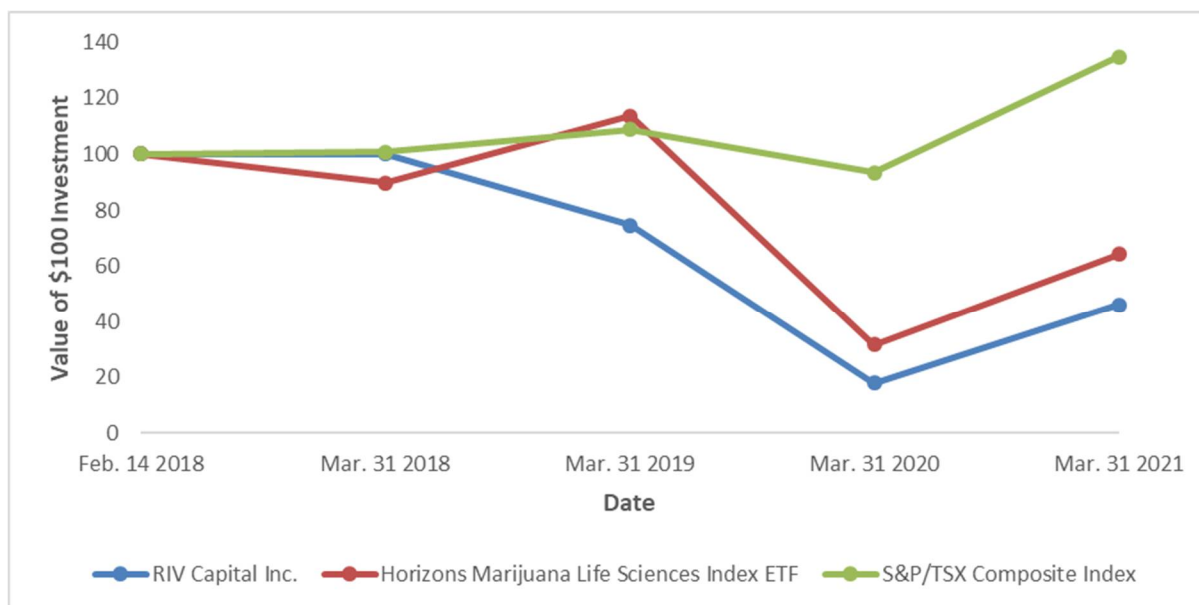
- No changes were made to the Company’s long-term incentives, which will continue to be based on the NEOs’ responsibilities, individual and overall corporate performance during the year, benchmark data, the recommendation of a compensation consultant, if applicable, and the assessment of such individuals as determined by the CNG Committee and, for non-CEO Senior Executives, in conjunction with the CEO. As a result of the Retention Agreements, it is not currently anticipated that the NEOs will be awarded long-term incentives during Fiscal 2022. See “*Executive Compensation – Determining Each Element of Compensation – Retention Agreements*”.

(4) **Other Perquisites and Benefits:**

- No changes were made to the other perquisites and benefits for Fiscal 2022.

## Performance Graph

The following graph compares the total cumulative Shareholder return for \$100 invested in Common Shares with (i) the S&P/TSX Composite Index and (ii) the Horizons Marijuana Life Sciences Index ETF, in each case for the period commencing February 14, 2018 and ending March 31, 2021, assuming the reinvestment of all dividends.



	Feb. 14, 2018 <sup>(1)</sup>	Mar. 31, 2018	Mar. 31, 2019	Mar. 31, 2020	Mar. 31, 2021
RIV Capital Inc.	100	100	74.50	17.83	46.16
S&P/TSX Composite Index	100	100.70	108.87	93.40	134.73
Horizons Marijuana Life Sciences Index ETF	100	89.63	113.58	31.58	64.37

Note:

(1) Share data for February 14, 2018 is for AIM2 Ventures Inc., a predecessor of the Company. Share data for March 2018, 2019, 2020 and 2021 is for the Company and accounts for the Consolidation (as defined herein).

The Company completed the Qualifying Transaction on September 17, 2018. In connection with the Qualifying Transaction, the Company filed articles of amendment to affect a consolidation (the “**Consolidation**”) of the outstanding common shares of the Company (the “**AIM2 Common Shares**”) on the basis of one post-Consolidation AIM2 Common Share for every 26.565 pre-Consolidation AIM2 Common Shares. The Company also changed its authorized share capital to create the Subordinated Voting Shares and the Multiple Voting Shares, and to re-designate each outstanding post-Consolidation AIM2 Common Share as a Subordinated Voting Share.

On February 23, 2021, the Company completed the Arrangement. In connection with the Arrangement, the Company deleted the Multiple Voting Shares from the authorized capital of the Company and deleted all rights, privileges, restrictions and conditions attached thereto, and re-designated and re-classified each issued and outstanding Subordinated Voting Share as a Common Share.

During Fiscal 2019 and Fiscal 2020, the cannabis market experienced considerable volatility. Share prices across the cannabis industry declined amid increased competition and a slower-than-expected development of the Canadian cannabis market, specifically relating to the limited roll-out of retail distribution in highly populated areas. Although the NEOs’ base salaries increased in Fiscal 2019 and Fiscal 2020 as the Company grew and aimed to better align its compensation practices with its peers based on benchmark data and advice from the Compensation Consultants, the overall value of NEO compensation decreased during Fiscal 2019 and Fiscal 2020, as the economic value of the



security-based compensation received by NEOs declined with the Company's share price. During Fiscal 2021, the Company's share price appreciated significantly relative to the S&P/TSX Composite Index, in part due to the successful completion of the Arrangement and in part due to a general increase in share prices across the cannabis industry as demonstrated by the appreciation in the Horizons Marijuana Life Sciences Index ETF. Despite appreciation in the price of the Common Shares, the overall value of NEO compensation was relatively consistent with Fiscal 2020. See "*Executive Compensation – Incentive Plan Awards*" below for a summary of the economic value of the NEOs' security-based compensation as at March 31, 2021.

### **Option-Based Awards**

Option holders only benefit if the market value of the Common Shares at the time of option exercise is greater than the exercise price of the options at the time of grant. For a detailed description of the Option Plan and the LTIP, see "*Securities Authorized for Issuance Under Equity Compensation Plans – Option Plan*" and "*Securities Authorized for Issuance Under Equity Compensation Plans – LTIP*".

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

### **PSU Awards**

The benefit to be received by holders of PSUs will generally be based on the Common Share price, such that the more the Common Share price increases, the greater the benefit will be to the holder. For a detailed description of the PSUs, see "*Securities Authorized for Issuance Under Equity Compensation Plans – LTIP*".

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

### **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 performance objectives, options grants and PSU 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 and long-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 earned by each NEO for the Company’s last three completed fiscal years:

Summary Compensation Table									
Name and Principal Position	Year	Salary	Share-Based Awards <sup>(1)</sup>	Option-Based Awards <sup>(2)</sup>	Non-Equity Incentive Plan Compensation		Pension Value <sup>(4)</sup>	All Other Compensation <sup>(5)</sup>	Total Compensation
					Annual Incentive Plans <sup>(3)</sup>	Long-Term Incentive Plans			
					(\$)	(\$)			
Narbe Alexandrian, President and CEO <sup>(6)</sup>	2021	360,000	133,418	703,608	288,000	Nil	Nil	Nil	1,485,026
	2020 <sup>(7)</sup>	360,000	Nil	1,262,091	Nil	Nil	Nil	Nil	1,622,091
	2019 <sup>(7)</sup>	111,205	Nil	458,044	120,329	Nil	Nil	75,000	764,579
Edward Lucarelli, CFO <sup>(8)</sup>	2021	300,000	100,063	216,768	240,000	Nil	Nil	Nil	856,831
	2020	300,000	Nil	357,257	Nil	Nil	Nil	Nil	657,257
	2019	165,000	Nil	284,150	150,000	Nil	Nil	Nil	599,150
Matt Mundy, Chief Strategy Officer, General Counsel and Corporate Secretary <sup>(9)</sup>	2021	280,000	100,063	189,822	224,000	Nil	Nil	Nil	793,885
	2020	280,000	Nil	312,574	Nil	Nil	Nil	Nil	592,574
	2019 <sup>(10)</sup>	136,767	Nil	198,694	128,219	Nil	Nil	10,000	473,681
Olivier Dufourmantelle, Former Chief Operating Officer <sup>(11)</sup>	2021 <sup>(12)</sup>	185,330	Nil	Nil	Nil	Nil	Nil	Nil	185,330
	2020	299,000	Nil	267,112	Nil	Nil	Nil	Nil	566,112
	2019 <sup>(13)</sup>	193,890 <sup>(14)</sup>	Nil	259,749	90,000 <sup>(14)</sup>	Nil	Nil	Nil	543,639

Notes:

- (1) This value represents the systematic recognition of the grant date fair value of the equity instruments granted over the applicable vesting period, consistent with the value and corresponding expense calculated for accounting purposes. This value does not reflect the economic value of the share-based awards provided to the NEOs as at March 31, 2021. An indication of the value of these awards as at March 31, 2021 is presented in the tables below under “Executive Compensation - Incentive Plan Awards”.
- (2) This value represents the systematic recognition of the grant date fair value of the equity instruments granted (derived using the Black-Scholes methodology) over the applicable vesting period, consistent with the value and corresponding expense calculated for accounting purposes. 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, certain of Mr. Dufourmantelle’s options were re-measured each reporting period, as these options were granted to Mr. Dufourmantelle in his capacity as a consultant of the Company before his employment with the Company formally commenced. This value does not reflect the economic value of the option-based awards provided to the NEOs as at March 31, 2021. An indication of the value of these awards as at March 31, 2021 is presented in the tables below under “Executive Compensation - Incentive Plan Awards”.
- (3) Annual incentive plan amounts represent annual cash bonuses awarded in accordance with the Company’s compensation practices and policies.
- (4) The Company currently does not have a defined benefit plan or a defined contribution plan.

- (5) “All other compensation” for both Fiscal 2021 and Fiscal 2020 was nil. “All other compensation” for Fiscal 2019 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.
- (6) 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. Mr. Alexandrian does not receive any compensation in his capacity as a director of the Company.
- (7) Mr. Alexandrian’s compensation for Fiscal 2019 was only for a portion of the fiscal year, as he joined CRC PrivateCo on July 30, 2018, and was for several different roles, as he served as the Vice President, Business Development of CRC PrivateCo and then of the Company until his appointment as President of the Company on January 17, 2019. Mr. Alexandrian’s compensation for Fiscal 2020 was also for several different roles, as he served as President of the Company until his appointment as President and CEO of the Company on May 22, 2019.
- (8) 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.
- (9) 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. Mr. Mundy was appointed as Chief Strategy Officer and General Counsel of the Company on June 19, 2020.
- (10) Mr. Mundy’s compensation for Fiscal 2019 was only for a portion of the fiscal year, as he joined CRC PrivateCo as the General Counsel and Corporate Secretary on May 23, 2018.
- (11) Mr. Dufourmantele 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. Dufourmantele served as the Chief Operating Officer of CRC PrivateCo from April 30, 2018 until completion of the Qualifying Transaction. Mr. Dufourmantele resigned as Chief Operating Officer of the Company on November 13, 2020.
- (12) Mr. Dufourmantele’s compensation for Fiscal 2021 was only for a portion of the fiscal year, as he resigned as Chief Operating Officer of the Company on November 13, 2020.
- (13) Mr. Dufourmantele’s compensation for Fiscal 2019 was only for a portion of the fiscal year, as he joined CRC PrivateCo as the Chief Operating Officer on April 30, 2018.
- (14) Pursuant to an agreement with CGC, the Company was reimbursed an amount equal to 50% of Mr. Dufourmantele’s base salary and annual non-equity incentive plan compensation by CGC for Fiscal 2019.

## 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, 2021:

Name	Option-Based Awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>
	(#)	(\$)		(\$)
Narbe Alexandrian	500,000	3.50	July 30, 2023	Nil
	400,000	4.35	January 17, 2024	Nil
	491,500	3.87	June 13, 2024	Nil
Edward Lucarelli	600,000	1.10	February 23, 2023	738,000
	241,500	3.87	June 13, 2024	Nil
Matthew Mundy	466,667	1.10	April 25, 2023	574,000
	200,000	3.87	June 13, 2024	Nil
Olivier Dufourmantele <sup>(2)</sup>	Nil	N/A	N/A	N/A

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33, 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 future price of the Common Shares and whether the granted options become “in-the-money”.

- (2) Mr. Dufourmantelle resigned as Chief Operating Officer of the Company on November 13, 2020.

### **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, 2021:

Name	Share-Based Awards		
	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested <sup>(1)</sup>	Market or payout value of vested share-based awards not paid out or distributed <sup>(2)</sup>
	(#)	(\$)	(\$)
<b>Narbe Alexandrian</b>	200,000 PSUs	466,000	Nil
<b>Edward Lucarelli</b>	150,000 PSUs	349,500	Nil
<b>Matthew Mundy</b>	150,000 PSUs	349,500	Nil
<b>Olivier Dufourmantelle<sup>(3)</sup></b>	Nil	N/A	N/A

Notes:

- (1) Calculated by multiplying the number of PSUs that have not vested as of March 31, 2021, by the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33.
- (2) Calculated by multiplying the number of PSUs that have vested but not paid out or distributed as of March 31, 2021, by the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33.
- (3) Mr. Dufourmantelle resigned as Chief Operating Officer of the Company on November 13, 2020.

### **Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets forth, for each NEO, the value of option and share-based awards that vested during Fiscal 2021 and the value of non-equity incentive plan compensation earned during Fiscal 2021:

Name	Option-based awards – Value vested during the year <sup>(1)</sup>	Share-based awards – Value vested during the year <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year
	\$	\$	\$
<b>Narbe Alexandrian</b>	Nil	Nil	Nil
<b>Edward Lucarelli</b>	369,000	Nil	Nil
<b>Matthew Mundy</b>	287,000	Nil	Nil
<b>Olivier Dufourmantelle<sup>(3)</sup></b>	72,084	Nil	Nil

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33, 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 future price of the Common Shares and whether the granted options become “in-the-money”.
- (2) Calculated by multiplying the number of PSUs that vested during Fiscal 2021 by the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33.
- (3) Mr. Dufourmantelle resigned as Chief Operating Officer of the Company on November 13, 2020.

For a detailed description of the Option Plan see “*Securities Authorized for Issuance Under Equity Compensation Plans – 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 Company has entered into an employment agreement, as amended, with Edward Lucarelli governing Mr. Lucarelli's role as CFO of the Company (the "**Lucarelli Employment Agreement**"). The Lucarelli Employment Agreement continues indefinitely, until terminated in accordance with the terms of the agreement. The Lucarelli Employment Agreement includes standard non-competition and non-solicitation provisions during the term of the agreement and for a period of up to 12 months thereafter.

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

In connection with the Arrangement, the Company entered into the Retention Agreements with each of Messrs. Alexandrian, Lucarelli and Mundy. Pursuant to the Retention Agreements, the Company agreed to pay the Retention Bonuses upon closing of the first Material Transaction, provided that, among other things, the individual remains an employee of the Company or an affiliate of the Company at the date of closing of such Material Transaction. See "*Executive Compensation – Determining Each Element of Compensation – Retention Agreements*".

Mr. Dufourmantelle resigned from his role as Chief Operating Officer of the Company on November 13, 2020 and no payments were made by the Company in connection with Mr. Dufourmantelle's resignation.

### 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 that the executive has been employed by the Company (subject to a maximum of 18 months), plus (ii) the average annual bonus actually paid to the executive with respect to the two completed years preceding the date of termination. In addition, if the Company terminates the employment of Messrs. Alexandrian, Lucarelli or Mundy other than for cause, all of their unvested options will vest immediately.

### ***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, 2021.

Name	Severance Period	Cash Termination Payment	Cash Payment for Pro-Rated Bonus/Other	Accelerated Vesting of Option-Based Awards <sup>(1)</sup>	Accelerated Vesting of Share-Based Awards <sup>(2)</sup>	Total
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Narbe Alexandrian	12	480,164	542,500 <sup>(3)</sup>	Nil	228,912	1,251,577
Edward Lucarelli	13	450,000	325,000 <sup>(3)</sup>	Nil	171,684	946,684
Matthew Mundy	12	384,110	325,000 <sup>(3)</sup>	287,001	171,684	1,167,795
<b>TOTALS</b>	N/A	1,314,274	1,192,500	287,001	572,281	3,366,055

**Notes:**

- (1) Upon a termination without cause effective March 31, 2021, certain unvested options held by the NEOs on the date of termination would vest. The value attributed to such options was calculated by multiplying the difference between the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33, and the option exercise price by the number of unexercised, in-the-money options that would vest.
- (2) Upon a termination without cause effective March 31, 2021, certain unvested PSUs held by the NEOs on the date of termination would vest. The value attributed to such options was calculated by multiplying the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33, by the number of unvested PSUs that would vest.
- (3) In connection with the Arrangement, the Company entered into the Retention Agreements with each of Messrs. Alexandrian, Lucarelli and Mundy. Pursuant to the Retention Agreements, the Company agreed to pay a cash retention bonus of \$100,000 to each individual upon closing of the first Material Transaction, provided that the individual remains an employee of the Company or an affiliate of the Company at the date of closing of such Material Transaction. The Retention Agreements were amended on April 29, 2021 to provide for the Retention Bonuses. See “Executive Compensation – Determining Each Element of Compensation – Retention Agreements”.

### ***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, certain of the unvested options held by Messrs. Alexandrian, Lucarelli or Mundy will vest immediately and others will terminate unless the Board, in its discretion, approves the accelerated vesting of such options. The Board has exercised its discretion under the executive employment agreements to determine that a change of control will occur for the purposes of the executive employment agreements on the closing of the Hawthorne Transaction.

### ***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, 2021.

Name	Severance Period	Cash Termination Payment	Cash Payment for Pro-Rated Bonus/Other	Accelerated Vesting of Option-Based Awards <sup>(1)</sup>	Accelerated Vesting of Share-Based Awards <sup>(2)</sup>	Total
	(# of months)	(\$)	(\$)	(\$)	(\$)	(\$)
Narbe Alexandrian	15	570,164	542,500 <sup>(3)</sup>	Nil	932,000	2,044,664
Edward Lucarelli	16	525,000	325,000 <sup>(3)</sup>	Nil	699,000	1,549,000
Matthew Mundy	15	454,100	325,000 <sup>(3)</sup>	287,001	699,000	1,765,110
<b>TOTALS</b>	N/A	1,549,264	1,192,500	287,001	2,330,000	5,358,775

Notes:

- Upon the termination of certain NEOs other than for cause, within 12 months following a change of control or if the terms of such NEOs' employment are materially changed without the express consent of the NEO in writing and the NEO elects to resign within 12 months of a change of control, certain unvested options held by the NEOs on the date of termination or resignation would vest. The value attributed to such options was calculated by multiplying the difference between the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33, and the option exercise price by the number of unexercised, in-the-money options that would vest. The Board has exercised its discretion under the executive employment agreements to determine that a change of control will occur for the purposes of the executive employment agreements on the closing of the Hawthorne Transaction.
- Upon the termination of certain NEOs other than for cause, within 6 months following a change of control or if the terms of such NEOs' employment are materially changed without the express consent of the NEO in writing and the NEO elects to resign within 6 months of a change of control, certain unvested PSUs held by the NEOs on the date of termination would vest. The value attributed to such options was calculated by multiplying the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33, by the number of unvested PSUs that would vest. The Board has exercised its discretion under certain PSU grant agreements to determine that a change of control will occur for the purposes of such agreements on the closing of the Hawthorne Transaction.
- In connection with the Arrangement, the Company entered into the Retention Agreements with each of Messrs. Alexandrian, Lucarelli and Mundy. Pursuant to the Retention Agreements, the Company agreed to pay a cash retention bonus of \$100,000 to each individual upon closing of the first Material Transaction, provided that the individual remains an employee of the Company or an affiliate of the Company at the date of closing of such Material Transaction. The Retention Agreements were amended on April 29, 2021 to provide for the Retention Bonuses. See "*Executive Compensation – Determining Each Element of Compensation – Retention Agreements*".

## DIRECTOR COMPENSATION

### Compensation of Directors

Historically, the Company has paid each director that is not a NEO a fee for serving on the Board. Going forward, the Company does not intend to pay director fees to directors that are also NEOs. It also pays directors a fee for serving as the Chair of certain Board committees. In making recommendations to the Board relating to director compensation for Fiscal 2021, the CNG Committee considered director compensation offered by similar companies, its directors' time commitments, the recommendation of Gallagher, and the risks and responsibilities that the directors of the Company assume. In connection with the Hawthorne Transaction, none of the directors that make up the Hawthorne Slate will receive compensation for acting as a director of the Company, other than Mr. Vaynerchuk.

In Fiscal 2021, each director that was not a NEO received an annual retainer of \$97,500 (the "**Annual Retainer**") payable in cash, options, restricted share units ("**RSUs**"), deferred share units or other forms of security-based compensation approved by the Board, with a maximum of \$48,750 payable in cash. The Chair of the Board, the Chair of the Audit Committee and the Chair of the CNG Committee also received an additional annual cash retainer of \$12,188, subject to a maximum additional payment to each director of \$12,188. The Chair of the Conflicts Review Committee did not receive an additional annual cash retainer in Fiscal 2021.

### **RSU Awards**

Non-Employee Directors are eligible to receive some or all of their Annual Retainer in the form of RSUs, as noted above. The benefit to be received by holders of RSUs will generally be based on the Common Share price, such that the more the Common Share price increases, the greater the benefit will be to the holder. For a detailed description of the RSUs, see "*Securities Authorized for Issuance Under Equity Compensation Plans – RSU Plan*".

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

### ***Director Compensation Table***

As of March 31, 2021, the Company had four directors, one of whom was also a NEO. For a description of the compensation paid to Mr. Alexandrian, a NEO of the Company who also acted as a director of the Company, during Fiscal 2021, see "*Summary Compensation Table*". The following table is a summary of compensation paid to the current and former directors of the Company, other than directors who were also NEOs, for Fiscal 2021:

Name	Fees Earned <sup>(1)</sup>	Share-Based Awards <sup>(2)</sup>	Option-Based Awards <sup>(3)</sup>	Non-Equity Incentive Plan Compensation	Pension Value	All Other Compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
<b>Asha Daniere</b>	172,099 <sup>(6)</sup>	48,750	22,918	Nil	Nil	Nil	243,767
<b>Richard Mavrinac</b>	27,188	97,500	22,918	Nil	Nil	Nil	147,606
<b>Joseph Mimran</b>	166,657 <sup>(6)</sup>	48,750	22,918	Nil	Nil	Nil	238,325
<b>John Bell<sup>(4)</sup></b>	27,208	21,698	Nil	Nil	Nil	Nil	48,906
<b>Garth Hankinson<sup>(5)</sup></b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Mike Lee<sup>(5)</sup></b>	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Notes:**

- (1) All fees awarded, earned, paid, or payable in cash for services as a director, including the cash portion of the Annual Retainer and any Board committee and Chair fees received from the Company.
- (2) This value represents the systematic recognition of the grant date fair value of the equity instruments granted over the applicable vesting period, consistent with the value and corresponding expense calculated for accounting purposes. This value does not reflect the economic value of the share-based awards provided to the directors as at March 31, 2021. An indication of the value of these awards as at March 31, 2021 is presented in the tables below under "*Director Compensation - Incentive Plan Awards*". The RSUs are redeemable in three equal instalments on each of the first three anniversaries of the grant date. All of the Non-Employee Directors of the Company, other than Mr. Mavrinac, received 50% of their Annual Retainer for Fiscal 2021 in the form of RSUs. Mr. Mavrinac received 100% of his Annual Retainer for Fiscal 2021 in the form of RSUs.
- (3) This value represents the systematic recognition of the grant date fair value of the equity instruments granted (derived using the Black-Scholes methodology) over the applicable vesting period, consistent with the value and corresponding expense calculated for accounting purposes. The key inputs and assumptions used in fair valuing the options include the exercise and share prices on the date of grant (\$3.50), expected volatility (70%) and expected option life (ranging from 3.0 years to 4.0 years). This value does not reflect the economic value of the option-based awards provided to the directors as at March 31, 2021. An indication of the value of these awards as at March 31, 2021 is presented in the tables below under "*Director Compensation - Incentive Plan Awards*".
- (4) Mr. Bell did not stand for re-election to the Board at, and ceased to be a director of the Company following, the annual general and special meeting of Shareholders held on September 24, 2020.
- (5) Messrs. Hankinson and Lee resigned from the Board on February 23, 2021 in connection with the Arrangement.
- (6) The director fees paid to Ms. Daniere and Mr. Mimran include fees payable for their service on the special committees formed in connection with the Company's PharmHouse Inc. joint venture and the Arrangement with CGC.

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

The following table is a summary of option-based awards granted to the current and former directors of the Company, other than directors who were also NEOs, that were outstanding as at March 31, 2021:



Name	Option-Based Awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup>
	(#)	(\$)		(\$)
<b>Asha Daniere</b>	75,000	3.50	July 30, 2023	Nil
<b>Richard Mavrinac</b>	75,000	3.50	July 30, 2023	Nil
<b>Joseph Mimran</b>	75,000	3.50	July 30, 2023	Nil
<b>John Bell<sup>(2)</sup></b>	Nil	N/A	N/A	N/A
<b>Garth Hankinson<sup>(3)</sup></b>	Nil	N/A	N/A	N/A
<b>Mike Lee<sup>(3)</sup></b>	Nil	N/A	N/A	N/A

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33, 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 future price of the Common Shares and whether the granted options become “in-the-money”.
- (2) Mr. Bell did not stand for re-election to the Board at, and ceased to be a director of the Company following, the annual general and special meeting of Shareholders held on September 24, 2020.
- (3) Messrs. Hankinson and Lee resigned from the Board on February 23, 2020 in connection with the Arrangement.

### **Outstanding Share-Based Awards**

The following table is a summary of share-based awards granted to the current and former directors of the Company, other than directors who were also NEOs, that were outstanding as at March 31, 2021:

Name	Share-Based Awards		
	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested	Market or payout value of vested share-based awards not paid out or distributed <sup>(1)</sup>
	(#)	(\$)	(\$)
<b>Asha Daniere</b>	Nil	N/A	114,510
<b>Richard Mavrinac</b>	Nil	N/A	209,933
<b>Joseph Mimran</b>	Nil	N/A	114,510
<b>John Bell<sup>(2)</sup></b>	Nil	N/A	181,810
<b>Garth Hankinson<sup>(3)</sup></b>	Nil	N/A	N/A
<b>Mike Lee<sup>(3)</sup></b>	Nil	N/A	N/A

Notes:

- (1) Calculated by multiplying the number of RSUs that have vested but not paid out or distributed as of March 31, 2021, by the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33.
- (2) Mr. Bell did not stand for re-election to the Board at, and ceased to be a director of the Company following, the annual general and special meeting of Shareholders held on September 24, 2020.
- (3) Messrs. Hankinson and Lee resigned from the Board on February 23, 2020 in connection with the Arrangement.

## **Incentive Plan Awards – Value Vested or Earned During Fiscal 2021**

The following table sets forth, for each of the Company’s current and former directors, other than directors who were also NEOs, the value of option and share-based awards that vested during Fiscal 2021, and the value of non-equity incentive plan compensation earned during Fiscal 2021:

Name	Option-based awards – Value vested during the year <sup>(1)</sup>	Share-based awards – Value vested during the year <sup>(2)</sup>	Non-equity incentive plan compensation – Value earned during the year
	(\$)	(\$)	(\$)
<b>Asha Daniere</b>	Nil	50,449	Nil
<b>Richard Mavrinac</b>	Nil	100,898	Nil
<b>Joseph Mimran</b>	Nil	50,449	Nil
<b>John Bell<sup>(3)</sup></b>	Nil	67,300	Nil
<b>Garth Hankinson<sup>(4)</sup></b>	Nil	Nil	Nil
<b>Mike Lee<sup>(4)</sup></b>	Nil	Nil	Nil

Notes:

- (1) Calculated by multiplying the difference between the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33, 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 future price of the Common Shares and whether the granted options become “in-the-money”.
- (2) Calculated by multiplying the number of RSUs that vested during Fiscal 2021 by the closing price of the Common Shares on the TSX on March 31, 2021, which was \$2.33.
- (3) Mr. Bell did not stand for re-election to the Board at, and ceased to be a director of the Company following, the annual general and special meeting of Shareholders held on September 24, 2020.
- (4) Messrs. Hankinson and Lee resigned from the Board on February 23, 2020 in connection with the Arrangement.

## **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, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans
	(#)	(\$)	(#)
Equity compensation plans approved by security holders	10,056,030 <sup>(1)</sup>	\$2.39	5,576,934 <sup>(2)</sup>
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	10,056,030	\$2.39	5,576,934

Notes:

- (1) Represents the number of Common Shares reserved for issuance upon the exercise of outstanding options granted under the Option Plan, RSU Plan and LTIP as of March 31, 2021.
- (2) Represents the maximum number of additional Common Shares remaining available for future issuance under the Option Plan, RSU Plan and LTIP based on 142,117,857 Common Shares outstanding as of March 31, 2021. The Company has ceased issuing options pursuant to the Option Plan and instead only issues options pursuant to the LTIP going forward.

## **RSU Plan**

The RSU Plan was approved by the Board on March 18, 2020 and by Shareholders on September 24, 2020. The purpose of the RSU Plan is to promote a greater alignment of long-term interests between the Company's Non-Employee Directors and Shareholders and to provide compensation for Non-Employee Directors that, together with the other director compensation mechanisms, is reflective of the responsibility, commitment and risk accompanying membership on the Board and the performance of the duties required of the various Board committees.

The following is a summary of the material terms of the RSU Plan. This summary is qualified in its entirety by reference to the RSU Plan, which is attached as Schedule "A" to the management information circular of the Company dated August 5, 2020, which is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors).

### ***Definitions***

For purposes of the RSU Plan:

**"Annual Remuneration"** means all amounts ordinarily payable in cash to a Non-Employee Director by the Company in respect of the services provided by the Non-Employee Director to the Company in connection with such Non-Employee Director's service on the Board in the Company's fiscal year, including as applicable and without limitation (i) the annual base retainer fee payable to a Non-Employee Director by the Company for serving as a member of the Board; (ii) the fee for serving as a member of a Board committee; and (iii) the fee for chairing a Board committee. For greater certainty, **"Annual Remuneration"** shall exclude any meeting fees payable in respect of attendance at individual meetings and amounts received by a Non-Employee Director as a reimbursement for expenses incurred in attending meetings.

**"Conversion Date"** means the date used to determine the Fair Market Value (as defined herein) of an RSU for purposes of determining the number of RSUs to be credited to a participant under the RSU Plan;

**"Fair Market Value"** means, with respect to any particular date:

- (i) if the Common Shares are listed on only one stock exchange, the volume weighted average trading price per Common Share on such stock exchange during the immediately preceding five trading days;
- (ii) if the Common Shares are listed on more than one stock exchange, the Fair Market Value as determined in accordance with paragraph (i) above for the stock exchange on which the greatest volume of trading of the Common Shares occurred during the immediately preceding twenty trading days; and
- (iii) if the Common Shares are not listed for trading on a stock exchange, a price which is determined by the Board in good faith to be the Fair Market Value of the Common Shares.

### ***Eligibility***

Each director who is not an officer or employee of the Company or any subsidiary thereof, including any non-executive Chair of the Board (a **"Non-Employee Director"**), is eligible to receive RSUs under the RSU Plan.

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

The RSU Plan provides that the maximum number of Common Shares that may be issued or issuable under the RSU Plan shall be a number equal to 1% of the number of issued and outstanding Common Shares on a non-diluted basis from time to time. As at the Record Date, an aggregate of 353,030 RSUs were granted pursuant to the RSU Plan to four Non-Employee Directors.

As at the Record Date, the Company had 142,468,471 Common Shares issued and outstanding (on a non-diluted basis). Accordingly, the maximum number of Common Shares available for issuance pursuant to the RSU Plan is 1,424,685, being 1% of the number of issued and outstanding Common Shares on a non-diluted basis.

As at the Record Date, there were 353,030 RSUs outstanding under the RSU Plan in respect of which up to 353,030 Common Shares may be issued, which represents 0.2% of the outstanding Common Shares, leaving a maximum of 1,071,655 Common Shares available for issuance under the RSU Plan.

The “burn rate” (calculated by dividing the number of RSUs granted under the RSU Plan during the applicable year, by the weighted average number of securities outstanding for the applicable fiscal year) for the RSU Plan was 0.1% in Fiscal 2021 and 0.2% in Fiscal 2020.

#### ***Additional RSU Plan Limits***

No RSUs shall be granted under the RSU Plan if:

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

The Company has the ability to continue granting RSUs under the RSU Plan until September 24, 2023, which is the date that is three years from the date of approval of the RSU Plan by the Shareholders.

#### ***RSU Awards***

RSUs elected by a Non-Employee Director as a value-for-value alternative to cash compensation that relate to the Non-Employee Director’s services as a member of the Board in a fiscal year will be credited to the Non-Employee Director as of the applicable Conversion Date, which will generally be the last day of such fiscal year. The number of RSUs to be credited to a Non-Employee Director as of a particular Conversion Date will be determined by dividing the portion of that Non-Employee Director’s Annual Remuneration for the applicable period to be satisfied by RSUs by the Fair Market Value on the particular Conversion Date. The RSUs will be fully vested upon being credited to the Non-Employee Director.

The Board may also award such number of RSUs to a Non-Employee Director as it deems advisable to provide the Non-Employee Director with appropriate equity-based compensation for their services. The Board will determine the date on which such RSUs are granted and the Conversion Date as of which they will be awarded to the Non-Employee Director, together with any terms or conditions with respect to the vesting of such RSUs. The Company and a Non-Employee Director who receives such a discretionary award of RSUs will enter into an award agreement to evidence the award and the terms applicable thereto.

#### ***Redemption of RSUs***

Subject to the discretion of the Board, each grant of RSUs awarded to a Non-Employee Director as a value-for-value alternative to cash compensation will be redeemed in three equal instalments on each of the first three anniversaries of the applicable Conversion Date.

Share Units (as defined in the RSU Plan) credited to a Non-Employee Director’s account as a discretionary award that have vested will be redeemed in accordance with the award agreement governing the RSUs.

### ***Settlement of RSUs***

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

### ***Transferability***

RSUs and other benefits under the RSU Plan are not transferable or assignable other than by will or the laws of descent and distribution.

A Non-Employee Director may designate in writing a person who is their dependent or relation as a beneficiary to receive any benefits that are payable under the RSU Plan upon their death. In the event of a Non-Employee Director's death, any and all RSUs then credited to them shall become payable to their beneficiary.

### ***Capital Changes, Corporate Transactions and Change of Control***

The RSU Plan contains provisions for the equitable adjustment of RSUs in relation to capital changes and with regard to a stock dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Common Shares or distribution of rights to holders of Common Shares or any other form of corporate reorganization.

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

To ensure alignment in the treatment of all of the incentive compensation amongst directors, management and employees of the Company, the Board determined that neither the Arrangement nor the Hawthorne Transaction would constitute a Change in Control for purposes of the RSU Plan.

### ***Amendment and Termination of the RSU Plan***

The Board may at any time and for any reason amend, suspend or terminate the RSU Plan, provided that no such amendment, suspension or termination may, without the consent of a holder of RSUs, adversely affect the rights of such holder's outstanding RSUs.

The Board may not, without approval by a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at a meeting:

- (i) increase the maximum percentage of Common Shares issuable by the Company pursuant to the RSU Plan;
- (ii) expand the authority of the Board to permit assignability of the RSUs beyond that currently contemplated in the RSU Plan;
- (iii) increase or delete any limit described above under “– *Additional RSU Plan Limits*”;
- (iv) amend the RSU Plan to provide for other types of compensation through equity issuance; and
- (v) amend the applicable amendment provisions of the RSU Plan, other than as permitted under the TSX Company Manual;

provided however that Shareholder approval will not be required for, among other things, the following amendments:

- (i) amendments of a “housekeeping” nature;
- (ii) a change to the termination provisions of any RSU; or
- (iii) amendments to the provisions relating to a Change in Control.

## **LTIP**

The LTIP was approved by the Board on August 5, 2020 and by Shareholders on September 24, 2020. The purpose of the LTIP is to (i) promote further alignment of interests between officers, employees and other eligible service providers of the Company and Shareholders, (ii) to associate a portion of the compensation payable to officers, employees and other eligible service providers of the Company with the returns achieved by Shareholders; and (iii) to attract and retain officers, employees and other eligible service providers with the knowledge, experience and expertise required by the Company.

The following is a summary of the material terms of the LTIP. This summary is qualified in its entirety by reference to the LTIP, which is attached as Schedule “B” to the management information circular of the Company dated August 5, 2020, which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors).

### ***Definitions***

“**Market Price**” means, with respect to any particular date:

- (i) if the Common Shares are listed on only one stock exchange, the volume weighted average trading price per Common Share on such stock exchange during the immediately preceding five trading days;
- (ii) if the Common Shares are listed on more than one stock exchange, the Market Price as determined in accordance with paragraph (i) above for the primary stock exchange on which the greatest volume of trading of the Common Shares occurred during the immediately preceding 20 trading days; and
- (iii) if the Common Shares are not listed for trading on a stock exchange, a price which is determined by the Board in good faith to be the fair market value of the Common Shares.

### ***Eligibility***

Any individual employed by the Company, including a Service Provider (as defined in the LTIP), who, by the nature of his or her position or job is, in the opinion of the Board, in a position to contribute to the success of the Company is eligible to receive grants of options, Restricted Share Units (as defined in the LTIP), PSUs, Stock Appreciation Rights (as defined in the LTIP) and Restricted Stock (as defined in the LTIP) (for the purposes of this section, “**Grants**”) under the LTIP provided that only officers and employees of the Company shall be eligible to receive options under the LTIP.

### ***Common Shares Subject to the LTIP***

The aggregate number of Common Shares that may be issued pursuant to Grants made under the LTIP together with all other security based compensation arrangements of the Company shall be a number equal to 10% of the aggregate number of issued and outstanding Common Shares from time to time. As at the Record Date, the Company had 142,468,471 Common Shares issued and outstanding (on a non-diluted basis). Accordingly, the maximum number of Common Shares available for issuance pursuant to the LTIP is 5,304,150, being 10% of the number of issued and outstanding Common Shares, less the number of awards outstanding under the Company’s other security-based compensation arrangements.

As at the Record Date, there were a total of 919,996 PSUs outstanding under the LTIP. Therefore, together with all of the currently issued and outstanding RSUs under the RSU Plan and options under the Option Plan (as defined herein), up to 10,449,355 Common Shares may be issued pursuant to the Company’s security-based compensation arrangements (or 7.3% of the Common Shares issued and outstanding), leaving a maximum of 3,797,492 Common Shares available for issuance under the LTIP.

The “burn rate” (calculated by dividing the number of PSUs granted under the LTIP during the applicable year, by the weighted average number of securities outstanding for the applicable fiscal year) for the LTIP was 0.7% in Fiscal 2021 and nil in Fiscal 2020.

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

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

#### ***Additional LTIP Limits***

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

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

#### ***Grants under the LTIP***

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

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

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

Under the LTIP, Participants may be granted Restricted Stock, being Common Shares that are subject to a restriction on the Participant’s free enjoyment of the Common Shares, which restrictions may be based on the passage of time or the satisfaction of performance-based conditions or the occurrence of one or more events or conditions as the Board may determine. Restricted Stock cannot be sold, transferred or assigned while the restrictions remain in effect, although the Participant may vote the Restricted Stock and receive any dividends paid on the Restricted Stock during

such period. Restricted Stock is forfeited if the applicable restriction does not lapse prior to the date or the occurrence of the specified event or the satisfaction of the criteria in the Grant agreement.

### ***Termination of Grants***

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

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

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

### ***Transferability***

No Grants and no rights or interests therein may be assigned, transferred, sold, exchanged, encumbered, pledged or otherwise hypothecated or disposed of by a Participant other than by testamentary disposition by the Participant or the laws of intestate succession. A Participant may designate a beneficiary, in writing, to receive any benefits that are provided under the LTIP upon the death of such Participant.

### ***Capital Changes, Corporate Transactions and Change of Control***

The LTIP contains provisions for the equitable treatment of Grants in relation to any capital changes and with regard to a dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Common Shares or distribution of rights to holders of Common Shares or any other relevant changes to the authorized or issued capital of the Company.

In the event of a Change in Control (for the purposes of this section, as defined in the LTIP) prior to the vesting of a Grant, and subject to the terms of a Participant's employment agreement and the applicable Grant agreement, the



Board shall have full authority to determine in its sole discretion the effect, if any, of a Change in Control on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to a Grant.

To ensure alignment in the treatment of all of the incentive compensation amongst directors, management and employees of the Company, the Board elected not to exercise its discretion under the LTIP to cause the acceleration of the Grants thereunder in connection with the Arrangement or the Hawthorne Transaction.

#### ***Amendment and Termination of the LTIP***

The LTIP and any Grant made pursuant to the LTIP may be amended, modified or terminated by the Board without approval of Shareholders, provided that no amendment may be made without the consent of a Participant if it adversely affects the rights of the Participant in respect of any Grant previously made to such Participant. For greater certainty, the LTIP may not be amended without Shareholder approval to do any of the following:

- (a) increase in the maximum number of Common Shares issuable pursuant to the LTIP;
- (b) reduce the exercise price of an outstanding option or the Base Price of a standalone Stock Appreciation Right;
- (c) extend the maximum term of any Grant made under the LTIP;
- (d) amend the assignment provisions described above under “– *Transferability*”;
- (e) permit a non-employee member of the Board to be eligible for Grants under the LTIP;
- (f) increase the number of Common Shares that may be issued or issuable to Insiders above the restriction or deleting the restriction on the number of Common Shares that may be issued or issuable to Insiders;
- (g) include other types of equity compensation involving the issuance of Common Shares under the LTIP; or
- (h) amend the amendment provisions of the LTIP to amend or delete any of (a) through (h) above or grant additional powers to the Board to amend the LTIP or entitlements without Shareholder approval;

provided that, Shareholder approval shall not be required for, among other things, the following amendments:

- (a) amendments of a “housekeeping” nature;
- (b) a change to the vesting provisions of any Grants;
- (c) a change to the termination provisions of any Grant that does not entail an extension beyond the original term of the Grant; or
- (d) amendments to the provisions relating to a Change in Control.

#### **Option Plan**

The Option Plan was approved by the Board on August 5, 2019 and by Shareholders on September 26, 2019. 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 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 “A” to the management information circular of the Company dated August 6, 2019, which is available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company’s website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors).

Following the approval of the LTIP by the Board on August 5, 2020 and by Shareholders on September 24, 2020, the Company has ceased issuing options pursuant to the Option Plan and will only issue options pursuant to the LTIP going forward. All unallocated Common Shares issuable pursuant to the Option Plan will cease to be reserved for

issuance under the Option Plan. All outstanding options that were issued pursuant to the Option Plan will continue to be governed by the Option Plan, but upon the expiry or termination of such options, the Common Shares underlying the options will no longer be available for issuance under the Option Plan.

### ***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 for the purposes of this section, an “**Eligible Person**”) is eligible to receive options under the Option Plan.

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

The Option Plan provides that the number of Common Shares which may be available for issuance under the Option Plan will not exceed 10% of the total number of Common Shares issued and outstanding from time to time, calculated at the time of grant, on a non-diluted basis. As at the Record Date, the Company had 142,468,471 Common Shares issued and outstanding (on a non-diluted basis). Accordingly, the maximum number of Common Shares available for issuance pursuant to the Option Plan is 14,246,847, being 10% of the number of Common Shares issued and outstanding.

As at the Record Date, there were 8,589,667 options outstanding under the Option Plan. Therefore, 8,589,667 Common Shares may be issued (or 6.0% of the Common Shares issued and outstanding), leaving a maximum of 5,657,180 Common Shares available for issuance under the Option Plan.

The “burn rate” (calculated by dividing the number of options granted under the Option Plan during the applicable year, by the weighted average number of securities outstanding for the applicable fiscal year) for the Option Plan was nil in Fiscal 2021, 1.1% in Fiscal 2020 and 3.9% in Fiscal 2019.

### ***Limits with Respect to Insiders***

- (a) The maximum number of Common Shares which may be reserved for issuance under options granted to Insiders (as defined in the TSX Company 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 Common 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 Common 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 Common 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 Common 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 Common 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 Common Shares then being purchased.

### ***Term and Expiry Date***

The period within which options may be exercised and the number of options which may be exercised in any such period 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 for up to a maximum of 12 months with approval from the TSX. 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.

To ensure alignment in the treatment of all of the incentive compensation amongst directors, management and employees of the Company, the Board elected not to exercise its discretion under the Option Plan to cause the acceleration of the options granted thereunder in connection with the Arrangement or the Hawthorne Transaction.

***Amendment and Termination of the Option Plan***

The Board may at any time terminate the Option Plan, provided that no such termination adversely affects the rights of any optionee under any previously granted option, except with the consent of such optionee. The Board may also amend the Option Plan from time to time without Shareholder approval:

- (a) for the purposes of making formal, minor or technical modifications to any of the provisions of the Option Plan;
- (b) to correct any defect, supply any omission, or reconcile any inconsistency in the Option Plan, any option or any option certificate;
- (c) to change the vesting provisions of options or the Option Plan;
- (d) to change the termination provisions of any options or the 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 Company to optionees that would facilitate the purchase of securities under the Option Plan;

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

- (g) an increase in the number of Common Shares issuable under options granted pursuant to the Option Plan (other than by virtue of adjustments in accordance with the terms of the Option Plan);
- (h) a material change in the persons who qualify as Eligible Persons under the 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 Option Plan;
- (m) a change to the insider participation limits set forth in section 5 of the Option Plan; or
- (n) an amendment to section 21 of the Option Plan, so as to change or expand the ability of the Board to amend or modify the Option Plan.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No individual who is, or at any time during Fiscal 2021 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 2021 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 2021, 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

Other than as disclosed herein, no “informed persons” of the Company (as defined in NI 51-102), nor any Nominee, nor any person who beneficially owns, directly or indirectly, Common Shares carrying more than 10% of the voting rights attached to the issued and outstanding Common Shares, nor any associate or affiliate of the foregoing persons, has had any material interest, direct or indirect, in any transaction since the commencement of Fiscal 2021 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 to be independent if he or she has no direct or indirect material relationship with the Company that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment. NI 52-110 sets out certain situations where a director is deemed to have a material relationship with the Company.

As of the date this Circular, the Board is composed of four directors, three of whom have been determined to be independent based upon the criteria set forth in NI 52-110. Messrs. Mavrinac and Mimran and Ms. Daniere have been determined to be independent within the meaning of NI 52-110. Mr. Alexandrian is not considered by the Board to be independent within the meaning of NI 52-110 due to his role as President and CEO of the Company.

Of the four Nominees standing for election as directors at the Meeting as part of the Current Slate, three have been determined to be independent based upon the criteria set forth in NI 52-110. Messrs. Mavrinac and Mimran and Ms. Daniere have been determined to be independent within the meaning of NI 52-110. Mr. Alexandrian is not considered by the Board to be independent within the meaning of NI 52-110 due to his role as President and CEO of the Company. Of the seven Nominees standing for election as directors at the Meeting conditional on the closing of the Hawthorne Transaction, including the Hawthorne Slate, Messrs. Hagedorn, Mavrinac, Mimran, Sims and Vaynerchuk and Ms. Daniere have been determined to be independent based upon the criteria set forth in NI 52-110.

The independent directors regularly held *in camera* meetings following scheduled meetings of the Board during Fiscal 2021 at which non-independent directors and members of management were not in attendance. In addition, the independent directors met regularly as a result of the various special committees that were formed during Fiscal 2021 in connection with the Company's PharmHouse Inc. joint venture, the Arrangement with CGC and the Hawthorne Transaction, each of which were comprised of all of the Company's independent directors. It is anticipated that independent directors' meetings will be held as deemed appropriate during Fiscal 2022 and that the independent directors will continue to hold regular *in camera* meetings scheduled following meetings of the Board.

The majority of the Nominees are considered to be independent within the meaning of NI 52-110. During Fiscal 2020, the Board formed the Conflicts Review Committee, which is comprised of only independent directors. The Conflicts Review Committee reviews and provides a recommendation or approval, as applicable, to the Board for any material transaction or agreement proposed to be entered into by the Company with a Related Party (as defined herein) or that otherwise involves a conflict and meetings of the Conflicts Review Committee will be held as deemed appropriate during Fiscal 2022. The Board may form special committees, from time to time, comprised of only independent directors to address specific issues that arise. The Board has also implemented processes to facilitate the exercise of independent judgement in carrying out its responsibilities. Non-independent directors are asked to leave Board meetings when necessary to facilitate open and candid discussion among the independent directors and *in-camera* sessions of the independent directors may be held at the end of Board meetings. In addition, any item which could involve a potential conflict of interest among one or more directors is voted on by those directors that are not related to the conflict in question.

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

Ms. Daniere was appointed as the Chair of the Board as of September 24, 2020 and the Board determined that she is independent within the meaning of NI 52-110.

Until he ceased being a director of the Company on September 24, 2020, John Bell was the Chair of the Board. During such period, the Board determined that Mr. Bell was not an independent director within the meaning of NI 52-110 due to his former role as Chair of the Board of CGC and the fact that he was the Board nominee of CGC. During such period, Mr. Mavrinac was the Lead Director of the Board and the Board determined that he was independent within the meaning of NI 52-110. Following the appointment of Ms. Daniere as Chair of the Board and given the Board's determination that she is independent within the meaning of NI 52-110, Mr. Mavrinac ceased to be the Lead Director of the Board. See "*Position Descriptions – Chair*" for a description of the role of the Chair.

### **Meetings of the Board**

The Board held 16 meetings during Fiscal 2021. The members of the Board and their meeting attendance during Fiscal 2021 are set forth below:

<b>Board of Directors</b>		
<b>Name of Director</b>	<b>Independent</b>	<b>Meeting Attendance<sup>(1)</sup></b>
Narbe Alexandrian	No	16 of 16
Asha Daniere	Yes	16 of 16
Richard Mavrinac	Yes	15 of 16
Joseph Mimran	Yes	16 of 16

Notes:

(1) In addition to official Board meetings, 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 and proposed directors of the Company:

<b>Director</b>	<b>Name of Reporting Issuer and Exchange</b>
Narbe Alexandrian	N/A
Asha Daniere	MDC Partners Inc. (NASDAQ: MDCA)
Richard Mavrinac	Gage Growth Corp. (CSE: GAGE) Roots Corporation (TSX: ROOT) TerrAscend Corp. (CSE: TER)
Joseph Mimran	LXRandCo, Inc. (TSX: LXR)
Chris Hagedorn	N/A
Mark Sims	N/A
Gary Vaynerchuk	N/A

### **Board Mandate**

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

### **Position Descriptions**

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

### *Chair*

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

### *CEO*

Mr. 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 applicable committee with a view to enhancing the overall efficacy of the committee. Each committee Chair plays an integral role in the fulfillment of the committee's duties as set out in the charter of the committee and the management of the committee process.

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

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

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

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

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

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



## **Ethical Business Conduct**

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

In exercising its powers and discharging its duties, the Board is required to act honestly and in good faith with a view to the best interests of the Company, and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The Board encourages and promotes an overall culture of ethical business conduct by promoting compliance with applicable laws, rules and regulations; providing guidance to officers, directors, employees and consultants, to help them recognize and deal with ethical issues; promoting a culture of honesty, integrity and accountability; and ensuring awareness of disciplinary action for violations of ethical business conduct.

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

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

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

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

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

## **Nomination of Directors**

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

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

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

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

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

### ***Hawthorne Transaction***

Upon the closing of the Hawthorne Transaction, Hawthorne will, pursuant to the Investor Rights Agreement, be entitled to designate three nominees (each a “**Hawthorne Nominee**”) for election to a seven-person Board for so long as Hawthorne and its affiliates beneficially own at least 33% of the outstanding Common Shares (on a partially diluted basis). If the ownership of Hawthorne and its affiliates (on a partially diluted basis) is reduced (i) below 33% (but not less than 20%), or (ii) below 20% (but Hawthorne and its affiliates continue to beneficially own at least 60% of either the principal amount of the Convertible Note or the Common Shares into which the original principal amount of the Convertible Note was convertible), the number of nominees Hawthorne is entitled to nominate will be reduced to two and one, respectively.

Each Hawthorne Nominee must meet the qualification requirements to serve as a director under the OBCA, Canadian and U.S. securities laws and/or the applicable rules of the CSE or any other exchange on which the Common Shares are listed, and must not be an employee of, involved in the day-to-day operations of, or have a fiduciary responsibility to, a competitor of the Company. If Hawthorne is entitled to designate more than one Hawthorne Nominee, at least one of the Hawthorne Nominees so designated must qualify as an independent director under applicable securities laws and/or the applicable rules of the CSE or any other exchange on which the Common Shares are listed.

In the event that the Hawthorne Nominee ceases to serve as a director for any reason, Hawthorne will have the right to designate a replacement Hawthorne Nominee, provided that Hawthorne remains eligible to designate a nominee and the replacement meets the qualification criteria to serve as a director under the OBCA and the rules of the CSE.

### **Compensation of Directors and Senior Executives**

The Board has also established the CNG Committee to assist in determining compensation matters for the Company’s directors and Senior Executives. The CNG Committee is set up to ensure that compensation is competitive compared to the Company’s peers 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 three standing committees: (i) the Audit Committee; (ii) the CNG Committee; and (iii) the Conflicts Review Committee. In addition, the Board may establish other committees, including special committees, from time to time to assist the Board in connection with specific matters. The Board oversees the operations of the committees, the appointment of their respective members, their compensation and their conduct. The Board has no intention at this time to establish other standing committees.

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

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

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

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

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

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

The Company currently has four directors, one of whom is a woman, representing 25% of the Board members. The Nominees comprising the Current Slate includes four individuals, one of whom is a woman, representing 25% of the Current Slate. Of the seven Nominees standing for election as directors at the Meeting conditional on the closing of the Hawthorne Transaction, one is a woman, representing approximately 14% of the Nominees. Currently the senior management team of the Company is comprised of four individuals, one of whom, the Senior Director, Corporate Development, is a woman, representing 25% of the senior management team.

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

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

appropriate disciplinary action taken; and expecting all employees, as a condition of employment, to contribute to a discrimination and harassment-free work environment.

### **The Audit Committee**

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

For a general description of the Audit Committee members' relevant education and experience, see "*Business of 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, annual MD&A, unaudited interim consolidated financial statements, interim MD&As and related operations prior to their approval by the Board.

Further information regarding the Audit Committee is contained in the AIF, under the heading "Audit Committee". A copy of the Audit Committee charter is attached to the AIF as Schedule "A". The AIF is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Company's website at [www.rivcapital.com/investors](http://www.rivcapital.com/investors).

The Audit Committee held 5 meetings during Fiscal 2021. The members of the Audit Committee and their meeting attendance during Fiscal 2021 are set forth below:

<b>Audit Committee</b>		
<b>Name of Director</b>	<b>Independent</b>	<b>Meeting Attendance</b>
Richard Mavrinac	Yes	5 of 5
Asha Daniere	Yes	4 of 5
Joseph Mimran	Yes	5 of 5

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

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

For a general description of the 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 similar industries;

- (f) reviewing periodically bonus plans and any share-based compensation plans and considering these in light of new trends and practices of peers in similar industries;
- (g) identifying, evaluating and recommending Board candidates;
- (h) evaluating Board structure and organization; and
- (i) monitoring the effectiveness of and compliance with corporate governance policies and procedures.

The CNG Committee held 5 meetings during Fiscal 2021. The members of the CNG Committee and their meeting attendance during Fiscal 2021 are set forth below:

Compensation, Nominating and Governance Committee		
Name of Director	Independent	Meeting Attendance
Joseph Mimran	Yes	5 of 5
Asha Daniere	Yes	5 of 5
Richard Mavrinac	Yes	5 of 5

#### **The Conflicts Review Committee**

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

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

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

The Conflicts Review Committee held 6 meetings during Fiscal 2021. The members of the Conflicts Review Committee and their meeting attendance during Fiscal 2021 are set forth below:

Conflicts Review Committee		
Name of Director	Independent	Meeting Attendance
Joseph Mimran	Yes	6 of 6
Asha Daniere	Yes	6 of 6
Richard Mavrinac	Yes	1 of 6 <sup>(1)</sup>

Notes:

- (1) Mr. Mavrinac recused himself from five meeting of the Conflicts Review Committee as a result of a potential conflict of interest between Mr. Mavrinac and the Company.

### **ADDITIONAL INFORMATION**

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

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

## **APPROVAL**

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

### **ON BEHALF OF THE BOARD OF DIRECTORS**

*(signed) Asha Daniere*

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Asha Daniere  
Chair of the Board

## SCHEDULE “A”

### RIV CAPITAL INC.

#### MANDATE OF THE BOARD OF DIRECTORS

##### 1. PURPOSE

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

##### 2. RESPONSIBILITIES

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

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



- (k) The Board ensures that there is in place appropriate succession planning, including the appointment, training and monitoring of senior management and members of the Board.
- (l) The Board is responsible for assessing its own effectiveness in fulfilling its mandate and evaluating the relevant disclosed relationships of each independent director. An effectiveness evaluation of the board has to be prepared at least annually (see s. s) (vi)).
- (m) The Board approves a disclosure policy that includes a framework for investor relations and public disclosure.
- (n) The Board shall periodically (at least annually) review and make recommendations regarding the Anti-Bribery and Anti-Corruption Policy adopted by the Board;
- (o) The Board is responsible for satisfying itself as to the integrity of the Chief Executive Officer (the “CEO”) and other senior officers of the Corporation and that the CEO and other senior officers create a culture of integrity throughout the organization. The Board is responsible for developing and approving goals and objectives which the CEO is responsible for achieving.
- (p) The Board is responsible for developing the Corporation's approach to corporate governance principles and guidelines that are specifically applicable to the Corporation.
- (q) The Board is responsible for ensuring that the business of the Corporation is conducted in accordance with recognized industry standards and with a view to meeting or exceeding all applicable environmental and occupational health and safety laws and regulations.
- (r) The Board is responsible for performing such other functions as prescribed by law or assigned to the Board in the Corporation's governing documents.
- (s) Set forth below are procedures relating to the Board's operations:
- (i) Size of Board and selection process.
- (1) The directors of the Corporation are elected each year by the shareholders at the annual meeting of shareholders. The Board will determine the nominees to be put forward to the shareholders for election based upon the following considerations and such other factors the Board considers relevant:
- the competencies and skills which the Board as a whole should possess;
  - the competencies and skills which each existing director possesses; and
  - the appropriate size of the Board to facilitate effective decision-making.
- (2) The Board also recommends the number of directors on the Board to shareholders for approval, subject to compliance with the requirements of the OBCA and the Corporation's by-laws.
- (3) Between annual meetings, the Board may appoint directors to serve until the next annual meeting, subject to compliance with the requirements of the OBCA.
- (4) Individual Board members are responsible for assisting the Board in identifying and recommending new nominees for election to the Board, as needed or appropriate.
- (ii) Independence – At least a majority of the members of the Board shall be “independent” (as defined under National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators).
- (iii) Director orientation and continuing education – The Board, together with the Compensation, Nominating and Governance Committee, is responsible for providing an

orientation and education program for new directors which deals with the following matters and such other matters the Board considers relevant:

- (1) the role of the Board and its committees;
- (2) the nature and operation of the business of the Corporation; and
- (3) the contribution which individual directors are expected to make to the Board in terms of both time and resource commitments.

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

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

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

- (v) Committees – The Board has established the following standing committees to assist the Board in discharging its responsibilities: the Audit Committee and the Compensation, Nominating and Governance Committee. Special committees are established from time to time to assist the Board in connection with specific matters. The Board will appoint the members of each committee and may appoint the chair of each committee annually following the Corporation's annual meeting of shareholders. The chair of each committee reports to the Board following meetings of the relevant committee. The terms of reference of each standing committee are reviewed annually by the Board.
- (vi) Evaluation – The Compensation, Nominating and Governance Committee shall perform an annual evaluation of the effectiveness of the Board as a whole, the committees of the Board, and the contributions of individual directors.
- (vii) Compensation – The Compensation, Nominating and Governance Committee shall recommend to the Board the compensation and benefits for non-management directors. The Compensation, Nominating and Governance Committee shall seek to ensure that such compensation and benefits reflect the responsibilities and risks involved in being a director of the Corporation and align the interests of the directors with the best interests of the Corporation. The Compensation, Nominating and Governance Committee shall review all stock option grants and submit recommendations to the Board for approval.
- (viii) Nomination – Together with the Compensation, Nominating and Governance Committee, the Board and the individual directors from time to time, will identify and recommend new nominees as directors of the Corporation, based upon the following considerations:

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

### 3. LEAD DIRECTOR

- (a) The Board will appoint a Lead Director in circumstances in which the Chair of the Board is not considered independent under applicable securities laws, in order to provide independent leadership to the Board and for the other purposes set forth below.
- (b) In circumstances where the Chair of the Board is not considered independent under applicable securities laws, the Compensation, Nominating and Governance Committee will recommend a candidate for the position of Lead Director from among the independent members of the Board. The Board will be responsible for approving and appointing the Lead Director.
- (c) When appointed, the Lead Director will hold office at the pleasure of the Board, until a successor has been duly elected or appointed or until the Lead Director resigns or is otherwise removed from office by the Board.
- (d) When appointed, the Lead Director will provide independent leadership to the Board and will facilitate the functioning of the Board independently of the Corporation's management. Together with the Chair of the Compensation, Nominating and Governance Committee, the Lead Director will be responsible for overseeing the corporate governance practices of the Corporation.
- (e) When appointed, the Lead Director will:
  - (i) in conjunction with the Chair of the Compensation, Nominating and Governance Committee, provide leadership to ensure that the Board functions independently of management of the Corporation;
  - (ii) chair meetings of independent directors or non-management directors held following Board meetings;
  - (iii) in the absence of the Chair of the Board, act as chair of meetings of the Board;
  - (iv) recommend, where necessary, the holding of special meetings of the Board;
  - (v) review with the Chair of the Board and the CEO items of importance for consideration by the Board;
  - (vi) consult and meet with any or all of the Corporation's independent directors, at the discretion of either party and with or without the attendance of the Chair of the Board, and represent such directors in discussions with management of the Corporation concerning corporate governance issues and other matters;
  - (vii) together with the Chair of the Board, ensure that all business required to come before the Board is brought before the Board, such that the Board is able to carry out all of its duties

to supervise the management of the business and affairs of the Corporation, and together with the Chair of the Board and the CEO, formulate an agenda for each Board meeting;

- (viii) together with the Chair of the Board and the Chair of the Compensation, Nominating and Governance Committee, ensure that the Board, committees of the Board, individual directors and senior management of the Corporation understand and discharge their duties and obligations under the approach to corporate governance adopted by the Board from time to time;
- (ix) mentor and counsel new members of the Board to assist them in becoming active and effective directors;
- (x) facilitate the process of conducting director evaluations;
- (xi) promote best practices and high standards of corporate governance; and
- (xii) perform such other duties and responsibilities as may be delegated to the Lead Director by the Board from time to time.

#### **4. APPROVAL**

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

**SCHEDULE “A”  
RIV CAPITAL INC.**

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

**1. PURPOSE**

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

**2. WHO MAY BE CHAIR**

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

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

**3. RESPONSIBILITIES**

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

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

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

**SCHEDULE “B”**  
**BY-LAW NO. 2**  
**RIV CAPITAL INC.**  
**(the “Corporation”)**

The purpose of this advance notice by-law (the “**Advance Notice By-Law**”) is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors. This Advance Notice By-law fixes a deadline by which registered or beneficial owners of the common shares of the Corporation must submit director nominations to the Corporation prior to any annual or special meeting of shareholders, and sets forth the information to be provided and other procedures to be followed, in respect of such nomination.

It is the position of the Corporation that this Advance Notice By-Law is in the best interests of the Corporation. This Advance Notice By-Law will be subject to periodic review, and subject to the *Business Corporation Act* (Ontario) (the “**Act**”), will reflect changes as required by securities regulatory authorities or stock exchanges and, at the discretion of the board of directors of the Corporation (the “**Board**”), amendments necessary to meet evolving industry standards.

**ADVANCE NOTICE OF NOMINATION OF DIRECTORS**

**1. Nomination of Directors**

Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act or (c) by any person (a “**Nominating Shareholder**”) (i) who, at the close of business on the date of the giving of the notice provided for below in clause (b) and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in clause (b):

- a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the secretary of the Corporation at the principal executive offices of the Corporation in accordance with this Advance Notice By-Law.
- b) To be timely, a Nominating Shareholder’s notice to the secretary of the Corporation must be made (a) in the case of an annual meeting of shareholders, not less than 30 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the “**Notice Date**”) on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the 10<sup>th</sup> day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the 15<sup>th</sup> day following the day on which the first public announcement of the date of the special meeting of shareholders was made.
- c) To be in proper written form, a Nominating Shareholder’s notice to the secretary of the Corporation must set forth (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (i) the name, age, business address and residence address of the person, (ii) the principal occupation or employment of the person, (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred)

and as of the date of such notice, and (iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws. The Corporation may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Corporation to determine the eligibility of such proposed nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

- d) No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Advance Notice By-Law; provided, however, that nothing in this Advance Notice By-Law shall be deemed to preclude discussion by a shareholder (as distinct from nominating directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- e) For purposes of this Advance Notice By-Law, (i) "**public announcement**" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (ii) "**Applicable Securities Laws**" means the applicable *Securities Act* of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- f) Notwithstanding any other provision of the by-laws of the Corporation, notice given to the secretary of the Corporation pursuant to this Advance Notice By-Law may only be given by personal delivery or by email (at such email address as stipulated from time to time by the secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery or email (at the address as aforesaid) to the secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- g) Despite any other provision of this Advance Notice By-Law, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear at the meeting of shareholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.
- h) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this Advance Notice By-Law.
- i) This Advance Notice By-law is subject to, and should be read in conjunction with, the Act and the articles of the Corporation. If there is any conflict or inconsistency between any provision of the Act or the articles of the Corporation and any provision of this Advance Notice By-Law, the provision of the Act or the articles of the Corporation will govern.