

MediPharm Labs

(TSX: LABS)

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

and

MANAGEMENT INFORMATION CIRCULAR

June 29, 2020

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**NOTICE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of the holders of the common shares (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of MediPharm Labs Corp. (the “**Company**”) will be held on August 5, 2020 at 10:00 a.m. (Toronto time). The Meeting will be a virtual meeting conducted via live audio webcast. The purpose of the Meeting is as follows:

1. to receive the audited financial statements of the Company for the financial year ended December 31, 2019, together with the reports of the auditors thereon and related management’s discussion and analysis;
2. to elect the directors of the Company for the ensuing year;
3. to appoint KPMG LLP, Chartered Professional Accountants, as auditor of the Company for the ensuing year and to authorize the directors of the Company to fix its remuneration;
4. to consider and, if thought appropriate, pass, with or without variation, a resolution approving a new omnibus equity incentive plan, as more fully described in the accompanying management information circular dated June 29, 2020 (the “**Circular**”);
5. to consider and, if thought advisable, to pass, with or without variation, a resolution authorizing and approving matters related to a private placement transaction pursuant to which the aggregate number of common shares of the Company issuable is greater than 25% of the number of common shares of the Company currently outstanding, on a non-diluted basis, prior to the date of closing, all as more particularly described in the accompanying Circular; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or adjournments thereof.

Accompanying this Notice of Annual and Special Meeting of Shareholders (the “**Notice**”) is the Circular, either a form of proxy for registered shareholders or a voting instruction form for beneficial shareholders, and a reply card for use by Shareholders who wish to receive the Company’s interim and/or annual financial statements. The Company has fixed June 26, 2020 as the record date for determining those Shareholders entitled to receive notice and to vote at the Meeting.

The Meeting will be held virtually and Shareholders who choose to attend the Meeting will do so by accessing a live audio webcast of the Meeting via the internet. Shareholders and duly appointed proxyholders can access the Meeting by visiting <https://web.lumiagm.com/221143362>. The password for the Meeting is LAB2020 (case sensitive). At this website, Shareholders will be able to listen to the Meeting live, submit questions and submit their vote while the Meeting is being held. We believe hosting the Meeting virtually will enable increased Shareholder attendance from different geographic locations and will encourage more active Shareholder engagement and participation at the Meeting.

Shareholders who are unable to be present personally at the Meeting must follow the instructions on the proxy or voting instruction form. Only registered Shareholders and proxyholders may attend and vote at the Meeting. Shareholders that hold their Shares with a bank, broker or financial intermediary that wish to vote at the Meeting must carefully follow the instructions provided by their intermediary. In order to be effective, proxies must be received by the Chair of the Meeting before the commencement of the Meeting or any adjournment thereof. If you are attending the Meeting, please log-on to the virtual meeting in advance to ensure that your vote will be counted.

Time is of the essence. It is recommended that you vote by telephone or internet to ensure that your vote is received before the Meeting. To cast your vote by telephone or internet, please have your proxy card or voting instruction form in hand and carefully follow the instructions contained therein. Your telephone or internet vote authorizes the named proxies to vote your common shares in the same manner as if you mark, sign and return your proxy card. If you vote by telephone or internet, your vote must be received before 10:00 a.m. (Eastern Time) on July 31, 2020.

A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy (the “**Appointee**”). Such right may be exercised by inserting in the blank space provided for that purpose the name of the Appointee or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company’s transfer agent and registrar, TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1 no later than two (2) business days (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment thereof. **The Appointee will need to contact TSX Trust Company at tsxtrustproxyvoting@tmx.com to request a 12 digit control number. Without the control number, an Appointee will not be able to participate at the Meeting.**

DATED at Toronto, Ontario, this 29th day of June, 2020.

BY ORDER OF THE BOARD

(signed) “*Patrick McCutcheon*”

Patrick McCutcheon
Chief Executive Officer



MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by management of MediPharm Labs Corp. (the “**Company**”) for use at the annual and special meeting (the “**Meeting**”) of holders (collectively, the “**Shareholders**” or individually, a “**Shareholder**”) of common shares in the capital of the Company (“**Common Shares**”) to be held virtually at the time and for the purposes set forth in the attached Notice of Annual and Special Meeting of Shareholders (the “**Notice**”). Shareholders can access the meeting by visiting <https://web.lumiagm.com/221143362>. The password for the meeting is LAB2020 (case sensitive). If you plan to vote at the Meeting, it is important that you are connected to the Internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure Internet connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the check-in procedures. The solicitation of proxies will primarily be made by sending proxy materials to Shareholders by mail, and, in relation to the delivery of this Circular, by posting this Circular online at <https://docs.tsxtrust.com/2120> and our SEDAR (as defined below) profile at www.sedar.com pursuant to the Notice-and-Access (as defined below) provisions. See “Notice-and-Access” on page 3 of this Circular for further information.

The solicitation of proxies may be supplemented by telephone or other personal contact to be made without special compensation by directors, officers and employees of the Company or by the Company’s transfer agent and registrar. The Company may retain other persons or companies to solicit proxies on behalf of management in which event customary fees for such services will be paid. All costs of solicitation will be borne by the Company. The Company has sent the N&A Notice (as defined below) and a form of proxy or voting instruction form, as applicable, (the “**Notice Package**”) to all Shareholders informing them that this Circular is available online and explaining how this Circular may be accessed. The Company will not directly send the Notice Package to Beneficial Shareholders. Instead, the Company will pay clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward the Notice Package to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company has elected to pay for the delivery of the Notice Package to objecting Beneficial Shareholders by the Intermediaries. The Company is sending the Notice Package directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, TSX Trust Company. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Notice Package.

APPOINTMENT AND REVOCATION OF PROXIES

The persons named in the enclosed form of proxy are officers and/or directors of the Company. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy (the “Appointee”).** Such right may be exercised by inserting in the blank space provided for that purpose the name of the Appointee or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Company’s transfer agent and registrar, TSX Trust Company, 100 Adelaide Street West, Suite 301, Toronto, Ontario, M5H 4H1 no later

than two (2) business days (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting or any adjournment thereof. **The Appointee will need to contact TSX Trust Company at tsxtrustproxyvoting@tmx.com to request a 12 digit control number. Without the control number, an Appointee will not be able to participate at the Meeting.** A proxy must be executed by the registered Shareholder or his, her or its attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing at the registered office, 151 John St. Barrie, Ontario L4N 2L1, at any time up to and including 10:00 a.m. on August 5, 2020; or
- (b) in any other manner permitted by law.

EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares, or non-objecting beneficial owners whose names have been provided to the Company's registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as "**Beneficial Shareholders**"). 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 or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders

in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms 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 proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting - the document must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to shareholders in this Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

NOTICE-AND-ACCESS

The Company is utilizing the notice-and-access mechanism (“**Notice-and-Access**”) under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) in the case of Beneficial Shareholders and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) in the case of registered Shareholders.

Notice-and-Access allows the Company to deliver this Circular to Shareholders via specified electronic means provided that the conditions of NI 54-101 and NI 51-102 are met. In accordance with NI 54-101, the Company set the Record Date (as defined below) at least 40 days before the Meeting.

Website Where Meeting Materials are Posted

The Notice-and-Access provisions are a set of rules that allow reporting issuers to choose to deliver proxy-related materials to registered Shareholders and Beneficial Shareholders by posting electronic versions of proxy-related materials online, via the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Shareholders.

The Company will not rely upon the use of “stratification”. In order for a reporting issuer such as the Company to avail itself of the Notice-and-Access process, the Company must send a notice to Shareholders (the “**N&A Notice**”), including Beneficial Shareholders, indicating the websites where this Circular has been posted and explaining how a Shareholder can access the Circular online or obtain a paper copy from the Company as well as other basic information about the Meeting including, among other things, the matters to be voted on at the Meeting.

Electronic copies of the Circular, the Notice, the annual audited consolidated financial statements of the Company for the year ended December 31, 2019 (“**Financial Statements**”) and management’s discussion and analysis of the Company’s results of operations and financial condition for the year ended December 31, 2019 (“**MD&A**”) may be found on the Company’s SEDAR profile at www.sedar.com and online at <https://docs.tsxtrust.com/2120>. In relation to the Meeting, Shareholders with existing instructions on their account to receive printed materials and those Shareholders with addresses outside of Canada and the United States will receive a printed copy of the Notice Package. All other Shareholders will receive only the required notification documentation under Notice-and-Access, which will not include a paper copy of the Circular.

Obtaining Paper Copies of Materials

The Company anticipates that using Notice-and-Access for delivery will directly benefit the Company through a substantial reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing proxy-related materials. Shareholders with questions about Notice-and-Access can call the Company toll-free in North America at 1-866-600-5869. Shareholders may also obtain paper copies of the Circular, Financial Statements and MD&A free of charge by contacting TSX Trust Company at the same toll-free number or at TMXEInvestorServices@tmx.com. Requests should be received at least five (5) business days in advance of the proxy cut-off date set out in the accompanying proxy or voting instruction form in order to receive the meeting materials in advance of the date of the Meeting.

NOTE TO NON-OBJECTING BENEFICIAL OWNERS

The meeting materials are being sent to both registered and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Company or its agent has sent the meeting materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the meeting materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the meeting materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The Company has fixed the close of business on June 26, 2020 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 136,277,016 Common Shares carrying the right to one vote per share at the Meeting were issued and outstanding.

In accordance with the provisions of the *Business Corporations Act* (Ontario) (the “**OBCA**”), the Company will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Company, as at the date of this Circular, no person beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company carrying 10% or more of the voting rights attached to the Common Shares.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The general objectives of the Company’s compensation strategy are to: (a) compensate management in a manner that encourages and rewards a high level of performance and outstanding results with a view to increasing long-term shareholder value; (b) align management’s interests with the long-term interests of shareholders; and (c) attract and retain highly qualified executive officers.

Elements of Compensation

1. Base Salary

Each Named Executive Officer (as such term is defined below) receives a base salary, which constitutes a significant portion of the Named Executive Officer’s compensation package. Base salary is recognition for discharging day-to-day duties and responsibilities and reflects the Named Executive Officer’s performance over time, as well as that individual’s particular experience and qualifications. A Named Executive Officer’s base salary is reviewed by the board of directors of the Company (the “**Board**”) on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years.

2. Stock Option Plan

Equity Incentive Plans

As at the date of this Circular and the Record Date, a total of 1,916,660 Common Shares were issuable pursuant to options granted under the Company’s current rolling stock option plan (the “**2019 Stock Option Plan**”), representing approximately 8.7% of the issued and outstanding Common Shares.

As a result, but subject to approval of the 2020 Equity Incentive Plan (as defined below), there remains an aggregate of 1,711,041 Common Shares (plus any options forfeited or cancelled) available for issuance under the 2019 Stock Option Plan, representing approximately 1.3% of the Company’s issued and outstanding Common Shares as at the date of this Circular.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving a new rolling long-term omnibus equity incentive plan in the form set out as Schedule D hereto (the “**2020 Equity Incentive Plan**”). If the 2020 Equity Incentive Plan is approved, all future awards will be governed by the 2020 Equity Incentive Plan and no future awards will be governed by the terms of the 2019 Stock Option Plan.

2020 Equity Incentive Plan

See “Particulars of Matters to be Acted Upon – Approval of the 2020 Equity Incentive Plan” for a description of the 2020 Equity Incentive Plan. The 2020 Equity Incentive Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the 2020 Equity Incentive Plan shall not exceed 10% of the Company’s issued and outstanding Common Shares from time to time, such number being 13,627,702 as at the date of this Circular, which would result in an aggregate of up to 25,544,362 Common Shares being issuable under both the 2020 Equity Incentive Plan and the 2019 Stock Option Plan.

Provided that the 2020 Equity Incentive Plan is approved by the Shareholders at the Meeting, all future grants of equity-based awards will be made pursuant to, or as otherwise permitted by, the 2020 Equity Incentive Plan, and no further equity-based awards will be made pursuant to the 2019 Stock Option Plan as of the date of the Meeting. The 2019 Stock Option Plan will remain in effect only in respect of outstanding options granted pursuant to the 2019 Stock Option Plan.

2019 Stock Option Plan

The 2019 Stock Option Plan was adopted by the Company in 2018 and amended on July 17, 2019. It provides that the Board may from time to time, in its discretion, and in accordance with TSX requirements, grant to directors, officers, employees and consultants of the Company and its affiliates, non-transferable options to purchase Common Shares for a period of up to ten years from the date of grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The 2019 Stock Option Plan was established to promote the profitability and growth of the Company by facilitating the efforts of the Company to obtain and retain key individuals. The 2019 Stock Option Plan was designed to provide an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Company and benefit from increases in the value of the Common Shares.

Pursuant to the 2019 Stock Option Plan, the maximum number of Common Shares reserved for issuance in any 12 month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any 12 month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant. Incentive stock options may be exercised until the earlier of: (a) the expiry time of such option; and (b) 90 days (or such other period as may be determined by the Board, provided such period is not more than one year) following the date the optionee ceases to be a director, officer or employee of the Company or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Notwithstanding the foregoing, in the event of termination for cause, all options held by such terminated optionee will be cancelled immediately.

Burn Rate

The following table sets out the burn rate for options to purchase Common Shares granted under the 2019 Stock Option Plan for the years since it was adopted:

Year	Options Granted	Weighted Average Common Shares Outstanding	Burn Rate
2018	9,389,607	72,593,212	12.9%
2019	9,697,150	120,001,692	8.1%

Termination and Change of Control Benefits

Under executive employment contracts, MediPharm Labs Inc. (“**Medipharm Labs**”) is required to make the following payments to the Named Executive Officers (as such term is defined below) upon certain triggering events.

Patrick McCutcheon

Patrick McCutcheon and MediPharm Labs are party to an employment agreement whereby MediPharm Labs has agreed to pay Mr. McCutcheon the amount of 24 months’ salary if: (i) he resigns within 30 days following a change of control event; or (ii) MediPharm Labs terminates Mr. McCutcheon’s employment without cause. The following chart outlines the estimated incremental payments payable as if the applicable triggering event occurred on December 31, 2019:

Triggering Event	Incremental Termination Amount
Resignation following change of control	\$700,000
Termination without cause	\$700,000

Bobby Kwon

Bobby Kwon and MediPharm Labs are party to an employment agreement whereby MediPharm Labs has agreed to (i) accelerate all of Mr. Kwon’s equity-based compensation upon the completion of a change of control; or (ii) pay Mr. Kwon 24 months’ salary if MediPharm Labs terminated Mr. Kwon without cause. The following chart outlines the estimated incremental payments payable as if the applicable triggering event occurred on December 31, 2019:

Triggering Event	Incremental Termination Amount
Acceleration of equity-based compensation following change of control	Nil
Termination without cause	\$670,000

Keith Strachan

Keith Strachan and MediPharm Labs are party to an employment agreement whereby MediPharm Labs has agreed to pay Mr. Strachan 24 months’ salary if: (i) he resigns within 30 days following a change of control event; or (ii) MediPharm Labs terminates Mr. Strachan’s employment without cause. The following chart outlines the estimated incremental payments payable as if the applicable triggering event occurred on December 31, 2019:

Triggering Event	Incremental Termination Amount
Resignation following change of control	\$650,000
Termination without cause	\$650,000

Sybil Taylor

Sybil Taylor and MediPharm Labs are party to an employment agreement whereby MediPharm Labs has agreed to pay Ms. Taylor six months’ salary if MediPharm Labs terminates Ms. Taylor’s employment

without cause. If the foregoing triggering event had occurred on December 31, 2019, the estimated incremental payment payable by the Company to Ms. Taylor would have been \$75,000.

Compensation of Directors

The following table illustrates the compensation structure for the non-executive directors. The directors may also be reimbursed for out-of-pocket expenses incurred in carrying out their duties as directors in addition to the compensation as set out below.

Position	Per Meeting
Non-executive director	\$3,000

Officers of the Company who also act as directors will not receive any additional compensation for services rendered in such capacity, other than as paid by the Company in their capacity as officers.

Compensation Risk

The Board and, as applicable, the Compensation Committee, considers and assesses the implications of risks associated with the Company's compensation policies and practices and devotes such time and resources as is believed to be necessary in the circumstances. The Company's practice of compensating its officers primarily through a mix of salary and stock options is designed to mitigate risk by: (i) ensuring that the Company retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Company and the Shareholders. As at the date of this Circular, the Board had not identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Financial Instruments

Pursuant to the terms of the Company's Insider Trading Policy, the Company's officers and directors are prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an officer or director.

Compensation Governance

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board has established the Compensation Committee and has reviewed and approved the Compensation Committee's Charter. The Compensation Committee is composed of Miriam McDonald, Shelley Martin, Marufur Raza and Dr. Paul Tam, all of whom are independent as such term is defined in National Instrument 52-110 *Audit Committees* ("NI 52-110").

The Compensation Committee meets on compensation matters as and when required with respect to executive compensation. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to the Named Executive Officers and the Company's other senior officers is determined with regard to the Company's business strategies and objectives, such that the financial interest of the senior officers is aligned with the financial interest of shareholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

As a whole, the members of the Compensation Committee have direct experience and skills relevant to their responsibilities in executive compensation, including with respect to enabling the Compensation Committee in making informed decisions on the suitability of the Company’s compensation policies and practices. Each of the members of the Compensation Committee has experience on the board of directors and related committees of other public companies, or such other relevant experience, as described under “Particulars of Matters to be Acted Upon – Election of Directors” in this Circular.

Executive Compensation-Related Fees

No executive compensation-related fees were paid in 2018 or 2019.

Summary Compensation Table – Named Executive Officers

The following table sets forth the compensation paid or awarded to the following individuals: (i) the Chief Executive Officer of the Company; (ii) the Chief Financial Officer of the Company, (iii) the former Chief Financial Officer of the Company, (iii) the President of the Company; (iv) the Chief Strategy Officer of the Company; and (v) the Chief Marketing Officer of the Company (collectively, the “**Named Executive Officers**”) for the financial years ended December 31, 2019, 2018 and 2017.

Name and principal position	Year	Salary/Fee (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽¹⁾	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total compensation (\$)
Patrick McCutcheon Chief Executive Officer	2019	354,192	-	901,479	-	-	-	1,255,671
	2018	270,192	-	195,762	-	-	594	466,549
	2017	-	-	-	-	-	-	-
Christopher Hobbs Former Chief Financial Officer ⁽²⁾	2019	280,000	-	554,756	-	-	-	834,756
	2018	80,000	-	128,681	-	-	-	208,681
	2017	-	-	-	-	-	-	-
Bobby Kwon Chief Financial Officer ⁽²⁾	2019	133,511	-	1,910,743	-	-	-	2,044,254
	2018	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-
Keith Strachan President ⁽³⁾	2019	330,692	-	832,134	-	-	-	1,162,826
	2018	174,615	-	176,186	-	-	559	351,361
	2017	72,905	-	-	-	-	-	-
Braden Fenske Chief Strategy Officer	2019	204,154	-	1,156,915	-	-	-	1,361,069
	2018	-	-	-	-	-	-	-
	2017	-	-	-	-	-	-	-
Sybil Taylor Chief Marketing Officer	2019	169,538	-	110,951	-	-	-	280,489
	2018	67,692	-	132,360	-	-	428	200,480
	2017	-	-	-	-	-	-	-

Notes:

- (1) Calculated based on the Black-Scholes model for option valuation. The fair value of the stock options has been calculated based on the following assumptions:

Year	Risk-free Interest Rate	Expected Life	Expected Stock Price Volatility	Expected Dividend Yield
2019	1.48-1.89%	5 Years	88.77-92.12%	0%
2018	1.89-2.36%	5 Years	81%	0%

- (2) In November 2019, Bobby Kwon was appointed as Chief Financial Officer of the Company and Christopher Hobbs resigned as Chief Financial Officer of the Company.

- (3) In February 2019, Keith Strachan was appointed as President of the Company. Prior to February 2019, Mr. Strachan acted as a Vice President of Business Development for the Company, and prior to that as director of MediPharm Labs. The salaries indicated above reflect those paid to Mr. Strachan by both the Company and MediPharm Labs.

Incentive Plan Awards – Named Executive Officers

Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all share-based and option-based awards outstanding for the Named Executive Officers as of December 31, 2019:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	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 (\$)
Patrick McCutcheon	650,000	2.00	Jan-8-2024	1,209,000	-	-	-
Christopher Hobbs	400,000	2.00	Jan-8-2024	744,000	-	-	-
Bobby Kwon	600,000	4.61	Nov-1-2024	-	-	-	-
Keith Strachan	600,000	2.00	Jan-8-2024	1,116,000	-	-	-
Braden Fenske	500,000	3.34	Mar-29-2024	260,000	-	-	-
Sybil Taylor	420,000 80,000	1.68 2.00	Oct-24-2023 Jan-8-2024	1,064,400	-	-	-

Note:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$3.86 for the Common Shares on the Toronto Stock Exchange (the “TSX”) on the last trading day of the year ended December 31, 2019, and the exercise price of the options, multiplied by the number of unexercised options.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned for each Named Executive Officer during the year ended December 31, 2019.

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Patrick McCutcheon	386,100	-	-
Christopher Hobbs	237,600	-	-
Bobby Kwon	-	-	-
Keith Strachan	356,400	-	-
Braden Fenske	357,000	-	-
Sybil Taylor	654,840	-	-

Note:

- (1) The “value vested during the year” is calculated as the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date based on the difference between the closing price for the Common Shares on the TSX Venture Exchange (the “TSXV”) or the TSX, as applicable, as of the

date of vesting (or the most recent closing price on the exchange, if applicable) and the exercise price of the options, multiplied by the number of vested options. In 2019, the closing price for the Common Shares on the exchanges on the applicable vesting dates were as follows: \$2.00 on January 8, 2019 and \$4.97 on July 8, 2019 with respect to options held by Messrs. McCutcheon, Hobbs and Strachan and Ms. Taylor; \$5.64 on April 24, 2019 and \$4.95 on October 24, 2019 with respect to additional options held by Ms. Taylor; and \$6.47 on May 24, 2019 and \$3.78 on November 24, 2019 with respect to options held by Mr. Fenske.

Director Compensation

The following table sets forth all amounts of compensation provided to the directors of the Company (other than directors who are also Named Executive Officers) during the year ended December 31, 2019:

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards ⁽¹⁾ (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Miriam McDonald	30,500	-	166,427	-	-	196,927
Marufur Raza	18,000	-	166,427	-	-	184,427
Dr. Paul Tam ⁽²⁾	12,000	-	1,319,349	-	-	1,331,349

Notes:

- (1) Calculated based on the Black-Scholes model for option valuation. The fair value of the stock options has been calculated based on the following assumptions:

Year	Risk-free Interest Rate	Expected Life	Expected Stock Price Volatility	Expected Dividend Yield
2019	1.30-1.89%	5 Years	89.73-92.12%	0%

- (2) Dr. Tam was appointed to the Company’s Board on April 30, 2019.

Incentive Plan Awards - Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth all awards outstanding for each of the directors of the Company (other than directors who are also Named Executive Officers) as of December 31, 2019:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options ⁽¹⁾ (\$)	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 (\$)
Miriam McDonald	180,000 120,000	1.68 2.00	Oct-1-2023 Jan-8-2024	324,720	-	-	-
Marufur Raza	180,000 120,000	1.68 2.00	Oct-1-2023 Jan-8-2024	324,720	-	-	-
Dr. Paul Tam ⁽²⁾	300,000	6.47	13-Aug-2024	Nil	-	-	-

Notes:

- (1) The “value of unexercised in-the-money options” is calculated based on the difference between the closing price of \$3.86 for the Common Shares on the TSX on the last trading day of the year ended December 31, 2019, and the exercise price of the options, multiplied by the number of unexercised options.
- (2) Dr. Tam was appointed to the Company’s Board on April 30, 2019.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth the value of all incentive plan awards vested or earned by each director of

the Company (other than directors who are also Named Executive Officers) during the year ended December 31, 2019:

Name	Option-based awards – Value vested during the year ⁽¹⁾ (\$)	Share-based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year (\$)
Miriam McDonald	331,560	-	-
Marufur Raza	331,560	-	-
Dr. Paul Tam	-	-	-

Notes:

- (1) The “value vested during the year” is calculated as the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date based on the difference between the closing price for the Common Shares on the TSXV or the TSX, as applicable, as of the date of vesting (or the most recent closing price on the Exchange, if applicable) and the exercise price of the options, multiplied by the number of vested options. In 2019, the closing price for the Common Shares on the exchanges on the applicable vesting dates were as follows: \$2.00 on January 8, 2019, \$5.64 on April 24, 2019, \$4.97 on July 8, 2019, and \$4.95 on October 24, 2019 with respect to Ms. McDonald and Mr. Raza; and \$6.47 on August 13, 2019 with respect to Mr. Tam.

PERFORMANCE GRAPH

The Company was incorporated under the OBCA on January 23, 2017 as “POCML 4 Inc.” and classified as a capital pool company as defined in TSXV Policy 2.4. The Common Shares of the Company commenced trading on the TSXV on February 9, 2018. From its incorporation until the completion of the Qualifying Transaction (as defined below), the principal business of the Company was to identify and evaluate opportunities for the acquisition of an interest in assets or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to acceptance by the TSXV.

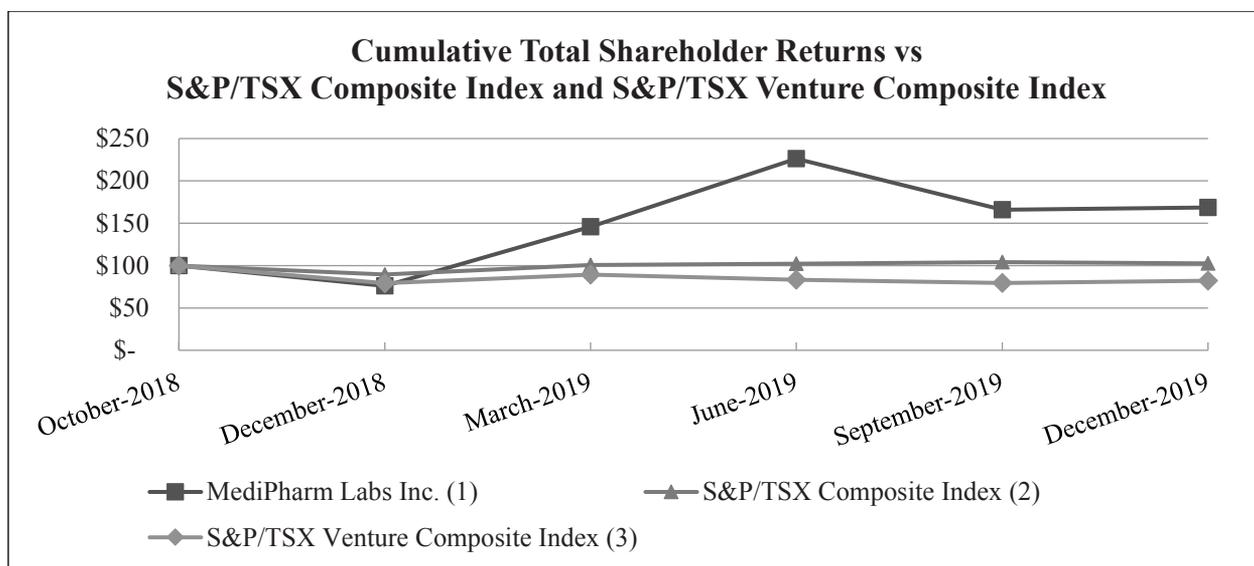
On July 13, 2018, the Company entered into a master agreement with MediPharm Labs Inc. and 2645354 Ontario Inc. (“**Newco**”), a wholly-owned subsidiary of the Company, pursuant to which MediPharm Labs and Newco would amalgamate (the “**Qualifying Transaction**”). On October 1, 2018, MediPharm Labs amalgamated with Newco pursuant an amalgamation agreement (the “**Amalgamation Agreement**”) and the Company thereby acquired all the issued and outstanding class A common shares in the capital of MediPharm Labs (“**MediPharm Shares**”) in exchange for Common Shares on the basis of 12.68 (the “**Exchange Ratio**”) Common Shares for every one MediPharm Share then issued and outstanding. The amalgamation resulted in the reverse take-over of the Company by MediPharm Labs and constituted the Company’s Qualifying Transaction pursuant to the policies of the TSXV.

In connection with and immediately prior to the Qualifying Transaction, the Company filed articles of amendment to: (i) change its name from “POCML 4 Inc.” to “MediPharm Labs Corp.”; and (ii) consolidate its Common Shares on the basis of one “new” Common Share for every two “old” Common Shares then outstanding.

On October 4, 2018, the Common Shares commenced trading on a post-consolidation basis on the TSXV under the symbol “LABS”. On July 29, 2019, the Common Shares began trading on the TSX and were voluntarily delisted from the TSXV.

The following performance graph shows the cumulative return for Common Shares compared to both the S&P/TSX Composite Index and the S&P/TSX Venture Composite Index over the period preceding December 31, 2019 for which the Company has been a reporting issuer. The table shows what \$100 investments in Common Shares and the indices, made on October 4, 2018, would have been worth at the

close of each financial quarter. The stock price performance on the graph below is not necessarily indicative of future price performance.



	October 4, 2018	December 31, 2018	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019
Common Shares ⁽¹⁾	\$100	\$75.98	\$145.85	\$226.20	\$165.94	\$168.56
S&P/TSX Composite Index ⁽²⁾	\$100	\$89.48	\$100.60	\$102.35	\$104.07	\$102.43
S&P/TSX Venture Composite Index ⁽³⁾	\$100	\$79.26	\$89.17	\$83.28	\$79.47	\$82.15

Notes:

- (1) Assumes \$100 invested in Common Shares at the closing price on October 4, 2018. Values are as at October 4, 2018, December 31, 2018, March 31, 2019, June 30, 2019, September 30, 2019, and December 31, 2019.
- (2) The S&P/TSX Composite Index returns assume dividend reinvestment.
- (3) The S&P/TSX Venture Composite Index returns do not assume dividend reinvestment as the index is a price return index only. The Company does not believe a total return index is available for the TSXV.

As at December 31, 2019, the value of \$100 invested in Common Shares on October 4, 2018 had increased by approximately 69% compared to an increase of 2% for a similar investment in the S&P/TSX Composite Index and a decrease of 18% for a similar investment in the S&P/TSX Venture Composite Index over the same period. There is no direct correlation between the performance of the Common Shares and executive compensation. The Common Share price may be affected by a number of factors beyond the control of the Company, including general and industry-specific economic and market conditions. The Compensation Committee evaluates performance by reference to the overall direction and success of the Company rather than by any short-term fluctuations in the trading price of the Common Shares.

As described in the “Compensation Discussion and Analysis” section above, a significant portion of the total direct compensation that Named Executive Officers receive in any year is comprised of variable compensation provided under the 2019 Stock Option Plan. This plan is intended to drive and reward superior performance during the current year as well as over the long term.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Common Shares to be issued upon exercise of outstanding options pursuant to the Stock Option Plan, as at December 31, 2019:

Plan Category	Number of Common Shares to be issued upon exercise of options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under 2019 Stock Option Plan
Equity compensation plans approved by security holders	11,760,020	2.93	1,392,486
Equity compensation plans not approved by security holders	-	-	-
Total	11,760,020	2.93	1,392,486

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Circular, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company or any of its subsidiaries pursuant to the purchase of securities or otherwise.

No individual who is, or at any time during the financial year ended December 31, 2019 was, a director or executive officer of the Company, a proposed management nominee for election as a director of the Company, or an associate of any such director, executive officer or proposed nominee, was indebted to the Company or any of its subsidiaries during the financial year ended December 31, 2019 or as at the date of this Circular in connection with security purchase programs or other programs.

REPORT ON CORPORATE GOVERNANCE

Maintaining a high standard of corporate governance is a priority for the Board and the Company’s management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Company’s corporate governance practices, which addresses the matters set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, is set out at Schedule “A” to this Circular.

AUDIT COMMITTEE DISCLOSURE

Disclosure relating to the Audit Committee is contained under the heading “Audit Committee” in the Company’s Annual Information Form dated March 30, 2020 which is available under the Company’s profile on SEDAR at www.sedar.com.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No “informed person” (as such term is defined in National Instrument 51-102 *Continuous Disclosure Obligations*) or proposed nominee for election as a director of the Company or any associate or affiliate of the foregoing has any material interest, direct or indirect, in any transaction in which the Company has participated since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Company.

PARTICULARS OF MATTERS TO BE ACTED UPON

1. Election of Directors

The Board presently consists of seven directors, namely, Patrick McCutcheon, Christopher Hobbs, Shelley Martin, Miriam McDonald, Marufur Raza, Keith Strachan and Dr. Paul Tam. Each director elected will hold office until the next annual meeting of shareholders or until his successor is duly elected or appointed pursuant to the articles of the Company. The enclosed form of proxy permits Shareholders to vote for all nominees together or for each nominee on an individual basis.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF EACH OF THE PROPOSED NOMINEES UNLESS A SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.

Advance Notice Requirement

The Company's by-laws contain a provision requiring advance notice of nominations of directors (the "Advance Notice Provision") in certain circumstances where nominations for election to the Board are made by Shareholders.

The following is a brief summary of certain provisions of the Advance Notice Provision, and is qualified in its entirety by the full text of the Company's by-laws which are available under the Company's profile on SEDAR at www.sedar.com:

- (i) Other than pursuant to:
 - (a) a proposal made in accordance with the OBCA; or
 - (b) a requisition of a meeting of Shareholders made in accordance with the OBCA,

Shareholders must give advance written notice to the Company of any nominees for election to the Board.

- (ii) The Advance Notice Provision fixes a deadline by which registered Shareholders must submit, in writing, nominations for directors to the corporate secretary of the Company prior to any annual or special meeting of Shareholders and sets forth the specific information that such holders must include with their nominations in order to be effective.
- (iii) For an annual meeting of Shareholders, notice to the Company must be not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public

announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement.

- (iv) For a special meeting of Shareholders (that is not also an annual meeting), notice to the Company must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made.

For the purposes of the Advance Notice Provision, “public announcement” means disclosure in a press release disseminated by the Company through a national news service in Canada, or in a document filed by the Company for public access under its profile on SEDAR at www.sedar.com. The Board may, in its sole discretion, waive any requirement of the Advance Notice Provision.

Majority Voting Policy

The Company has adopted a majority voting policy for the election of directors whereby, in an uncontested election, any nominee director must immediately tender his or her resignation to the Board if he or she is not elected by at least a majority (50% +1) of the votes cast with respect to his or her election. The Board will determine whether or not to accept the resignation within 90 days. Absent exceptional circumstances, the Board will be required to accept the resignation effective immediately. The director who tendered his or her resignation will not be permitted to attend or participate in any Board or committee meeting at which the resignation is considered.

The Company will promptly issue a news release disclosing the Board’s decision. If the Board determines not to accept a resignation, the news release shall fully state the reasons for that decision. Subject to any corporate law restrictions, the Board may (i) leave a resultant vacancy unfilled until the next annual meeting of Shareholders; (ii) fill the vacancy through the appointment of a new director whom the Board considers to merit the confidence of Shareholders; or (iii) call a special meeting of Shareholders at which there will be presented individuals to fill the vacant position or positions.

Director Nominee Profiles

The following tables set out certain information as of the date of this Circular (unless otherwise indicated) with respect to the persons being nominated at the Meeting for election as directors. Information regarding Common Shares owned by each director of the Company is presented to the best knowledge of management of the Company and has been furnished to management of the Company by such directors. Information regarding Board and committee meeting attendance is presented for meetings held in 2019.

PATRICK MCCUTCHEON		Principal Occupation and Biographical Information		
 Ontario, Canada Director Since: October 1, 2018.	Before founding MediPharm, Patrick McCutcheon enjoyed a 15-year career in the pharmaceutical industry in top sales roles, successfully launching a wide range of medical products. He most recently worked at Janssen Pharmaceuticals (Johnson & Johnson) where he led the Hospital Division for Renal and Mental Health products. Mr. McCutcheon's foresight in creating a business that focuses on advanced cannabis concentrates bodes well for medical research, investors and consumers alike. Mr. McCutcheon holds an HBSc (Biology) degree from the University of Western Ontario. Mr. McCutcheon is the Chief Executive Officer of the Company and has been a director since October 1, 2018.			
	Current Board/Committee Membership	Attendance	Attendance (Total)	
Member of the Board	6 of 6	6 of 6	100%	Champignon Brands Inc. (CSE)
Number of Common Shares Beneficially Owned, Controlled or Directed				9,333,240 Common Shares ⁽¹⁾

Note:

(1) Includes 8,065,240 Common Shares held by a trust of which Mr. McCutcheon is a trustee.

CHRISTOPHER HOBBS		Principal Occupation and Biographical Information		
 Ontario, Canada Director Since: October 1, 2018.	Christopher Hobbs has acted as Chief Financial Officer for several private and public companies operating in the resource, health sciences and technology sectors. Mr. Hobbs is a member of the Chartered Accountants of Ontario and holds a Bachelor of Business Administration from the Schulich School of Business at York University. Mr. Hobbs has been a director since October 1, 2018 and held the position of Chief Financial Officer of the Company from October 1, 2018 to November 18, 2019.			
	Current Board/Committee Membership	Attendance	Attendance (Total)	
Member of the Board	6 of 6	6 of 6	100%	Lithium Energi Exploration (TSXV) Walker River Resources Corp. (TSXV) Smooth Rock Ventures Corp. (TSXV) Power Americas Corp. (TSXV)
Number of Common Shares Beneficially Owned, Controlled or Directed				634,000 Common Shares

Note:

(1) Mr. Hobbs resigned from the Company's Audit Committee on April 30, 2019, in connection with the appointment of Dr. Tam.

SHELLEY MARTIN		Principal Occupation and Biographical Information		
 <p>Ontario, Canada Director Since: June 22, 2018</p>	<p>Shelley Martin served in a variety of senior executive roles at Nestlé Canada Inc. from 1990 until she retired after five years as President and Chief Executive Officer in 2018. During her time leading Nestlé Canada, she drove a substantial increase in revenue, market share and profitability and transformed core business units and brands by introducing new formulas, packaging, pricing, global sources of supply and Lean (Six Sigma) tools. In 2018, Nestlé Canada’s annual sales were approximately \$2.6 billion. She began her career at General Mills Canada in 1985 and was named one of Canada’s Most Powerful Women by the Women’s Executive Network (WXN) in 2015, 2016 and 2018.</p> <p>Ms. Martin is a member of the Advisory Board of Moosehead Breweries as well as Crosby Molasses, and is a Director of Vineland Research and Innovation Centre, a leader in horticultural research and innovation. From 2016 to 2018, she served as Board Chair of Food & Consumer Products of Canada (FCPC), which represents more than 100 food, beverage, and consumer product manufacturers of all sizes. From 2013 to 2018, she was a Director of The Grocery Foundation, a not-for-profit organization that has raised over \$90 million for student nutrition programs. Ms. Martin is a graduate of Wilfrid Laurier University (Bachelor of Business Administration) and earned the Institute of Corporate Directors ICD. D designation in 2016.</p>			
Current Board/Committee Membership	Attendance⁽¹⁾	Attendance (Total) ⁽¹⁾		Other Public Board Memberships
Member of the Board	N/A	N/A	N/A	N/A
Member of the Audit Committee	N/A			
Member of the Compensation Committee	N/A			
Member of the Corporate Governance and Nomination Committee	N/A			
Number of Common Shares Beneficially Owned, Controlled or Directed				N/A

Note:

(1) Ms. Martin was appointed to the Board on June 22, 2020, subsequent to the last fiscal year-end of the Company.

MIRIAM MCDONALD		Principal Occupation and Biographical Information		
 <p>Ontario, Canada Director Since: October 1, 2018.</p>	<p>Miriam McDonald is currently the Director of Pharmacy at Health Sciences North, Northern Ontario’s largest hospital located in Sudbury. She holds a Bachelor of Science in Pharmacy from the University of Toronto and a Master of Science in Pharmacology from Queens University. Her career has encompassed positions as the Executive Director of Community Development at the Northern Ontario School of Medicine, and CEO of the Northeastern Ontario Medical Education Corporation (NOMECE) wherein she worked throughout northern Ontario to facilitate community-based medical clinical education. Ms. McDonald also served as Director of Planning and Development of Cambrian College, Executive Director of Cambrian Foundation, and Director of Pharmacy, Director of Rehabilitation Services and Assistant Executive Director of Therapeutic Services at Laurentian Hospital. Ms. McDonald was Project Coordinator for the planning and construction of the Glenn Crombie Special Needs Centre, the Northern Centre for Advanced Technology (NORCAT), and the Northeastern Cancer Centre. She is the author and co-author of a number of health-related papers and studies. Ms. McDonald has been recognized by Northern Ontario Business as a “Woman of Influence”, was the recipient of the Sudbury Business and Professional Women’s Club highest honour – the Bernardine Yackman Award, and has served on the Women’s Health Council of Ontario and Ontario Judicial Appointment Advisory Committee. Raised in northern Ontario, her strongest interest is in projects that address accessibility to health, education and information technology in northern Ontario.</p>			
Current Board/Committee Membership	Attendance	Attendance (Total)		Other Public Board Memberships
Member of the Board	6 of 6	15 of 15	100%	N/A
Member of the Audit Committee	4 of 4			
Member of the Compensation Committee	2 of 2			
Member of the Corporate Governance and Nomination Committee	2 of 2			
Member of the Science Committee	1 of 1			
Number of Common Shares Beneficially Owned, Controlled or Directed				84,537 Common Shares

MARUFUR RAZA		Principal Occupation and Biographical Information		
	<p>Marufur Raza serves as an advisor to public companies and private companies planning on going public through direct initial public offerings or reverse mergers. Mr. Raza is one of the leaders of MNP LLP's ACMPR team. His principal role has been auditing these companies as well as assisting them in their going-public process. He has also helped in securing financing for some of the companies in this sector. Mr. Raza is considered a thought leader in the practical application of the IFRS biological asset standard and measurement of fair value of the assets. He has experience with the medical marijuana sector internationally and has assisted with these companies listing in Canada. Mr. Raza has helped numerous Canadian and international companies go public in Canada. He has worked around the globe, with a special focus on Latin America and Africa and specializes in helping finance these companies in Canada, either through public or private transactions. Mr. Raza has extensive experience working with clients in the technology, mining, pharmaceutical and gaming sectors. He is also involved with investment funds and Exempt Market Dealers. Mr. Raza is a Chartered Professional Accountant (CPA), qualifying as a Chartered Accountant (CA) in 2001. He currently serves on the PDAC-CPA Canada joint Mining Task Force for IFRS. He also serves as a director to several TSX and TSXV listed companies. Mr. Raza has been a director since October 1, 2018.</p>			
<p>Ontario, Canada Director Since: October 1, 2018.</p>				
Current Board/Committee Membership	Attendance	Attendance (Total)		Other Public Board Memberships
Member of the Board	6 of 6	11 of 14	79%	White Gold Corp. (TSXV) Anaconda Mining Inc. (TSX) Pan African Oil Ltd. (TSXV)
Member of the Audit Committee	3 of 4			
Member of the Compensation Committee	1 of 2			
Member of the Corporate Governance and Nomination Committee	1 of 2			
Number of Common Shares Beneficially Owned, Controlled or Directed				114,628 Common Shares ⁽¹⁾

Note:

(1) Includes 85,210 Common Shares held by a corporation owned by Mr. Raza.

KEITH STRACHAN		Principal Occupation and Biographical Information		
	<p>Keith Strachan is a supply chain management expert having held various procurement positions in different governmental ministries and agencies including correctional services, policing, transportation and healthcare. Mr. Strachan has operated a business development consulting practice, specializing in Public Sector RFP and government contracts, compliance for government licensing and local planning. Mr. Strachan has a passion for entrepreneurship with ownership in several companies in the hospitality industry. Mr. Strachan is the President of the Company and has been a director since October 1, 2018.</p>			
<p>Ontario, Canada Director Since: October 1, 2018.</p>				
Current Board/Committee Membership	Attendance	Attendance (Total)		Other Public Board Memberships
Member of the Board	6 of 6	6 of 6	100%	N/A
Number of Common Shares Beneficially Owned, Controlled or Directed				7,481,200 Common Shares ⁽¹⁾

Note:

(1) Includes 6,340,000 Common Shares held by a trust of which Mr. Strachan is a trustee.

DR. PAUL TAM		Principal Occupation and Biographical Information	
 <p>Ontario, Canada Director Since: April 30, 2019</p>	<p>With more than three decades of clinical research and medical practice experience, Dr. Paul Tam is a globally recognized expert in the field of nephrology and a pioneer in the development of continuous renal replacement therapy for acute kidney injury. In 1996, Dr. Tam founded the Scarborough Regional Nephrology Program where he is currently Medical Director of the largest community nephrology program in Canada. Dr. Tam oversees a team of thirteen nephrologists that provide renal care to over 900 dialysis patients and 4,000 chronic kidney disease patients and is also an active staff nephrologist at The Scarborough Hospital. Dr. Tam is also the Medical Quality Advisor for three major Independent Health Facilities that provide hemodialysis care.</p> <p>Dr. Tam has extensive and highly specialized experience in pharmaceutical development having co-founded and acted as the Medical Director overseeing operations and clinical research for a contract research organization which was ultimately acquired by the Biovail Corporation. Dr. Tam served as a Director of Biovail Corporation after the acquisition and he also served as the Medical Director of Contract Research arm of Biovail Company. Dr. Tam continues to be active in clinical research and participate in multi-national trials, product commercialization and is a highly respected subject matter author.</p> <p>Dr. Tam also leads and serves on multiple professional and executive governance committees. He is an active member and past Section Chair representing the Nephrology Specialty of the Ontario Medical Association, and active member and past Chair of the Ontario Association of Nephrologists. In the past he has also served on the Boards of Directors for pharmaceutical companies.</p> <p>Dr. Tam received his medical degree from The University of Hong Kong and completed further specialization at the University of Toronto, Canada.</p>		
	Current Board/Committee Membership	Attendance⁽¹⁾	Attendance (Total)
Member of the Board	5 of 5	10 of 11 91%	N/A
Member of the Audit Committee	3 of 3		
Member of the Compensation Committee	1 of 1		
Member of the Corporate Governance and Nomination Committee	1 of 1		
Member of Science Committee	0 of 1		
Number of Common Shares Beneficially Owned, Controlled or Directed			N/A

Note:

(1) Dr. Tam was appointed to the Board on April 30, 2019.

Corporate Cease Trade Orders

To the knowledge of the Company, no proposed director is, as at the date of this Circular, or has been, within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an

event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

The foregoing information, not being within the knowledge of the Company, has been furnished by the proposed directors.

Bankruptcies, or Penalties or Sanctions

To the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Circular, or has been within 10 years before the date of this Circular, 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;
- (b) has, within 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to 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
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

The foregoing information, not being within the knowledge of the Company, has been furnished by the proposed directors.

2. Appointment of Auditor

Effective December 27, 2019, Dale Matheson Carr-Hilton LaBonte LLP resigned as auditors of the Company and KPMG LLP was appointed to conduct audit services for the Company. In accordance with section 4.11 of NI 51-102, the Company filed the “reporting package” on SEDAR under the Company’s profile, a copy of which is attached hereto as Schedule “B”.

Management proposes to nominate, KPMG LLP, Chartered Professional Accountants, as auditor of the Company to hold office until the next annual meeting of Shareholders.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE APPOINTMENT OF KPMG LLP, CHARTERED PROFESSIONAL ACCOUNTANTS, AS AUDITOR OF THE COMPANY AND THE AUTHORIZING OF THE DIRECTORS TO FIX ITS REMUNERATION, UNLESS THE SHAREHOLDER HAS SPECIFIED IN THE PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT THEREOF.

3. Approval of 2020 Equity Incentive Plan

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution approving the 2020 Equity Incentive Plan in the form set out as Schedule D hereto.

Background & Purpose

On June 8, 2020, the Board passed a resolution to adopt the 2020 Equity Incentive Plan, subject to, and effective upon, the approval of Shareholders. The 2020 Equity Incentive Plan provides flexibility to the Company to grant equity-based incentive awards in the form of options (“**Options**”), restricted share units (“**RSUs**”), preferred share units (“**PSUs**”) and deferred share units (“**DSUs**”), as described in further detail below. Provided that the 2020 Equity Incentive Plan is approved by the Shareholders at the Meeting, all future grants of equity-based awards will be made pursuant to, or as otherwise permitted by, the 2020 Equity Incentive Plan, and no further equity-based awards will be made pursuant to the 2019 Stock Option Plan as of the date of the Meeting. The 2019 Stock Option Plan will remain in effect only in respect of outstanding equity-based awards.

The purpose of the 2020 Equity Incentive Plan is to, among other things, provide the Company with a share related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Company and its subsidiaries, to reward such of those directors, employees and consultants as may be granted awards under the 2020 Equity Incentive Plan by the Board from time to time for their contributions toward the long-term goals and success of the Company and to enable and encourage such directors, employees and consultants to acquire Common Shares as long-term investments and proprietary interests in the Company.

A summary of the key terms of the 2020 Equity Incentive Plan is set out below, which is qualified in its entirety by the full text of the 2020 Equity Incentive Plan. A copy of the 2020 Equity Incentive Plan is attached as Schedule D.

Key Terms of the Equity Incentive Plan

Shares Subject to the 2020 Equity Incentive Plan

The 2020 Equity Incentive Plan is a rolling plan which, subject to the adjustment provisions provided for therein (including a subdivision or consolidation of Common Shares), provides that the aggregate maximum number of Common Shares that may be issued upon the exercise or settlement of awards granted under the 2020 Equity Incentive Plan shall not exceed 10% of the Company’s issued and outstanding Common Shares from time to time, such number being 136,277,016 as at the date of this Circular. The 2020 Equity Incentive Plan is considered an “evergreen” plan, since the Common Shares covered by awards which have been exercised, settled or terminated shall be available for subsequent grants under the 2020 Equity Incentive Plan and the number of awards available to grant increases as the number of issued and outstanding Common Shares increases.

Insider Participation Limit

The 2020 Equity Incentive Plan also provides that the aggregate number of Common Shares (a) issuable to insiders at any time (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding Common Shares and (b) issued to insiders within any one year period (under all of the Company’s security-based compensation arrangements) cannot exceed 10% of the Company’s issued and outstanding Common Shares.

Furthermore, the 2020 Equity Incentive Plan provides that (i) the Company shall not make grants of awards to non-employee directors if, after giving effect to such grants of awards, the aggregate number of Common Shares issuable to non-employee directors, at the time of such grant, under all of the Company's security based compensation arrangements would exceed 1% of the issued and outstanding Common Shares on a non-diluted basis, and (ii) within any one financial year of the Company, (a) the aggregate fair value on the date of grant of all Options granted to any one non-employee director shall not exceed \$100,000, and (b) the aggregate fair market value on the date of grant of all awards (including, for greater certainty, the fair market value of the Options) granted to any one non-employee director under all of the Company's security based compensation arrangements shall not exceed \$150,000; provided that such limits shall not apply to (i) awards taken in lieu of any cash retainer or meeting director fees, and (ii) a one-time initial grant to a non-employee director upon such non-employee director joining the Board.

Any Common Shares issued by the Company through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Common Shares available for issuance pursuant to the exercise of awards granted under the 2020 Equity Incentive Plan.

Administration of the 2020 Equity Incentive Plan

The Plan Administrator (as defined in the 2020 Equity Incentive Plan) is determined by the Board, and is initially the Compensation Committee. The 2020 Equity Incentive Plan may in the future be administered by the Board itself or delegated to a committee of the Board. The Plan Administrator determines which directors, officers, consultants and employees are eligible to receive awards under the 2020 Equity Incentive Plan, the time or times at which awards may be granted, the conditions under which awards may be granted or forfeited to the Company, the number of Common Shares to be covered by any award, the exercise price of any award, whether restrictions or limitations are to be imposed on the Common Shares issuable pursuant to grants of any award, and the nature of any such restrictions or limitations, any acceleration of exercisability or vesting, or waiver of termination regarding any award, based on such factors as the Plan Administrator may determine.

In addition, the Plan Administrator interprets the 2020 Equity Incentive Plan and may adopt guidelines and other rules and regulations relating to the 2020 Equity Incentive Plan, and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the 2020 Equity Incentive Plan.

Eligibility

All directors, employees and consultants are eligible to participate in the 2020 Equity Incentive Plan. The extent to which any such individual is entitled to receive a grant of an award pursuant to the 2020 Equity Incentive Plan will be determined in the sole and absolute discretion of the Plan Administrator.

Types of Awards

Awards of Options, RSUs, PSUs and DSUs may be made under the 2020 Equity Incentive Plan. All of the awards described below are subject to the conditions, limitations, restrictions, exercise price, vesting, settlement and forfeiture provisions determined by the Plan Administrator, in its sole discretion, subject to such limitations provided in the 2020 Equity Incentive Plan, and will generally be evidenced by an award agreement. In addition, subject to the limitations provided in the 2020 Equity Incentive Plan and in accordance with applicable law, the Plan Administrator may accelerate or defer the vesting or payment of awards, cancel or modify outstanding awards, and waive any condition imposed with respect to awards or Common Shares issued pursuant to awards.

Options

An Option entitles a holder thereof to purchase a prescribed number of treasury Common Shares at an exercise price set at the time of the grant. The Plan Administrator will establish the exercise price at the time each Option is granted, which exercise price must in all cases be not less than the five-day volume weighted average closing price (the “**5-day VWAP**”) of the Common Shares on the TSX for the five trading days immediately preceding the date of grant (for the purposes of this section, the “**Market Price**”). Subject to any accelerated termination as set forth in the 2020 Equity Incentive Plan, each Option expires on its respective expiry date. The Plan Administrator will have the authority to determine the vesting terms applicable to grants of Options. Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as otherwise set forth in any written employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and the participant. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable. The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in the 2020 Equity Incentive Plan, such as vesting conditions relating to the attainment of specified performance goals.

Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular award agreement, an exercise notice must be accompanied by payment of the exercise price. A participant may, in lieu of exercising an Option pursuant to an exercise notice, elect to surrender such Option to the Company (a “**Cashless Exercise**”) in consideration for an amount from the Company equal to (i) the Market Price of the Common Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate exercise price of the Option (or portion thereof) surrendered relating to such Common Shares (the “**In-the-Money Amount**”) by written notice to the Company indicating the number of Options such participant wishes to exercise using the Cashless Exercise, and such other information that the Company may require. Subject to the provisions of the 2020 Equity Incentive Plan, the Company will satisfy payment of the In-the-Money Amount by delivering to the participant such number of Common Shares having a fair market value equal to the In-the-Money Amount.

Restricted Share Units

A RSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each RSU after a specified vesting period. The Plan Administrator may, from time to time, subject to the provisions of the 2020 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**RSU Service Year**”).

The number of RSUs (including fractional RSUs) granted at any particular time under the 2020 Equity Incentive Plan will be calculated by dividing (a) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (b) the greater of (i) the Market Price of a Common Share on the date of grant and (ii) such amount as determined by the Plan Administrator in its sole discretion. The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A of the U.S. Internal Revenue Code of 1986, to the extent applicable.

Upon settlement, holders will redeem each vested RSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested RSU, (b) a cash payment or (c) a combination of Common Shares and cash. Any

such cash payments made by the Company shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2020 Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any RSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any RSU any later than the final business day of the third calendar year following the applicable RSU Service Year.

Performance Share Units

A PSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or the value thereof) for each PSU after specific performance-based vesting criteria determined by the Plan Administrator, in its sole discretion, have been satisfied. The performance goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a participant's service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable award agreement. The Plan Administrator may, from time to time, subject to the provisions of the 2020 Equity Incentive Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any participant in respect of a bonus or similar payment in respect of services rendered by the applicable participant in a taxation year (the “**PSU Service Year**”).

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs. Upon settlement, holders will redeem each vested PSU for the following at the election of such holder but subject to the approval of the Plan Administrator: (a) one fully paid and non-assessable Common Share in respect of each vested PSU, (b) a cash payment, or (c) a combination of Common Shares and cash. Any such cash payments made by the Company to a participant shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date. Subject to the provisions of the 2020 Equity Incentive Plan and except as otherwise provided in an award agreement, no settlement date for any PSU shall occur, and no Common Share shall be issued or cash payment shall be made in respect of any PSU any later than the final business day of the third calendar year following the applicable PSU Service Year.

Deferred Share Units

A DSU is a unit equivalent in value to a Common Share credited by means of a bookkeeping entry in the books of the Company which entitles the holder to receive one Common Share (or, at the election of the holder and subject to the approval of the Plan Administrator, the cash value thereof) for each DSU on a future date. The Board may fix from time to time a portion of the total compensation (including annual retainer) paid by the Company to a director in a calendar year for service on the Board (the “**Director Fees**”) that are to be payable in the form of DSUs. In addition, each director is given, subject to the provisions of the 2020 Equity Incentive Plan, the right to elect to receive a portion of the cash Director Fees owing to them in the form of DSUs.

Dividend Equivalents

Except as otherwise determined by the Plan Administrator or as set forth in the particular award agreement, RSUs, PSUs and DSUs shall be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, as applicable, as of each dividend payment date in respect of which normal cash dividends are paid on Common Shares. Dividend equivalents shall vest in proportion to, and settle in the same manner as, the awards to which they relate. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per

Common Share by the number of RSUs, PSUs and DSUs, as applicable, held by the participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first business day immediately following the dividend record date, with fractions computed to three decimal places.

Black-out Periods

In the event an award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Company exists, the expiry of such award will be the date that is 10 business days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

Term

While the 2020 Equity Incentive Plan does not stipulate a specific term for awards granted thereunder, as discussed below, awards may not expire beyond 10 years from its date of grant, except where Shareholder approval is received or where an expiry date would have fallen within a blackout period of the Company. All awards must vest and settle in accordance with the provisions of the 2020 Equity Incentive Plan and any applicable award agreement, which award agreement may include an expiry date for a specific award.

Termination of Employment or Services

The following table describes the impact of certain events upon the participants under the 2020 Equity Incentive Plan, including termination for cause, resignation, termination without cause, disability, death or retirement, subject, in each case, to the terms of a participant's applicable employment agreement, award agreement or other written agreement:

Event	Provisions
Termination for Cause / Resignation	Any Option or other award held by the participant that has not been exercised, surrendered or settled as of the Termination Date (as defined in the 2020 Equity Incentive Plan) shall be immediately forfeited and cancelled as of the Termination Date.
Termination without Cause	A portion of any unvested Options or other awards shall immediately vest, such portion to be equal to the number of unvested Options or other awards held by the participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the date of grant and the Termination Date and the denominator of which is the number of days between the date of grant and the date any unvested Options or other awards were originally scheduled to vest. Any vested Options may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested award other than an Option, such award will be settled within 90 days after the Termination Date.
Disability	Any award held by the participant that has not vested as of the date of such participant's Termination Date shall vest on such date. Any vested Option may be exercised by the participant at any time until the expiry date of such Option. Any vested award other than an Option will be settled within 90 days after the Termination Date.

Death	Any award that is held by the participant that has not vested as of the date of the death of such participant shall vest on such date. Any vested Option may be exercised by the participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (a) the expiry date of such Option, and (b) the first anniversary of the date of the death of such participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested award other than an Option, such award will be settled with the Participant's beneficiary or legal representative (as applicable) within 90 days after the date of the Participant's death.
Retirement	Any (i) outstanding award that vests or becomes exercisable based solely on the Participant remaining in the service of the Company or its subsidiary will become 100% vested, and (ii) outstanding award that vests based on the achievement of Performance Goals (as defined in the 2020 Equity Incentive Plan) that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Option may be exercised by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such Option; and (B) the third anniversary of the participant's date of retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested award other than an Option that is described in (i), such award will be settled within 90 days after the participant's retirement. In the case of a vested award other than an Option that is described in (ii), such award will be settled at the same time the award would otherwise have been settled had the participant remained in active service with the Company or its subsidiary. Notwithstanding the foregoing, if, following his or her retirement, the participant commences (the " Commencement Date ") employment, consulting or acting as a director of the Company or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any person that carries on or proposes to carry on a business competitive with the Company or any of its subsidiaries, any Option or other award held by the participant that has not been exercised or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date.

Change in Control

Under the 2020 Equity Incentive Plan, except as may be set forth in an employment agreement, award agreement or other written agreement between the Company or a subsidiary of the Company and a participant:

- (a) If within 12 months following the completion of a transaction resulting in a Change in Control (as defined below), a participant's employment, consultancy or directorship is terminated by the Company or a subsidiary of the Company without Cause (as defined in the 2020 Equity Incentive Plan), without any action by the Plan Administrator:
 - (i) any unvested awards held by the participant at Termination Date shall immediately vest; and

- (ii) any vested awards may be exercised, surrendered to the Company, or settled by the participant at any time during the period that terminates on the earlier of: (A) the expiry date of such award; and (B) the date that is 90 days after the Termination Date. Any award that has not been exercised, surrendered or settled at the end of such period being immediately forfeited and cancelled.

- (b) Unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Common Shares will cease trading on the TSX, the Company may terminate all of the awards, other than an Option held by a participant that is a resident of Canada for the purposes of the Income Tax Act (Canada), granted under the 2020 Equity Incentive Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such participant as determined by the Plan Administrator, acting reasonably, provided that any vested awards granted to U.S. Taxpayers (as defined in the 2020 Equity Incentive Plan) will be settled within 90 days of the Change in Control.

Subject to certain exceptions, a “**Change in Control**” includes (a) any transaction pursuant to which a person or group acquires more than 50% of the outstanding Common Shares, (b) the sale of all or substantially all of the Company’s assets, (c) the dissolution or liquidation of the Company, (d) the acquisition of the Company via consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise, (e) individuals who comprise the Board at the last annual meeting of Shareholders (the “**Incumbent Board**”) cease to constitute at least a majority of the Board, unless the election, or nomination for election by the Shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, in which case such new director shall be considered as a member of the Incumbent Board, or (f) any other event which the Board determines to constitute a change in control of the Company.

Non-Transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a participant, by will or as required by law, no assignment or transfer of awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding award pass to a beneficiary or legal representative upon the death of a participant, the period in which such award can be exercised by such beneficiary or legal representative shall not exceed one year from the participant’s death.

Amendments to the 2020 Equity Incentive Plan

The Plan Administrator may also from time to time, without notice and without approval of the holders of voting Common Shares, amend, modify, change, suspend or terminate the 2020 Equity Incentive Plan or any awards granted pursuant thereto as it, in its discretion, determines appropriate, provided that (a) no such amendment, modification, change, suspension or termination of the 2020 Equity Incentive Plan or any award granted pursuant thereto may materially impair any rights of a participant or materially increase any obligations of a participant under the 2020 Equity Incentive Plan without the consent of such participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements, and (b) any amendment that

would cause an award held by a U.S. Taxpayer to be subject to the income inclusion under Section 409A of the United States Internal Revenue Code of 1986, as amended, shall be null and void ab initio.

Notwithstanding the above, and subject to the rules of the TSX, the approval of Shareholders is required to effect any of the following amendments to the 2020 Equity Incentive Plan:

- (a) increasing the number of Common Shares reserved for issuance under the 2020 Equity Incentive Plan, except pursuant to the provisions in the 2020 Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (b) increasing or removing the 10% limits on Common Shares issuable or issued to insiders;
- (c) reducing the exercise price of an option award (for this purpose, a cancellation or termination of an award of a participant prior to its expiry date for the purpose of reissuing an award to the same participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an award) except pursuant to the provisions in the 2020 Equity Incentive Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Company or its capital;
- (d) extending the term of an Option award beyond the original expiry date (except where an expiry date would have fallen within a blackout period applicable to the participant or within 10 business days following the expiry of such a blackout period);
- (e) permitting an Option award to be exercisable beyond 10 years from its date of grant (except where an expiry date would have fallen within a blackout period);
- (f) increasing or removing the limits on the participation of non-employee directors;
- (g) permitting awards to be transferred to a person;
- (h) changing the eligible participants; and
- (i) deleting or otherwise limiting the amendments which require approval of the Shareholders.

Except for the items listed above, amendments to the 2020 Equity Incentive Plan will not require Shareholder approval. Such amendments include (but are not limited to): (a) amending the general vesting provisions of an award, (b) amending the provisions for early termination of awards in connection with a termination of employment or service, (c) adding covenants of the Company for the protection of the participants, (d) amendments that are desirable as a result of changes in law in any jurisdiction where a participant resides, and (e) curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error.

Anti-Hedging Policy

Participants are restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of awards granted to them.

Shareholder Approval of 2020 Equity Incentive Plan

Accordingly, at the Meeting, Shareholders will be asked to consider and if thought fit, approve an ordinary resolution ratifying the adoption of the 2020 Equity Incentive Plan. In order to be effective, an ordinary resolution requires approval by a majority of the votes cast by Shareholders for such resolution.

The Board has unanimously approved the 2020 Equity Incentive Plan and recommends that Shareholders vote FOR the resolution regarding the 2020 Equity Incentive Plan. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving the resolution regarding the 2020 Equity Incentive Plan.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption of the 2020 Equity Incentive Plan is as follows:

“RESOLVED THAT:

1. the omnibus equity incentive plan adopted by the board of directors (the “**Board**”) of the MediPharm Labs Corp. (the “**Company**”) on June 8, 2020 (the “**2020 Equity Incentive Plan**”), in the form attached as Schedule D to the management information circular of the Company dated June 29, 2020, is hereby confirmed, ratified and approved, and the Company has the ability to grants awards under the 2020 Equity Incentive Plan until August 5, 2023, which is the date that is three years from the date of the meeting of the holders (the “**Shareholders**”) of common shares of the Company (“**Common Shares**”) at which Shareholder approval of the 2020 Equity Incentive Plan is being sought;
2. the Options and Awards (as defined in the 2020 Equity Incentive Plan) to be issued under the 2020 Equity Incentive Plan, and all unallocated Options and Awards under the 2020 Equity Incentive Plan, be and are hereby approved;
3. the Board is hereby authorized to make such amendments to the 2020 Equity Incentive Plan from time to time, as may be required by the applicable regulatory authorities, or as may be considered appropriate by the Board, in its sole discretion, provided always that such amendments be subject to the approval of the regulatory authorities, if applicable, and in certain cases, in accordance with the terms of the 2020 Equity Incentive Plan, the approval of the Shareholders; and
4. any one officer and director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual’s discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE 2020 EQUITY INCENTIVE PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE 2020 EQUITY INCENTIVE PLAN.

4. Approval of Matters Related to the Private Placement

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass a resolution approving matters related to the Private Placement (as defined below).

Overview

On June 8, 2020 (the “**Closing Date**”), the Company completed a private placement for aggregate gross proceeds to the Company of \$37,822,500 (the “**Private Placement**”) through the issuance of: (a) a senior unsecured convertible note of the Company in the principal amount of \$20,500,000 (the “**First Note**”), (b) a warrant to purchase up to 3,601,427 Common Shares (the “**First Warrant**”), and (c) a subscription receipt (the “**Subscription Receipt**”) entitling the holder to receive, upon satisfaction of certain Escrow Release Conditions (as defined below), a further senior unsecured convertible note of the Company in the principal amount of \$20,500,000 (the “**Second Note**” and, together with the First Note, collectively, the “**Notes**”) and a further warrant to purchase up to 3,601,427 Common Shares (the “**Second Warrant**” and, together with the First Warrant, collectively, the “**Warrants**”).

The Private Placement was negotiated at arm’s length and was completed pursuant to the terms of an engagement letter dated April 15, 2020 between the Company and Roth Capital Partners, LLC (the “**Placement Agent**”) and a securities purchase agreement dated as of the Closing Date (the “**SPA**”) between the Company and an institutional investor (the “**Investor**”).

The Notes have a three-year term, were issued at an original issue discount of 7.75% and are convertible into Common Shares (“**Conversion Shares**”) at the option of the Investor at a price of \$2.28 per share (the “**Conversion Price**”). Commencing four months after issuance, the Notes amortize through bi-monthly installment payments of approximately \$320,000 (the “**Bi-Monthly Installment Payments**”), payable in Conversion Shares, subject to the satisfaction of equity conditions, at a price per Conversion Share equal to 90% of the market price (being the 5-day VWAP of the Common Shares on the TSX) as of the applicable Installment Date (as defined below) or 87% of such market price where that market price is less than \$1.00 (each an “**Installment Percentage**”) or, at the option of the Company, in whole or in part, in cash. Upon receipt of Shareholder Approval (as defined below), the price for such Conversion Shares shall be adjusted to the lesser of (i) the Conversion Price; and (ii) the Installment Percentage. See “*Description of Securities to be Issued – Notes*” below.

The Warrants expire on October 9, 2023 and are exercisable to acquire Common Shares (“**Warrant Shares**”) at a price of \$2.28 per share (the “**Exercise Price**”). See “*Description of Securities to be Issued – Warrants*” below.

In order to comply with the rules of the TSX, the Company is required to obtain approval for the Private Placement from holders of a majority of the Common Shares present in person or by proxy at the Meeting in accordance with Section 607(g)(i) and Section 610 of the TSX Company Manual (“**Shareholder Approval**”). No insiders have participated in the Private Placement. The Private Placement will not materially affect control of the Company. See “*TSX Requirements*” below.

The gross proceeds of the sale of the Subscription Receipt (the “**Escrowed Proceeds**”) have been delivered to the TSX Trust Company, in its capacity as subscription receipt agent (the “**Subscription Receipt Agent**”), and will be delivered to the Company net of certain fees and expenses upon satisfaction of the Escrow Release Conditions. Upon satisfaction of the Escrow Release Conditions, the Subscription Receipt will convert into the Second Note and the Second Warrant. See “*Description of Securities to be Issued – Subscription Receipt*” below.

In this Circular, the issuance of the First Note and First Warrant on the Closing Date shall be referred to as the “**First Tranche**” of the Private Placement and the issuance of the Second Note and Second Warrant upon conversion of the Subscription Receipt shall be referred to as the “**Second Tranche**” of the Private Placement.

In connection with the Private Placement, the Placement Agent acted as sole placement agent and will receive a cash fee equal to 5.5% of the gross proceeds of the Private Placement.

The Private Placement remains subject to final approval of the TSX, and prior to receipt of Shareholder Approval no more than 33,805,361 Common Shares (such amount being equal to 25% of the number of Common Shares outstanding, on a non-diluted basis, prior to the date of closing of the Private Placement) may be issued in connection with the Private Placement. The Notes, the Warrants, the Subscription Receipt and any underlying securities issued pursuant to the Private Placement are subject to a statutory four month and one day hold period, ending on October 9, 2020.

Description of Securities to be Issued

The principal terms of the Notes, Warrants and Subscription Receipt are summarized below. The terms of the Notes, Warrants and Subscription Receipt described herein are qualified in their entirety by the Company's documents filed on SEDAR at www.sedar.com.

Notes

Issue Price

The Notes were issued at an original issue discount of 7.75%, such that the Investor paid \$18,911,250 for each \$20,500,000 of principal amount of Notes and related Warrants. No amount of the original issue discount is convertible into Conversion Shares until October 9, 2020.

Interest

The Notes were issued at an original issue discount and shall not bear additional interest unless an event of default shall have occurred and remains continuing, after which time interest shall accrue and be payable with installments of principal at a rate equal to 10% per annum plus the greater of (i) the “prime rate” of interest quoted by the Company’s operating lender and (ii) one percent per annum. Any accrued and unpaid default interest owing under the Note will be added to the Installment Amount (as defined below) payable on an applicable Installment Date (as defined below), and may be satisfied in cash or through the issuance of Conversion Shares, or any combination thereof. See “*Payment of Principal*” and “*Installment Conversion or Redemption*” below for further details.

Maturity Date

Subject to acceleration after an event of default in accordance with the terms of the Notes, the Notes will mature on June 8, 2023 (the “**Maturity Date**”). The Maturity Date may be extended in certain circumstances.

Conversion

The principal amount of the Notes will be convertible into Conversion Shares at the option of the holder at the Conversion Price of \$2.28 per share. An aggregate of 8,991,228 Conversion Shares are initially issuable on conversion of each of the First Note and the Second Note. Therefore, if the Investor converted

of all of the Notes issued pursuant to the Private Placement, the Investor would be entitled to receive an aggregate of 17,982,456 Conversion Shares (subject to anti-dilution limitations and adjustment provisions described below). See “*Limitations on Issuances*” below.

Payment of Principal

The Notes amortize through Bi-Monthly Installment Payments of \$322,265.63 payable on the first and tenth business day of each calendar month prior to the Maturity Date, beginning in October 2020 and ending on the Maturity Date (each, an “**Installment Date**”). The Company may not prepay any Installment Amount owing under the Notes prior to the Maturity Date. The amount due to the holder on each applicable Installment Date shall be the sum of (the “**Installment Amount**”):

- (1) (a) with respect to any Installment Date other than the Maturity Date, the lesser of (i) \$322,265.63 and (ii) the principal amount then outstanding under the Note as of such Installment Date, and (b) with respect to the Installment Date that is the Maturity Date, the principal amount then outstanding under the Note as of such Installment Date (which may be reduced pursuant to the terms of the Note, whether upon conversion, redemption or deferral);
- (2) any amount deferred pursuant to the terms of the Note and included in such Installment Amount in accordance with the terms of the Note;
- (3) any amount accelerated pursuant to the terms of the Note and included in such Installment Amount in accordance therewith (provided that accelerated amounts can only be paid by Installment Conversion (as defined below)); and
- (4) in each case of clauses (1) through (3) above, the sum of any accrued and unpaid default interest owing under the Note as of such Installment Date.

The Installment Amount may be satisfied in cash or through the issuance of Conversion Shares, or any combination thereof. See “*Installment Conversion or Redemption*” below for further details.

Installment Conversion or Redemption

On each applicable Installment Date, the Company shall pay to the holder the applicable Installment Amount by: (a) converting such Installment Amount into Conversion Shares (an “**Installment Conversion**”) at the applicable Installment Conversion Price (as defined below and provided there is no Equity Conditions Failure (as defined in the Notes)), (b) redeeming such Installment Amount in cash (an “**Installment Redemption**”), or (c) at the option of the Company, any combination of an Installment Conversion and Installment Redemption.

The conversion price applicable to an Installment Conversion will be (the “**Installment Conversion Price**”): (a) prior to obtaining Shareholder Approval, the Installment Percentage as of the applicable Installment Date; and (b) upon receipt of Shareholder Approval, the lowest of (i) the existing Conversion Price, and (ii) the Installment Percentage of the market price (being the 5-day VWAP of the Common Shares on the TSX) as of the applicable Installment Date (the “**Installment Conversion Price Formula**”). To comply with section 610 of the TSX Company Manual, the Company is seeking Shareholder Approval to permit the proposed Installment Conversion Price Formula. See “*TSX Requirements*” below.

If the Company elects or is required to effect an Installment Redemption, in whole or in part, then the applicable portion of the Installment Amount shall be redeemed by the Company by payment in cash of an amount equal to 102% of the applicable Installment Amount (an “**Installment Redemption**”).

Amount”). If the Company fails to redeem such Installment Redemption Amount in cash in accordance with the terms of the Note, the Investor may require the Company to convert all or any part of the Installment Redemption Amount into Conversion Shares at the Installment Conversion Price.

Alternate Conversion upon Event of Default

The holder shall also have the right to convert the Notes upon the occurrence of an event of default (an “**Alternate Conversion**”), for a specified time period, at a conversion price equal to (the “**Alternate Conversion Price**”):

- (1) prior to obtaining Shareholder Approval, (i) 80% of the market price (being the 5-day VWAP of the Common Shares on the TSX) as of the date of delivery of the applicable conversion notice if such market price is less than \$2.00, and (ii) 85% of the market price (being the 5-day VWAP of the Common Shares on the TSX) as of the date of delivery of the applicable conversion notice if such market price is \$2.00 or greater; and
- (2) upon receipt of Shareholder Approval, the lowest of (i) the applicable Conversion Price as in effect on the applicable conversion date, and (ii) 80% of the market price (being the 5-day VWAP of the Common Shares on the TSX) as of the date of delivery of the applicable conversion notice (the “**Alternate Conversion Price Formula**”).

The amount of Notes available to be converted pursuant to an Alternate Conversion shall be subject to a redemption premium of 125% (the “**Redemption Premium**”). To comply with section 610 of the TSX Company Manual, the Company is seeking Shareholder Approval to permit the Alternate Conversion Price Formula and the Redemption Premium. Prior to obtaining Shareholder Approval, to the extent the discount received by the Investor as a result of the Redemption Premium is not permitted pursuant to Section 610 of the TSX Company Manual, such Redemption Premium shall be reduced, as necessary, in order to ensure compliance with the provisions of TSX Company Manual. See “*TSX Requirements*” below.

Redemption Right upon Event of Default

Upon the occurrence of certain events of default, the Investor shall also have the right for a period of 10 trading days beginning on the date that the holder becomes aware of such event of default, to require the Company to redeem all or any portion of the Notes for cash at a price equal to the greater of: (i) the product of: (A) the amount of the Notes to be redeemed, multiplied by (B) a redemption premium of 125%; and (ii) the product of (A) the amount of the Notes to be redeemed divided by the Conversion Price in effect at such time, multiplied by (B) the greatest closing sale price of the Common Shares on any trading day during the period commencing on the date immediately preceding the subject event of default and ending on the trading day immediately prior to the date the Company makes the entire payment required to be made.

Redemption Right upon Change of Control

Upon the occurrence of a change of control of the Company, the holder may require the Company to redeem all or any portion of the Notes at a cash price equal to the greatest of: (i) the product of: (A) the Redemption Premium, multiplied by (B) the amount of the Notes being redeemed; (ii) the product of: (A) the Redemption Premium, multiplied by (B) the product of: (x) the amount of the Notes being redeemed, multiplied by (y) the quotient determined by dividing: (I) the greatest closing sale price of the Common Shares during the period beginning on the date immediately before the earlier of: (1) the consummation of the applicable change of control, and (2) the public announcement of such change of control and

ending on the date the holder elects to redeem as a result of such change of control, by (II) the Conversion Price then in effect; and (iii) the product of: (A) the Redemption Premium, multiplied by (B) the product of: (x) the amount of the Notes being redeemed, multiplied by (y) the quotient determined by dividing: (I) the aggregate cash consideration and the aggregate cash value of any non-cash consideration per common share of the Company to be paid upon the consummation of such change of control, divided by (II) the Conversion Price then in effect.

Limitations on Issuances

The Notes shall be subject to a limitation on beneficial ownership which provides that the Company shall not be required to issue any Common Shares pursuant to the Notes to the extent that, after giving effect to such issuance, the Investor together with the certain other affiliated parties, collectively, would beneficially own in excess of 9.99% of the Common Shares outstanding immediately after giving effect to such issuance. In addition, prior to receipt of Shareholder Approval, no more than 25% of the Company's issued and outstanding Common Shares may be issued in connection with the Private Placement. See “*TSX Requirements*” below.

Rank

The Notes are designated by the Company as senior unsecured indebtedness. So long as any amounts under the Notes remain outstanding, the Company has agreed not to incur any new indebtedness other than senior secured indebtedness provided by its current operating lender (including for equipment financing and in respect of real property) and refinancings or replacements thereof, indebtedness existing as of the Closing Date, indebtedness permitted for equipment financing, liens expressly subordinated in an agreement with the holders of the Notes in right of payment to the Notes pursuant to an agreement acceptable to the holders of the Notes and certain other exceptions.

Other

The Notes will be subject to certain adjustments for stock splits, consolidations, dividends, recapitalizations and similar events.

Warrants

Expiration Date

The Warrants expire on October 9, 2023 (the “**Expiration Date**”), being the date that is forty months and one day after the Closing Date.

Exercise

The Warrants are exercisable at the option of the holder into Warrant Shares at the Exercise Price of \$2.28 per share at any time prior to the Expiration Date. An aggregate of 3,601,427 Warrant Shares are issuable pursuant to each of the First Warrant and the Second Warrant. Therefore, if the Investor exercised all of the Warrants issued pursuant to the Private Placement, the Investor would be entitled to receive an aggregate of 7,202,854 Warrant Shares (subject to anti-dilution limitations and adjustment provisions described below). See “*Limitations on Issuances*” below.

Cashless Exercise

In limited circumstances, then the Investor may exercise the Warrants in whole or in part and, in lieu of making a cash payment of the Exercise Price, elect instead to receive the “net number” of Common Shares upon such exercise determined in accordance with a specified formula.

Limitations on Issuances

The Warrants shall be subject to a limitation on beneficial ownership which provides that the Company shall not be required to issue any Common Shares pursuant to the Warrants to the extent that, after giving effect to such issuance, the Investor together with the certain other affiliated parties, collectively, would beneficially own in excess of 9.99% of the Common Shares outstanding immediately after giving effect to such issuance. In addition, prior to receipt of Shareholder Approval, no more than 25% of the Company’s issued and outstanding Common Shares may be issued in connection with the Private Placement. See “*TSX Requirements*” below.

Subscription Receipt

The Subscription Receipt was issued for an aggregate purchase price of \$18,911,250 on the Closing Date.

The Subscription Receipt entitles the holder to acquire, for no additional consideration and with no further action on the part of the holder, upon the satisfaction of the Escrow Release Conditions, the Second Note and the Second Warrant.

The Escrowed Proceeds will be held by the Subscription Receipt Agent in accordance with the terms of the subscription receipt agreement dated as of the Closing Date between the Company and the Subscription Receipt Agent (the “**Subscription Receipt Agreement**”), until the earlier of: (a) (i) the Company receiving Shareholder Approval for the Private Placement in compliance with the rules and regulations of the TSX, (ii) there having been no event of default (as defined in the Subscription Receipt Agreement) or an event that with the passage of time or giving of notice would constitute an event of default (unless waived in writing by the Required Holders) (the “**Event of Default Condition**” and, together with the requirement to obtain Shareholder Approval, collectively, the “**Escrow Release Conditions**”), and (iii) the Company having delivered an Escrow Release Notice (as defined below) to the Subscription Receipt Agent; and (b) the Termination Date (as defined below). For the purposes of the foregoing, “**Required Holders**” means holders of a majority of the Conversion Shares and Warrant Shares as of such time (excluding any Conversion Shares and Warrant Shares held by the Company or any of its Subsidiaries as of such time issued or issuable pursuant to the Notes and/or the Warrants) (which majority must include the Investor as long as the Investor holds any Notes or Warrants).

If the Escrow Release Conditions are satisfied on or before the Escrow Release Deadline (as defined below), the Company will execute and deliver to the Subscription Receipt Agent a notice and direction (the “**Escrow Release Notice**”) certifying that the Escrow Release Conditions have been satisfied and instructing the Subscription Receipt Agent to without payment of additional consideration or the undertaking of any further action by the Investor, to promptly (a) release and deliver to the Investor (or its designee) the Second Note and the Second Warrant underlying the Subscription Receipt, and (b) release the Escrowed Proceeds to the Company.

If the Escrow Release Conditions are not satisfied on or prior to 5:00 p.m. (Toronto time) on August 15, 2020 (as may be extended in accordance with the terms of the Subscription Receipt Agreement, the “**Escrow Release Deadline**”), the Subscription Receipt shall be terminated and cancelled and the Investor shall be entitled to receive from the Subscription Receipt Agent an amount equal to the aggregate price

paid for Subscription Receipt. Notwithstanding the foregoing, if the Company has received Shareholder Approval but the Event of Default Condition has not been satisfied and is reasonably capable of being cured, the Investor will be required to approve an amendment to the terms of the Subscription Receipt Agreement to extend the Escrow Release Deadline to September 15, 2020. The Escrow Release Deadline may be extended at any time at the option of the Required Holders (but in no event later than November 15, 2020 without the prior written consent of the Company).

Participation Right

The Company has granted to the Investor a right to acquire additional securities of the Company in limited circumstances, pursuant to the terms of the SPA (the “**Participation Right**”). The Participation Right entitles the Investor to receive notice of and participate in subsequent private placements of the Company’s securities (each, a “**Subsequent Placement**”) for up to the Investor’s pro rata portion of 15% of the securities being offered in such Subsequent Placement. The Participation Right is exercisable at any time on or prior to the later of (a) the eighteen month anniversary of the Closing Date and (b) the six month anniversary of the initial date after the Closing Date that no Notes remain outstanding.

Any Subsequent Placement and related exercise of the Participation Right will remain subject to the prior approval of the TSX and compliance with the applicable rules and policies of the TSX then in effect, including without limitation rules pertaining to insider participation in private placements.

Potential Dilution and Resulting Ownership

As of the date hereof, without obtaining Shareholder Approval, the Company is authorized to issue up to a maximum of 33,805,361 Common Shares pursuant to the First Tranche of the Private Placement. The following tables set out potential dilution to existing Shareholders as well the Investor’s resulting ownership of Common Shares, assuming receipt of Shareholder Approval of the Private Placement Resolution (as defined below) and various other conversion scenarios, all of which could occur during the term of the Notes.

Optional Conversion

The following table sets out potential dilution to existing Shareholders as well the Investor’s resulting ownership of Common Shares, assuming receipt of Shareholder Approval of the Private Placement Resolution, and: (a) conversion of the First Note by the Investor at the Conversion Price and exercise of the First Warrant by the Investor at the Exercise Price, (b) conversion of the Second Note by the Investor at the Conversion Price and exercise of the Second Warrant by the Investor at the Exercise Price, (c) conversion of the Notes by the Investor at the Conversion Price and exercise of the Warrants by the Investor at the Exercise Price:

	Optional Conversion		
	First Tranche	Second Tranche	Aggregate for Private Placement
	(a)	(b)	(c)
Common Shares issued and outstanding ⁽¹⁾	135,236,153	135,236,153	135,236,153
Conversion Shares issuable	8,991,228	8,991,228	17,982,456
Warrant Shares issuable	3,601,427	3,601,427	7,202,854
Total Common Shares issuable	12,592,655	12,592,655	25,185,310

Dilution factor	9.3%	9.3%	18.6% ⁽²⁾
Investor ownership	8.5%	8.5%	15.7% ⁽²⁾

Notes:

- (1) As at June 5, 2020, the date immediately prior to the Closing Date.
- (2) The Notes and Warrants are subject to a limitation on beneficial ownership which provides that the Company shall not be required to issue any Common Shares pursuant to the Notes or Warrants to the extent that after giving effect to such issuance, the Investor together with certain other affiliated parties, collectively, would beneficially own in excess of 9.99% of the Common Shares outstanding immediately after giving effect to such issuance.

Installment Conversion

The following table sets out potential dilution to existing Shareholders as well the Investor’s resulting ownership of Common Shares, assuming (a) receipt of Shareholder Approval of the Private Placement Resolution, (b) exercise of the Warrants by the Investor at the Exercise Price and, (c) that the Company elects to pay all Installment Amounts by way of Installment Conversion at the indicative Installment Conversion Prices below:

	Installment Conversion		
Market Price⁽¹⁾	\$0.90	\$1.50	\$3.00
Installment Percentage	87%	90%	N/A
Installment Conversion Price⁽²⁾	\$0.78	\$1.35	\$2.28⁽³⁾
Common Shares issued and outstanding ⁽⁴⁾	135,236,153	135,236,153	135,236,153
First Tranche			
Conversion Shares issuable – First Note	26,181,354	15,185,185	8,991,228
Warrant Shares issuable – First Warrant	3,601,427	3,601,427	3,601,427
Total Common Shares issuable	29,782,781	18,786,612	12,592,655
Dilution factor	22.0%	13.9%	9.3%
Investor ownership	18.0% ⁽⁵⁾	12.2% ⁽⁵⁾	8.5%
Second Tranche			
Conversion Shares issuable – Second Note	26,181,354	15,185,185	8,991,228
Warrant Shares issuable – Second Warrant	3,601,427	3,601,427	3,601,427
Total Common Shares issuable	29,782,781	18,786,612	12,592,655
Dilution factor	22.0%	13.9%	9.3%
Investor ownership	18.0% ⁽⁵⁾	12.2% ⁽⁵⁾	8.5%
Aggregate for Private Placement			
Conversion Shares issuable – Notes	52,362,708	30,370,370	17,982,456
Warrant Shares issuable – Warrants	7,202,854.00	7,202,854.00	7,202,854.00
Total Common Shares issuable	59,565,562	37,573,224	25,185,310
Dilution factor	44.0%	27.8%	18.6%

Investor ownership	30.6% ⁽⁵⁾	21.7% ⁽⁵⁾	15.7% ⁽⁵⁾
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Notes:

- (1) Based on the 5-day VWAP of the Common Shares on the TSX as of the applicable Installment Date.
- (2) Calculated in accordance with the Installment Conversion Price Formula.
- (3) Equal to the Conversion Price, being the 5-day VWAP of the Common Shares on the TSX as of the Closing Date.
- (4) As at June 5, 2020, the date immediately prior to the Closing Date.
- (5) The Notes and Warrants are subject to a limitation on beneficial ownership which provides that the Company shall not be required to issue any Common Shares pursuant to the Notes or Warrants to the extent that after giving effect to such issuance, the Investor together with certain other affiliated parties, collectively, would beneficially own in excess of 9.99% of the Common Shares outstanding immediately after giving effect to such issuance.

Alternate Conversion

The following tables sets out potential dilution to existing Shareholders as well the Investor’s resulting ownership of Common Shares, assuming (a) receipt of Shareholder Approval of the Private Placement Resolution, and (b) that the Investor elects to convert the Notes at the Redemption Premium upon the occurrence of an event of default by way of Alternate Conversion at the indicative prices below:

	Alternate Conversion		
Market Price⁽¹⁾	\$0.90	\$1.50	\$3.00
Applicable Percentage	80%	80%	N/A
Alternate Conversion Price⁽²⁾	\$0.72	\$1.20	\$2.28⁽³⁾
Common Shares issued and outstanding ⁽⁴⁾	135,236,153	135,236,153	135,236,153
Conversion Shares issuable – First Note	35,590,278	21,354,167	11,239,035
Conversion Shares issuable – Second Note	35,590,278	21,354,167	11,239,035
Total Conversion Shares issuable – Notes	71,180,556	42,708,333	22,478,070
Dilution factor ⁽⁵⁾	52.6%	31.6%	16.6%
Investor ownership ⁽⁵⁾	34.5% ⁽⁶⁾	24.0% ⁽⁶⁾	14.3% ⁽⁶⁾

Notes:

- (1) Based on the 5-day VWAP of the Common Shares on the TSX as of the applicable Installment Date.
- (2) Calculated in accordance with the Alternate Conversion Price Formula.
- (3) Equal to the Conversion Price, being the 5-day VWAP of the Common Shares on the TSX as of the Closing Date.
- (4) As at June 5, 2020, the date immediately prior to the Closing Date.
- (5) Such numbers exclude the Warrant Shares, which if issued would result in additional dilution.
- (6) The Notes and Warrants are subject to a limitation on beneficial ownership which provides that the Company shall not be required to issue any Common Shares pursuant to the Notes or Warrants to the extent that after giving effect to such issuance, the Investor together with certain other affiliated parties, collectively, would beneficially own in excess of 9.99% of the Common Shares outstanding immediately after giving effect to such issuance.

Use of Proceeds

The gross proceeds from the Private Placement will be \$37,822,500, assuming satisfaction of the Escrow Release Conditions and that the Escrowed Proceeds are released to the Company in accordance with the Subscription Receipt Agreement.

The Company intends to use the net proceeds from the Private Placement for general corporate purposes, including building on the launch of its Cannabis 2.0 offerings with new product formats and expanding its

product and Active Pharmaceutical Ingredient exports. Additionally, the net proceeds will strengthen the Company's balance sheet as it navigates the economic recession created by the COVID-19 pandemic.

TSX Requirements

Pursuant to subsection 607(g)(i) of the TSX Company Manual, the TSX requires a listed issuer to obtain shareholder approval where, in a proposed private placement of securities, the aggregate number of securities issuable is greater than 25% of the number of securities of the listed issuer which are outstanding, on a non-diluted basis, prior to the date of closing of the proposed transaction where the price per security is less than the "market price" (as defined in Part I of the TSX Company Manual, being the 5-day VWAP of the Common Shares on the TSX). For the purposes of the foregoing, the Conversion Shares and Warrant Shares will be considered as being issued at a price per security less than the "market price" (as defined in Part I of the TSX Company Manual, being the 5-day VWAP of the Common Shares on the TSX) and will be regarded by the TSX as being part of the number of securities being issued pursuant to the Private Placement.

Pursuant to section 610 of the TSX Company Manual, the TSX requires a listed issuer to obtain shareholder approval where, in a proposed private placement of convertible securities, the basis for determining the conversion price could result in a conversion price lower than that which may be determined in accordance with subsections 610(a) i) and ii) of the TSX Company Manual. For the purposes of the foregoing, the proposed Installment Conversion Price Formula, Alternate Conversion Price Formula and Redemption Premium will be considered as potentially resulting in a conversion price lower than that permitted pursuant to section 610 of the TSX Company Manual.

Shareholder Approval of Private Placement

At the Meeting, Shareholders will be asked to consider and if thought fit, approve an ordinary resolution approving the Private Placement. In order to be effective, an ordinary resolution requires approval by a majority of the votes cast by Shareholders for such resolution.

The Board has unanimously approved the Private Placement and recommends that Shareholders vote FOR the resolution regarding the Private Placement. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving the resolution regarding the 2020 Equity Incentive Plan.

The complete text of the resolution which management intends to place before the Meeting for approval of the Private Placement (the "**Private Placement Resolution**") is as follows:

"RESOLVED THAT:

1. the issuance of a senior unsecured convertible note of MediPharm Labs Corp. (the "**Company**") in the principal amount of \$20,500,000 and a warrant to purchase up to 3,601,427 common shares in the capital of the Company ("**Common Shares**") upon conversion of a subscription receipt of the Company issued on June 8, 2020, all as more particularly described in the Company's management information circular dated June 29, 2020 (the "**Circular**"), is hereby confirmed, ratified and approved;
2. the issuance of greater than 33,805,361 Common Shares pursuant to the Private Placement (as defined in the Circular), all as more particularly described in the Circular, is hereby authorized and approved;

3. the Alternate Conversion Price Formula (as defined in the Circular), the Installment Conversion Price Formula (as defined in the Circular) and the Redemption Premium (as defined in the Circular), all as more particularly described in the Circular, are hereby authorized and approved;
4. such approvals are given for all purposes pursuant to the TSX Company Manual, including without limitation subsection 607 and 610 thereof; and
5. any one officer and director of the Company be and is hereby authorized for and on behalf of the Company to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED IN FAVOUR OF THE RESOLUTION TO APPROVE THE PRIVATE PLACEMENT IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE PRIVATE PLACEMENT.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who has been a director or executive officer of the Company at any time since the beginning of the Company's last completed financial year, no proposed nominee for election as a director of the Company and no associate or affiliate of any of the foregoing persons 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.

ADDITIONAL INFORMATION

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com. Financial information is provided in the Financial Statements and MD&A. In addition, copies of the Company's Financial Statements and MD&A and this Circular may be obtained upon request to the Company. The Company may require the payment of a reasonable charge if the request is made by a person who is not a shareholder of the Company.

APPROVAL OF BOARD OF DIRECTORS

The contents of this Circular and the sending of it to each director of the Company, to the auditor of the Company, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Company.

Dated: June 29, 2020.

(signed) “*Patrick McCutcheon*”

Patrick McCutcheon
Chief Executive Officer



A-1

**SCHEDULE “A”
STATEMENT OF GOVERNANCE PRACTICES**

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
Board of Directors	
1. Board of Directors—Disclose how the board of directors (the “ Board ”) of MediPharm Labs Corp. (the “ Company ”) facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.	The Board currently consists of a total of seven directors of which Miriam McDonald, Shelley Martin, Marufur Raza and Dr. Paul Tam are considered “independent” as such term is defined in NI 58-101. Christopher Hobbs, Patrick McCutcheon and Keith Strachan not considered independent as they are or were recently executive officers of the Company.
2. Directorships—If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Please refer to the accompanying management information circular dated June 29, 2020 (the “ Circular ”) under the heading “Particulars of Matters to be Acted Upon - Election of Directors”.
3. Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of Company’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.	The independent directors do not hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. However, as part of their regularly scheduled meetings, the Board and Audit Committee typically hold in-camera sessions without management present in order to facilitate open and candid discussion.
4. Disclose whether or not the Chairman of the Board is an independent director. If the Board has a Chairman who is an independent director, disclose the identity of the independent Chairman, and describe his or her role and responsibilities.	Patrick McCutcheon is the Chairman of the Board and is not considered “independent” as such term is defined in NI 58-1 as he is an executive officer of the Company.
5. Disclose the attendance record of each director for all Board meetings held since the beginning of the Company’s most recently completed financial year.	Please refer to the Circular under the heading “Particulars of Matters to be Acted Upon - Election of Directors”.
6. Disclose the text of the Board’s written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.	The directors of the Board have adopted a formal written mandate which provides that the directors of the Board are responsible for the overall stewardship of the Company, establishing the overall policies and standards of the Company and approving its strategic plans. A copy of the Directors’ Mandate can be found as Schedule “C” to the Circular.
Position Descriptions	
7. Disclose whether or not the Board has developed written position descriptions for the Chairman and the Chairman of each Board committee. If the Board has not developed written position descriptions for the Chairman of each Board committee, briefly describe how the Board delineates the role and responsibilities	The directors of the Board have not adopted a formal written mandate for the Chairman of the Board or each Committee.

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
of each such position.	
8. Describe whether or not the Board and CEO have developed a written position description for the CEO. If the Board and the CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the CEO.	The Board has adopted a formal mandate for the CEO which outlines the roles and responsibilities of the CEO, including management of the strategic and operational agenda of the Company and for execution of the directives and policies of the Board.
Orientation and Continuing Education	
9. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.	Each director ultimately assumes responsibility for keeping himself or herself informed about the Company’s business and relevant developments outside the Company that affect its business. Management assists directors by providing them with regular updates on relevant developments and other information that management considers of interest to the Board. Directors may also attend other Board committee meetings if they are not active members, to broaden their knowledge base and receive additional information on the Company’s business and developments in areas where they are not commonly exposed.
Ethical Business Conduct	
10. Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code: (i) disclose how a person or company may obtain a copy of the code, (ii) describe how the Board monitors compliance with its code, or if the Board, and (iii) provide a cross-reference to any material change report filed since the beginning of the Company’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the code.	The Board has adopted a formal Code of Business Conduct (the “Code”) which highlights key issues and identifies policies and resources to help employees, officers and directors of the Company reach appropriate and ethical decisions. The Company’s Chief Financial Officer is responsible for investigating all reported complaints under the Code. A copy of the Code can be obtained by contacting the Company.
11. Describe the steps the Board takes to ensure directors exercise independent judgement in considering transactions and agreement in respect of which a director or executive officer has a material interest, and any other steps the Board takes to encourage and promote a culture of ethical business conduct.	The Board is responsible for promoting an ethical business culture. The Board monitors compliance, including through receipt by the Audit Committee of reports of unethical behaviour. To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Company proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.
Nomination of Directors	
12. Disclose the process by which the Board identifies new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.	The Board is responsible for the identification and assessment of potential directors. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
	the candidate may present.
Compensation	
13. Disclose what steps, if any, are taken to determine compensation for the directors and officers, including: (i) who determines compensation, and (ii) the process of determining compensation.	The process undertaken by the Board and the Compensation Committee in respect of compensation is more fully described in the “Compensation Discussion and Analysis” section of the accompanying Circular.
Other Board Committees	
14. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.	The Board also has a standing Science Committee that is charged with the oversight and development of the scientific aspects of the Company’s business; and strengthening the role of the Board by facilitating discussions between the Board, management and the external scientific community.
Assessments	
15. Disclose whether or not the Board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its committees, and its individual Trustees are performing effectively.	The entire Board will evaluate the effectiveness of the Board, its committees and individual directors on an annual basis. To facilitate this evaluation, each committee will conduct an annual assessment of its performance, consisting of a review of its charter, the performance of the committee as a whole and the performance of the committee Chair.
Director Term Limits and Other Mechanisms of Board Renewal	
16. Disclose whether the Company has adopted term limits for the directors on its Board or other mechanisms for Board renewal and, if so, include a description of those director term limits or other mechanisms of Board renewal. If the Company has not adopted director term limits or other mechanisms of Board renewal, disclose why it has not done so.	The Board has not adopted a term limit for directors. The Board believes that the imposition of term limits on a director implicitly discounts the value of experience and continuity amongst Board members and runs the risk of excluding experienced and potentially valuable Board members as a result of an arbitrary determination. The notional objective of term limits is to encourage board turnover, introduce new perspectives and retain independence. The Company has achieved a satisfactory mix and turnover in directors over its short history, and the Board believes that it can strike the right balance between continuity and fresh perspectives without mandated term limits.
Policies Regarding the Representation of Women on the Board	
17. Disclose whether the Company has adopted a written policy relating to the identification and nomination of women directors. If the Company has not adopted such a policy, disclose why it has not done so. If the Company has adopted a policy, disclose a short summary of its objectives and key provisions, the measures taken to ensure that the policy has been effectively implemented, annual and cumulative progress by the issuer in achieving the objectives of the policy, and whether and, if so, how the Board or its nominating committee measures the effectiveness of the policy.	The Company has not adopted a written policy relating to the identification and nomination of women or minority directors. At this time, the Company has not adopted a target regarding the representation of women on the Board or in executive officer positions. The Company is committed to increasing Board diversity, and recognizes that the Board’s background should represent a variety of backgrounds, experiences and skills.
Consideration of the Representation of Women in the Director Identification and Selection Process	
18. Disclose whether and, if so, how the Board or nominating committee considers the level of	The diversity of the Board (and in particular the representation of women) is one of many factors considered in the selection of candidates as

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”)	Comments
representation of women on the Board in identifying and nominating candidates for election or re-election to the Board. If the Company does not consider the representation of women on the Board in identifying and nominating candidates for election or re-election to the Board, disclose the Company’s reasons for not doing so.	potential directors.
Consideration Given to the Representation of Women in Executive Officer Appointments	
19. Disclose whether and, if so, how the issuer considers the level of representation of women in executive officer positions when making executive officer appointments. If the Company does not consider the level of representation of women in executive officer positions when making executive officer appointments, disclose the Company’s reasons for not doing so.	The diversity of the executive officers (and in particular the representation of women) is one of many factors considered in the selection of candidates as potential executive officers.
20. Disclose whether the Company has adopted a target regarding women on the Board or in executive officer positions. If the Company has not adopted a target, disclose why it has not done so. If the Company has adopted a target, disclose the target, and the annual and cumulative progress of the Company in achieving the target.	The Company has not adopted a target regarding women on the Board or in executive officer positions.
Number of Women on the Board and in Executive Officer Positions	
21. Disclose the number and proportion (in percentage terms) of (i) directors on the Company’s Board, and (ii) executive officers of the Company, who are women.	Currently, two of the seven directors of the Board (28.6%) are woman. Currently, one of five named executive officers of the Company (20.0%) is a woman.



MediPharm Labs

B-1

SCHEDULE "B"
CHANGE OF AUDITOR REPORTING PACKAGE

NOTICE OF CHANGE OF AUDITOR

TO: KPMG LLP
AND TO: Dale Matheson Carr-Hilton LaBonte LLP

CC: Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Office of the Superintendent of Securities, Newfoundland and Labrador
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Prince Edward Island

TAKE NOTICE THAT MediPharm Labs Corp. (the “Corporation”) hereby provides notice pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* (“NI 51-102”) of a change of auditor from Dale Matheson Carr-Hilton LaBonte LLP (“DMCL”) to KPMG LLP (“KPMG”), effective the 27th day of December, 2019.

TAKE FURTHER NOTICE THAT:

1. DMCL has resigned as auditor of the Corporation at the Corporation’s request effective the 27th day of December, 2019 and the Corporation has appointed KPMG in its place;
2. the resignation of DMCL and the appointment of KPMG in its place have been recommended by the audit committee of the board of directors of the Corporation (the “Board”) and approved by the Board;
3. there have been no modified opinions expressed in the auditors’ reports on the financial statements of the Corporation for the relevant period during which DMCL was the Corporation’s auditor; and
4. there are no reportable events, including disagreements, consultations or unresolved issues (as such terms are defined in Section 4.11(1) of NI 51-102).

DATED the 27th day of December, 2019

MEDIPHARM LABS CORP.

By: (signed) “Robert Kwon”
Name: Robert Kwon
Title: Chief Financial Officer



DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

December 30, 2019

**TSX Exchange
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Manitoba Securities Commission
Ontario Securities Commission
Nova Scotia Securities Commission
Financial and Consumer Commission, New Brunswick
Office of the Superintendent of Securities, Newfoundland and Labrador
Office of the Superintendent of Securities, Prince Edward Island**

Dear Sirs:

**Re: MediPharm Labs Corp. (the "Company")
Notice Pursuant to National Instrument 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our resignation as auditor of the Company, we have reviewed the information contained in the Company's Notice of Change of Auditor, dated December 27, 2019 and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of the Company at this time.

Yours very truly,

DALE MATHESON CARR-HILTON LABONTE LLP
CHARTERED PROFESSIONAL ACCOUNTANTS



KPMG LLP
Vaughan Metropolitan Centre
100 New Park Place, Suite 1400
Vaughan, Ontario, L4K 0J3
Telephone (905) 265-5900
Fax (905) 265-6390
www.kpmg.ca

To Ontario Securities Commission
Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
Office of the Superintendent of Securities, Newfoundland and Labrador
Financial and Consumer Services Commission, New Brunswick
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Prince Edward Island

December 30, 2019

Dear Sirs/Mesdames:

Re: Notice of Change of Auditors of MediPharm Labs Corp.

We have read the Notice of MediPharm Labs Corp. dated December 27, 2019 and are in agreement with the statements contained in such Notice.

Yours very truly,

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants



MediPharm Labs

C-1

**SCHEDULE "C"
DIRECTORS' MANDATE**



DIRECTORS' MANDATE

Amended and Restated as of August 11, 2019

**MEDIPHARM LABS CORP.
(the “Corporation”)**

DIRECTORS’ MANDATE

Directors’ Responsibilities

The directors of the Corporation (the “**Directors**”) are responsible for the stewardship of the Corporation. To discharge this obligation, the Directors, directly and through the applicable committees of the Board of Directors (the “**Board**”), should assume responsibility in the following areas:

Strategic Planning Process

- Provide input to management on emerging trends and issues.
- Adopt, review and approve, if appropriate, management’s strategic plans on an annual basis.
- Review and approve the Corporation’s budget, financial objectives, plans and actions, including significant capital allocations and expenditures.

Monitoring Tactical Progress

- Monitor corporate performance against the strategic and business plans, including assessing operating results to evaluate whether the business is being properly managed.
- Analyze and discuss information relating to the Corporation’s achievement of objectives.
- Assess and oversee the nature and scope of monitoring activities and management’s evaluation and remediate deficiencies.

Risk Assessment

- Identify the principal risks of the Corporation’s businesses and ensure that appropriate systems are in place to manage these risks.
- Oversee management’s assessment of risks to the achievement of the Corporation’s objectives, including the potential impact of significant changes, fraud and management override of internal control.

Senior Level Staffing

- Select, monitor and evaluate the Chief Executive Officer and other senior executives, and ensure the adoption of a management succession plan.
- Approve a position description for the Chief Executive Officer, including limits to management’s responsibilities and corporate objectives which the Chief Executive Officer is responsible for meeting, all upon recommendation from the Corporate Governance and Nominating Committee.

- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers.
- Satisfy itself that the Chief Executive Officer and other executive officers create, maintain and foster a culture of integrity throughout the Corporation.
- Engage in succession planning, including appointing, training and monitoring senior management.

Integrity

- Provide oversight to the Chief Executive Officer and other executive officers in the development and performance of control activities.
- Ensure the integrity of the Corporation's internal control and management information systems.
- Ensure ethical behaviour and compliance with applicable laws and regulations, audit and accounting principles, and the Corporation's own governing documents, and accountability to the Board.
- Satisfy itself as to the integrity of the Chief Executive Officer and other executive officers and that the Chief Executive Officer and other executive officers create a culture of integrity throughout the organization.

Material Transactions

- Review and approve material transactions not in the ordinary course of business.
- Review any potential related party transaction or non-arm's length transaction regardless of materiality.

Monitoring Directors' Effectiveness

- Assess their own effectiveness in fulfilling the above and Directors' responsibilities, including monitoring the effectiveness of individual Directors.
- Define, maintain, and periodically evaluate the skills and expertise needed among its members to enable them to ask probing questions of senior management and take commensurate actions.

Disclosure Policy and Code of Business Conduct

- Adopt, monitor and periodically review the effectiveness of a corporate disclosure policy and a code of business conduct.
- Make determinations with respect to waiving compliance with the code of business conduct by Directors and executive officers.
- The Board may delegate responsibility for making determinations with respect to waiving compliance with the code of business conduct to a committee of the Board.

Feedback from Shareholders

- Develop measures for the receipt, by Directors, of feedback from shareholders.

Expectations of Directors

- Directors are expected to attend all meetings.
- The specific dates of Board meetings to approve interim and annual financial results shall be scheduled at the commencement of each fiscal year.
- Additional meetings of the Board shall be called on an as-required basis.
- Directors are expected to review materials to be presented at Board meetings prior to such meetings. Such materials are to be circulated with sufficient advanced notice to allow Board members adequate review time. However, for unscheduled meetings, shorter notice may be necessary.
- “Independent” directors (as defined below) shall meet regularly, as least twice a year, without the non-Independent directors and any senior officers present at the meeting.

Corporate Governance

- Develop the Corporation’s approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Corporation.
- The Board may delegate this responsibility to a committee of the directors, which committee shall have a majority of “Independent” directors (as such term is defined in National Policy 58-201 – Corporate Governance Guidelines and in accordance with the definition of “Independent” as defined under applicable laws and in the rules and regulations of all exchanges on which the securities of the Corporation are listed for trading) and the remaining members of which, if any, shall be “non-management” directors.
- The Board should be comprised of a majority of “Independent” directors, as defined under applicable laws and in the rules and regulations of all exchanges on which the securities of the Corporation are listed for trading.

Other

- Perform such other functions as prescribed by law or assigned to the Directors in the Corporation’s constituting documents, policies and guidelines.
- All functions shall be conducted in accordance with all applicable laws and the rules and regulations of all exchanges on which the securities of the Corporation are listed for trading.
- The Composition of the Board and the committees of the Board shall, at all times, comply with applicable laws and the rules and regulations of all exchanges on which the securities of the Corporation are listed for trading.

Currency of this Mandate

This mandate was last approved by the Board on August 11, 2019.



MediPharm Labs

D-1

SCHEDULE "D"
OMNIBUS EQUITY INCENTIVE PLAN

MEDIPHARM LABS CORP.

OMNIBUS EQUITY INCENTIVE PLAN

June 8, 2020

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OMNIBUS EQUITY INCENTIVE PLAN

ARTICLE 1 PURPOSE

1.1 Purpose

The purpose of this Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified Directors, Employees and Consultants of the Corporation and its subsidiaries, to reward such of those Directors, Employees and Consultants as may be granted Awards under this Plan by the Board from time to time for their contributions toward the long-term goals and success of the Corporation and to enable and encourage such Directors, Employees and Consultants to acquire Shares as long-term investments and proprietary interests in the Corporation.

ARTICLE 2 INTERPRETATION

2.1 Definitions

When used herein, unless the context otherwise requires, the following terms have the indicated meanings, respectively:

“**Affiliate**” means any entity that is an “**affiliate**” for the purposes of National Instrument 45-106 – *Prospectus Exemptions* of the Canadian Securities Administrators, as amended from time to time;

“**Award**” means any Option, Restricted Share Unit, Performance Share Unit or Deferred Share Unit granted under this Plan which may be denominated or settled in Shares, cash or in such other form as provided herein;

“**Award Agreement**” means a signed, written agreement between a Participant and the Corporation, in the form or any one of the forms approved by the Plan Administrator, evidencing the terms and conditions on which an Award has been granted under this Plan and which need not be identical to any other such agreements;

“**Board**” means the board of directors of the Corporation as it may be constituted from time to time;

“**Business Day**” means a day, other than a Saturday or Sunday, on which the principal commercial banks in the City of Toronto and Moncton are open for commercial business during normal banking hours;

“**California Award**” means an Award granted to a California Participant;

“**California Option**” means an Option granted to a California Participant;

“**California Participant**” means a Participant that is resident in the State of California, United States;

“**Canadian Taxpayer**” means a Participant that is resident of Canada for purposes of the *Tax Act*;

“**Cash Fees**” has the meaning set forth in Subsection 7.1(a);

“**Cashless Exercise**” has the meaning set forth in Subsection 4.5(b);

“**Cause**” means, with respect to a particular Participant:

- (a) “cause”(or any similar term) as such term is defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Employee;
- (b) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation or “cause” (or any similar term) is not defined in such agreement, “cause” as such term is defined in the Award Agreement; or
- (c) in the event neither (a) nor (b) apply, then “cause” as such term is defined by applicable law or, if not so defined, such term shall refer to circumstances where (i) an employer may terminate an individual’s employment without notice or pay in lieu thereof or other damages, or (ii) the Corporation or any subsidiary thereof may terminate the Participant’s contract without notice or without pay in lieu thereof or other termination fee or damages;

“**Change in Control**” means the occurrence of any one or more of the following events:

- (a) any transaction at any time and by whatever means pursuant to which any Person or any group of two (2) or more Persons acting jointly or in concert hereafter acquires the direct or indirect “**beneficial ownership**” (as defined in the *Securities Act* (Ontario)) of, or acquires the right to exercise Control or direction over, securities of the Corporation representing more than 50% of the then issued and outstanding voting securities of the Corporation, including, without limitation, as a result of a take-over bid, an exchange of securities, an amalgamation of the Corporation with any other entity, an arrangement, a capital reorganization or any other business combination or reorganization;
- (b) the sale, assignment or other transfer of all or substantially all of the consolidated assets of the Corporation to a Person other than a subsidiary of the Corporation;
- (c) the dissolution or liquidation of the Corporation, other than in connection with the distribution of assets of the Corporation to one (1) or more Persons which were Affiliates of the Corporation prior to such event;

- (d) the occurrence of a transaction requiring approval of the Corporation's shareholders whereby the Corporation is acquired through consolidation, merger, exchange of securities, purchase of assets, amalgamation, statutory arrangement or otherwise by any other Person (other than a short form amalgamation or exchange of securities with a subsidiary of the Corporation);
- (e) individuals who comprise the Board as of the date hereof (the "**Incumbent Board**") for any reason cease to constitute at least a majority of the members of the Board, unless the election, or nomination for election by the Corporation's shareholders, of any new director was approved by a vote of at least a majority of the Incumbent Board, and in that case such new director shall be considered as a member of the Incumbent Board; or
- (f) any other event which the Board determines to constitute a change in control of the Corporation;

provided that, notwithstanding clause (a), (b), (c) and (d) above, a Change in Control shall be deemed not to have occurred if immediately following the transaction set forth in clause (a), (b), (c) or (d) above: (A) the holders of securities of the Corporation that immediately prior to the consummation of such transaction represented more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors of the Corporation hold (x) securities of the entity resulting from such transaction (including, for greater certainty, the Person succeeding to assets of the Corporation in a transaction contemplated in clause (b) above) (the "**Surviving Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees ("**voting power**") of the Surviving Entity, or (y) if applicable, securities of the entity that directly or indirectly has beneficial ownership of 100% of the securities eligible to elect directors or trustees of the Surviving Entity (the "**Parent Entity**") that represent more than 50% of the combined voting power of the then outstanding securities eligible to vote for the election of directors or trustees of the Parent Entity, and (B) no Person or group of two or more Persons, acting jointly or in concert, is the beneficial owner, directly or indirectly, of more than 50% of the voting power of the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) (any such transaction which satisfies all of the criteria specified in clauses (A) and (B) above being referred to as a "**Non-Qualifying Transaction**" and, following the Non-Qualifying Transaction, references in this definition of "**Change in Control**" to the "**Corporation**" shall mean and refer to the Parent Entity (or, if there is no Parent Entity, the Surviving Entity) and, if such entity is a company or a trust, references to the "**Board**" shall mean and refer to the board of directors or trustees, as applicable, of such entity).

Notwithstanding the foregoing, for purposes of any Award that constitutes "deferred compensation" (within the meaning of Section 409A of the Code), the payment of which is triggered by or would be accelerated upon a Change in Control, a transaction will not be deemed a Change in Control for Awards granted to any Participant who is a U.S. Taxpayer unless the transaction qualifies as "a change in control event" within the meaning of Section 409A of the Code.

“**Code**” means the United States Internal Revenue Code of 1986, as amended from time to time. Any reference to a section of the Code shall be deemed to include a reference to any regulations promulgated thereunder;

“**Committee**” has the meaning set forth in Section 3.2;

“**Consultant**” means any individual or entity engaged by the Corporation or any subsidiary of the Corporation to render consulting or advisory services (including as a director or officer of any subsidiary of the Corporation), other than as an Employee or Director, and whether or not compensated for such services; provided, however, that at the time any Consultant receives any offer of Award or executes any Award Agreement, such Consultant must be a natural person, and must agree to provide bona fide services to that Corporation that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation’s securities;

“**Control**” means the relationship whereby a Person is considered to be “controlled” by a Person if:

- (a) when applied to the relationship between a Person and a corporation, the beneficial ownership by that Person, directly or indirectly, of voting securities or other interests in such corporation entitling the holder to exercise control and direction in fact over the activities of such corporation;
- (b) when applied to the relationship between a Person and a partnership, limited partnership, trust or joint venture, means the contractual right to direct the affairs of the partnership, limited partnership, trust or joint venture; and
- (c) when applied in relation to a trust, the beneficial ownership at the relevant time of more than 50% of the property settled under the trust, and

the words “**Controlled by**”, “**Controlling**” and similar words have corresponding meanings; provided that a Person who controls a corporation, partnership, limited partnership or joint venture will be deemed to Control a corporation, partnership, limited partnership, trust or joint venture which is Controlled by such Person and so on;

“**Corporation**” means MediPharm Labs Corp., or any successor entity thereof;

“**Date of Grant**” means, for any Award, the date specified by the Plan Administrator at the time it grants the Award or if no such date is specified, the date upon which the Award was granted;

“**Deferred Share Unit**” or “**DSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 7;

“**Director**” means a director of the Corporation who is not an Employee;

“**Director Fees**” means the total compensation (including annual retainer and meeting fees, if any) paid by the Corporation to a Director in a calendar year for service on the Board;

“Disabled” or **“Disability”** means, with respect to a particular Participant:

- (a) “disabled” or “disability” (or any similar terms) as such terms are defined in the employment or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant;
- (b) in the event there is no written or other applicable employment or other agreement between the Corporation or a subsidiary of the Corporation, or “disabled” or “disability” (or any similar terms) are not defined in such agreement, “disabled” or “disability” as such term are defined in the Award Agreement; or
- (c) in the event neither (a) or (b) apply, then the incapacity or inability of the Participant, by reason of mental or physical incapacity, disability, illness or disease (as determined by a legally qualified medical practitioner or by a court) that prevents the Participant from carrying out his or her normal and essential duties as an Employee, Director or Consultant for a continuous period of six months or for any cumulative period of 180 days in any consecutive twelve month period, the foregoing subject to and as determined in accordance with procedures established by the Plan Administrator for purposes of this Plan;

“Effective Date” means the effective date of this Plan, being June 8, 2020, subject to the approval of the shareholders of the Corporation;

“Elected Amount” has the meaning set forth in Subsection 7.1(a);

“Electing Person” means a Participant who is, on the applicable Election Date, a Director;

“Election Date” means the date on which the Electing Person files an Election Notice in accordance with Subsection 7.1(b);

“Election Notice” has the meaning set forth in Subsection 7.1(b);

“Employee” means an individual who:

- (a) is considered an employee of the Corporation or a subsidiary of the Corporation for purposes of source deductions under applicable tax or social welfare legislation; or
- (b) works full-time or part-time on a regular weekly basis for the Corporation or a subsidiary of the Corporation providing services normally provided by an employee and who is subject to the same control and direction by the Corporation or a subsidiary of the Corporation over the details and methods of work as an employee of the Corporation or such subsidiary.

“Exchange” means (a) the Toronto Stock Exchange, or (b) the primary exchange on which the Shares are then listed, as determined from by the Plan Administrator, if (i) the Toronto Stock Exchange is no longer the Corporation’s primary exchange, or (ii) the Shares are not listed on the Toronto Stock Exchange;

“**Exercise Notice**” means a notice in writing, signed by a Participant and stating the Participant’s intention to exercise a particular Option;

“**Exercise Price**” means the price at which an Option Share may be purchased pursuant to the exercise of an Option;

“**Expiry Date**” means the expiry date specified in the Award Agreement (which shall not be later than the tenth anniversary of the Date of Grant) or, if not so specified, means the tenth anniversary of the Date of Grant;

“**In the Money Amount**” has the meaning given to it in Subsection 4.5(b);

“**Insider**” means an “insider” as defined in the rules of the Exchange from time to time;

“**Market Price**” at any date in respect of the Shares shall be the volume weighted average trading price of Shares on the Exchange for the five trading days immediately preceding the Date of Grant; provided that, for so long as the Shares are listed and posted for trading on the Exchange, the Market Price shall not be less than the market price, as calculated under the policies of the Exchange; and provided, further, that with respect to an Award made to a U.S. Taxpayer such Participant, the class of Shares and the number of Shares subject to such Award shall be identified by the Board or the Committee prior to the start of the applicable five trading day period. In the event that such Shares are not listed and posted for trading on any Exchange, the Market Price shall be the fair market value of such Shares as determined by the Board in its sole discretion and, with respect to an Award made to a U.S. Taxpayer, in accordance with Section 409A of the Code;

“**Option**” means a right to purchase Shares under Article 4 of this Plan that is non-assignable and non-transferable, unless otherwise approved by the Plan Administrator;

“**Option Shares**” means Shares issuable by the Corporation upon the exercise of outstanding Options;

“**Participant**” means a Director, Employee or Consultant to whom an Award has been granted under this Plan;

“**Performance Goals**” means performance goals expressed in terms of attaining a specified level of the particular criteria or the attainment of a percentage increase or decrease in the particular criteria, and may be applied to one or more of the Corporation, a subsidiary of the Corporation, a division of the Corporation or a subsidiary of the Corporation, or an individual, or may be applied to the performance of the Corporation or a subsidiary of the Corporation relative to a market index, a group of other companies or a combination thereof, or on any other basis, all as determined by the Plan Administrator in its discretion;

“**Performance Share Unit**” or “**PSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 6;

“**Person**” means an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;

“**Plan**” means this Omnibus Equity Incentive Plan, as may be amended from time to time;

“**Plan Administrator**” means the Board, or if the administration of this Plan has been delegated by the Board to the Committee pursuant to Section 3.2, the Committee;

“**PSU Service Year**” has the meaning given to it in Section 6.1;

“**Restricted Share Unit**” or “**RSU**” means a unit equivalent in value to a Share, credited by means of a bookkeeping entry in the books of the Corporation in accordance with Article 5;

“**Retirement**” means, unless otherwise defined in the Participant’s written or other applicable employment agreement or in the Award Agreement, the termination of the Participant’s working career at the age of 67 or such other retirement age, with consent of the Plan Administrator, if applicable, other than on account of the Participant’s termination of service by the Corporation or its subsidiary for Cause and provided that for U.S. Taxpayers such Retirement also constitutes a Separation from Service within the meaning of Section 409A of the Code;

“**RSU Service Year**” has the meaning given to it in Section 5.1.

“**Section 409A of the Code**” or “**Section 409A**” means Section 409A of the Code and all regulations, guidance, compliance programs, and other interpretive authority issued thereunder;

“**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that govern or are applicable to the Corporation or to which it is subject;

“**Security Based Compensation Arrangement**” means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, officers, Employees and/or service providers of the Corporation or any subsidiary of the Corporation, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise;

“**Separation from Service**” means a separation from service within the meaning of Section 409A of the Code;

“**Share**” means one (1) common share in the capital of the Corporation as constituted on the Effective Date or any share or shares issued in replacement of such common share in compliance with Canadian law or other applicable law, and/or one share of any additional class of common shares in the capital of the Corporation as may exist from time to time, or after an adjustment contemplated by Article 10, such other shares or securities to which the holder of an Award may be entitled as a result of such adjustment;

“**subsidiary**” means an issuer that is Controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary, or any other entity in which the Corporation has an equity interest and is designated by the Plan Administrator, from time to time, for purposes of this Plan to be a subsidiary;

“**Tax Act**” has the meaning set forth in Section 4.5(d);

“**Termination Date**” means, subject to applicable law which cannot be waived:

- (a) in the case of an Employee whose employment with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Employee and the Corporation or a subsidiary of the Corporation as the “Termination Date” (or similar term) in a written employment or other agreement between the Employee and Corporation or a subsidiary of the Corporation, or (ii) if no such written employment or other agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Employee ceases to be an employee of the Corporation or the subsidiary of the Corporation, as the case may be, provided that, in the case of termination of employment by voluntary resignation by the Participant, such date shall not be earlier than the date notice of resignation was given; and in any event, the “Termination Date” shall be determined without including any period of reasonable notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, severance pay or other damages paid or payable to the Participant;
- (b) in the case of a Consultant whose agreement or arrangement with the Corporation or a subsidiary of the Corporation terminates, (i) the date designated by the Corporation or the subsidiary of the Corporation, as the “Termination Date” (or similar term) or expiry date in a written agreement between the Consultant and Corporation or a subsidiary of the Corporation, or (ii) if no such written agreement exists, the date designated by the Corporation or a subsidiary of the Corporation, as the case may be, on which the Consultant ceases to be a Consultant or a service provider to the Corporation or the subsidiary of the Corporation, as the case may be, or on which the Participant’s agreement or arrangement is terminated, provided that in the case of voluntary termination by the Participant of the Participant’s consulting agreement or other written arrangement, such date shall not be earlier than the date notice of voluntary termination was given; in any event, the “Termination Date” shall be determined without including any period of notice that the Corporation or the subsidiary of the Corporation (as the case may be) may be required by law to provide to the Participant or any pay in lieu of notice of termination, termination fees or other damages paid or payable to the Participant; and
- (c) in the case of a Director, the date such individual ceases to be a Director, in each case, unless the individual continues to be a Participant in another capacity.

Notwithstanding the foregoing, in the case of a U.S. Taxpayer, a Participant's "Termination Date" will be the date the Participant experiences a Separation from Service;

"U.S." or "**United States**" means the United States of America, its territories and possessions, any State of the United States, and the District of Columbia;

"**U.S. Person**" shall mean a "**U.S. person**" as such term is defined in Rule 902(k) of Regulation S under the U.S. Securities Act (the definition of which includes, but is not limited to, (i) any natural person resident in the United States, (ii) any partnership or corporation organized or incorporated under the laws of the United States, (iii) any partnership or corporation organized outside of the United States by a U.S. Person principally for the purpose of investing in securities not registered under the U.S. Securities Act, unless it is organized, or incorporated, and owned, by accredited investors who are not natural persons, estates or trusts, and (iv) any estate or trust of which any executor or administrator or trustee is a U.S. Person);

"**U.S. Securities Act**" means the United States Securities Act of 1933, as amended;

"**U.S. Taxpayer**" shall mean a Participant who, with respect to an Award, is subject to taxation under applicable U.S. tax laws.

2.2 Interpretation

- (a) Whenever the Plan Administrator exercises discretion in the administration of this Plan, the term "discretion" means the sole and absolute discretion of the Plan Administrator.
- (b) As used herein, the terms "Article", "Section", "Subsection" and "clause" mean and refer to the specified Article, Section, Subsection and clause of this Plan, respectively.
- (c) Words importing the singular include the plural and vice versa and words importing any gender include any other gender.
- (d) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period begins, including the day on which the period ends, and abridging the period to the immediately preceding Business Day in the event that the last day of the period is not a Business Day. In the event an action is required to be taken or a payment is required to be made on a day which is not a Business Day such action shall be taken or such payment shall be made by the immediately preceding Business Day.
- (e) Unless otherwise specified, all references to money amounts are to Canadian currency.
- (f) The headings used herein are for convenience only and are not to affect the interpretation of this Plan.

ARTICLE 3 ADMINISTRATION

3.1 Administration

This Plan will be administered by the Plan Administrator and the Plan Administrator has sole and complete authority, in its discretion, to:

- (a) determine the individuals to whom grants under the Plan may be made;
- (b) make grants of Awards under the Plan relating to the issuance of Shares (including any combination of Options, Restricted Share Units, Performance Share Units or Deferred Share Units) in such amounts, to such Persons and, subject to the provisions of this Plan, on such terms and conditions as it determines including without limitation:
 - (i) the time or times at which Awards may be granted;
 - (ii) the conditions under which:
 - (A) Awards may be granted to Participants; or
 - (B) Awards may be forfeited to the Corporation, including any conditions relating to the attainment of specified Performance Goals;
 - (iii) the number of Shares to be covered by any Award;
 - (iv) the price, if any, to be paid by a Participant in connection with the purchase of Shares covered by any Awards;
 - (v) whether restrictions or limitations are to be imposed on the Shares issuable pursuant to grants of any Award, and the nature of such restrictions or limitations, if any; and
 - (vi) any acceleration of exercisability or vesting, or waiver of termination regarding any Award, based on such factors as the Plan Administrator may determine;
- (c) establish the form or forms of Award Agreements;
- (d) cancel, amend, adjust or otherwise change any Award under such circumstances as the Plan Administrator may consider appropriate in accordance with the provisions of this Plan;
- (e) construe and interpret this Plan and all Award Agreements;
- (f) adopt, amend, prescribe and rescind administrative guidelines and other rules and regulations relating to this Plan, including rules and regulations relating to sub-

plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws; and

- (g) make all other determinations and take all other actions necessary or advisable for the implementation and administration of this Plan.

3.2 Delegation to Committee

- (a) The initial Plan Administrator shall be the Board.
- (b) To the extent permitted by applicable law, the Board may, from time to time, delegate to a committee of the Board (the “**Committee**”) all or any of the powers conferred on the Plan Administrator pursuant to this Plan, including the power to sub-delegate to any member(s) of the Committee or any specified officer(s) of the Corporation or its subsidiaries all or any of the powers delegated by the Board. In such event, the Committee or any sub-delegate will exercise the powers delegated to it in the manner and on the terms authorized by the delegating party. Any decision made or action taken by the Committee or any sub-delegate arising out of or in connection with the administration or interpretation of this Plan in this context is final and conclusive and binding on the Corporation and all subsidiaries of the Corporation, all Participants and all other Persons.

3.3 Determinations Binding

Any decision made or action taken by the Board, the Committee or any sub-delegate to whom authority has been delegated pursuant to Section 3.2 arising out of or in connection with the administration or interpretation of this Plan is final, conclusive and binding on the Corporation, the affected Participant(s), their legal and personal representatives and all other Persons.

3.4 Eligibility

All Directors, Employees and Consultants are eligible to participate in the Plan, subject to Section 9.1(f). Participation in the Plan is voluntary and eligibility to participate does not confer upon any Director, Employee or Consultant any right to receive any grant of an Award pursuant to the Plan. The extent to which any Director, Employee or Consultant is entitled to receive a grant of an Award pursuant to the Plan will be determined in the sole and absolute discretion of the Plan Administrator.

3.5 Plan Administrator Requirements

Any Award granted under this Plan shall be subject to the requirement that, if at any time the Plan Administrator shall determine that the listing, registration or qualification of the Shares issuable pursuant to such Award upon any securities exchange or under any Securities Laws of any jurisdiction, or the consent or approval of the Exchange and any securities commissions or similar securities regulatory bodies having jurisdiction over the Corporation is necessary as a condition of, or in connection with, the grant or exercise of such Award or the issuance or purchase of Shares thereunder, such Award may not be accepted or exercised, as applicable, in whole or in part unless such listing, registration, qualification, consent or approval shall have

been effected or obtained on conditions acceptable to the Plan Administrator. Without limiting the generality of the foregoing, all Awards shall be issued pursuant to the registration requirements of the U.S. Securities Act, or pursuant an exemption or exclusion from such registration requirements. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval. Participants shall, to the extent applicable, cooperate with the Corporation in complying with such legislation, rules, regulations and policies.

3.6 Total Shares Subject to Awards

- (a) Subject to adjustment as provided for in Article 10 and any subsequent amendment to this Plan, the aggregate number of Shares reserved for issuance pursuant to Awards granted under this Plan shall not exceed 10% of the Corporation's total issued and outstanding Shares from time to time. This Plan is considered an "evergreen" plan, since the shares covered by Awards which have been settled, exercised or terminated shall be available for subsequent grants under the Plan and the number of Awards available to grant increases as the number of issued and outstanding Shares increases.
- (b) To the extent any Awards (or portion(s) thereof) under this Plan terminate or are cancelled for any reason prior to exercise in full, or are surrendered or settled by the Participant, any Shares subject to such Awards (or portion(s) thereof) shall be added back to the number of Shares reserved for issuance under this Plan and will again become available for issuance pursuant to the exercise of Awards granted under this Plan.
- (c) Any Shares issued by the Corporation through the assumption or substitution of outstanding stock options or other equity-based awards from an acquired company shall not reduce the number of Shares available for issuance pursuant to the exercise of Awards granted under this Plan.

3.7 Limits on Grants of Awards

Notwithstanding anything in this Plan:

- (a) the aggregate number of Shares:
 - (i) issuable to Insiders at any time, under all of the Corporation's Security-Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares; and
 - (ii) issued to Insiders within any one (1) year period, under all of the Corporation's Security Based Compensation Arrangements, shall not exceed ten percent (10%) of the Corporation's issued and outstanding Shares,

provided that the acquisition of Shares by the Corporation for cancellation shall be disregarded for the purposes of determining non-compliance with this Section

3.7 for any Awards outstanding prior to such purchase of Shares for cancellation; and

- (b) (i) the Plan Administrator shall not make grants of Awards to Directors if, after giving effect to such grants of Awards, the aggregate number of Shares issuable to Directors, at the time of such grant, under all of the Corporation's Security Based Compensation Arrangements would exceed 1% of the issued and outstanding Shares on a non-diluted basis, and (ii) within any one financial year of the Corporation, (A) the aggregate fair value on the Date of Grant of all Options granted to any one Director shall not exceed \$100,000, and (B) the aggregate fair market value on the Date of Grant of all Awards (including, for greater certainty, the fair market value of the Options) granted to any one Director under all of the Corporation's Security Based Compensation Arrangements shall not exceed \$150,000; provided that such limits shall not apply to (i) Awards taken in lieu of any cash retainer or meeting director fees, and (ii) a one-time initial grant to a Director upon such Director joining the Board.

3.8 Award Agreements

Each Award under this Plan will be evidenced by an Award Agreement. Each Award Agreement will be subject to the applicable provisions of this Plan and will contain such provisions as are required by this Plan and any other provisions that the Plan Administrator may direct. Any one officer of the Corporation is authorized and empowered to execute and deliver, for and on behalf of the Corporation, an Award Agreement to a Participant granted an Award pursuant to this Plan.

3.9 Non-transferability of Awards

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee and immediately upon any assignment or transfer, or any attempt to make the same, such Awards will terminate and be of no further force or effect. To the extent that certain rights to exercise any portion of an outstanding Award pass to a beneficiary or legal representative upon death of a Participant, the period in which such Award can be exercised by such beneficiary or legal representative shall not exceed one year from the Participant's death.

ARTICLE 4 OPTIONS

4.1 Granting of Options

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant Options to any Participant. The terms and conditions of each Option grant shall be evidenced by an Award Agreement.

4.2 Exercise Price

The Plan Administrator will establish the Exercise Price at the time each Option is granted, which Exercise Price must in all cases be not less than the Market Price on the Date of Grant.

4.3 Term of Options

Subject to any accelerated termination as set forth in this Plan, each Option expires on its Expiry Date.

4.4 Vesting and Exercisability

- (a) The Plan Administrator shall have the authority to determine the vesting terms applicable to grants of Options.
- (b) Once an Option becomes vested, it shall remain vested and shall be exercisable until expiration or termination of the Option, unless otherwise specified by the Plan Administrator, or as may be otherwise set forth in any written employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant. Each vested Option may be exercised at any time or from time to time, in whole or in part, for up to the total number of Option Shares with respect to which it is then exercisable. The Plan Administrator has the right to accelerate the date upon which any Option becomes exercisable.
- (c) Subject to the provisions of this Plan and any Award Agreement, Options shall be exercised by means of a fully completed Exercise Notice delivered to the Corporation.
- (d) The Plan Administrator may provide at the time of granting an Option that the exercise of that Option is subject to restrictions, in addition to those specified in this Section 4.4, such as vesting conditions relating to the attainment of specified Performance Goals.

4.5 Payment of Exercise Price

- (a) Unless otherwise specified by the Plan Administrator at the time of granting an Option and set forth in the particular Award Agreement, the Exercise Notice must be accompanied by payment of the Exercise Price. The Exercise Price must be fully paid by certified cheque, wire transfer, bank draft or money order payable to the Corporation or by such other means as might be specified from time to time by the Plan Administrator, which may include (i) through an arrangement with a broker approved by the Corporation (or through an arrangement directly with the Corporation) whereby payment of the Exercise Price is accomplished with the proceeds of the sale of Shares deliverable upon the exercise of the Option, (ii) through the cashless exercise process set out in Section 4.5(b), or (iii) such other consideration and method of payment for the issuance of Shares to the extent

permitted by Securities Laws, or any combination of the foregoing methods of payment.

- (b) Unless otherwise specified by the Plan Administrator and set forth in the particular Award Agreement, if permitted by the Plan Administrator, a Participant may, in lieu of exercising an Option pursuant to an Exercise Notice, elect to surrender such Option to the Corporation (a “**Cashless Exercise**”) in consideration for an amount from the Corporation equal to (i) the Market Price of the Shares issuable on the exercise of such Option (or portion thereof) as of the date such Option (or portion thereof) is exercised, less (ii) the aggregate Exercise Price of the Option (or portion thereof) surrendered relating to such Shares (the “**In-the-Money Amount**”), by written notice to the Corporation indicating the number of Options such Participant wishes to exercise using the Cashless Exercise, and such other information that the Corporation may require. Subject to Section 8.3, the Corporation shall satisfy payment of the In-the-Money Amount by delivering to the Participant such number of Shares (rounded down to the nearest whole number) having a fair market value equal to the In-the-Money Amount.
- (c) No Shares will be issued or transferred until full payment therefor has been received by the Corporation, or arrangements for such payment have been made to the satisfaction of the Plan Administrator.
- (d) If a Participant surrenders Options through a Cashless Exercise pursuant to Section 4.5(b), to the extent that such Participant would be entitled to a deduction under paragraph 110(1)(d) of the *Income Tax Act* (Canada) (the “**Tax Act**”) in respect of such surrender if the election described in subsection 110(1.1) of the Tax Act were made and filed (and the other procedures described therein were undertaken) on a timely basis after such surrender, the Corporation will cause such election to be so made and filed (and such other procedures to be so undertaken).

ARTICLE 5 RESTRICTED SHARE UNITS

5.1 Granting of RSUs

- (a) The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant RSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**RSU Service Year**”). The terms and conditions of each RSU grant may be evidenced by an Award Agreement. Each RSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 5.4(a)), upon the settlement of such RSU.

- (b) The number of RSUs (including fractional RSUs) granted at any particular time pursuant to this Article 5 will be calculated by dividing (i) the amount of any bonus or similar payment that is to be paid in RSUs, as determined by the Plan Administrator, by (ii) the greater of (A) the Market Price of a Share on the Date of Grant; and (B) such amount as determined by the Plan Administrator in its sole discretion.

5.2 RSU Account

All RSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

5.3 Vesting of RSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of RSUs, provided that the terms comply with Section 409A, with respect to a U.S. Taxpayer.

5.4 Settlement of RSUs

- (a) The Plan Administrator shall have the sole authority to determine the settlement terms applicable to the grant of RSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any RSU, the Participant shall redeem each vested RSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.
- (b) Any cash payments made under this Section 5.4 by the Corporation to a Participant in respect of RSUs to be redeemed for cash shall be calculated by multiplying the number of RSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested RSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but, in the case of a U.S. Taxpayer, subject to Section 11.6(d) below and except, in the case of a U.S. Taxpayer, as otherwise provided in an Award Agreement, no settlement date for any RSU shall

occur, and no Share shall be issued or cash payment shall be made in respect of any RSU, under this Section 5.4 any later than the final Business Day of the third calendar year following the applicable RSU Service Year.

ARTICLE 6 PERFORMANCE SHARE UNITS

6.1 Granting of PSUs

The Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant PSUs to any Participant in respect of a bonus or similar payment in respect of services rendered by the applicable Participant in a taxation year (the “**PSU Service Year**”). The terms and conditions of each PSU grant shall be evidenced by an Award Agreement, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Each PSU will consist of a right to receive a Share, cash payment, or a combination thereof (as provided in Section 6.6(a)), upon the achievement of such Performance Goals during such performance periods as the Plan Administrator shall establish.

6.2 Terms of PSUs

The Performance Goals to be achieved during any performance period, the length of any performance period, the amount of any PSUs granted, the effect of termination of a Participant’s service and the amount of any payment or transfer to be made pursuant to any PSU will be determined by the Plan Administrator and by the other terms and conditions of any PSU, all as set forth in the applicable Award Agreement.

6.3 Performance Goals

The Plan Administrator will issue Performance Goals prior to the Date of Grant to which such Performance Goals pertain. The Performance Goals may be based upon the achievement of corporate, divisional or individual goals, and may be applied to performance relative to an index or comparator group, or on any other basis determined by the Plan Administrator. Following the Date of Grant, the Plan Administrator may modify the Performance Goals as necessary to align them with the Corporation’s corporate objectives, subject to any limitations set forth in an Award Agreement or an employment or other agreement with a Participant. The Performance Goals may include a threshold level of performance below which no payment will be made (or no vesting will occur), levels of performance at which specified payments will be made (or specified vesting will occur), and a maximum level of performance above which no additional payment will be made (or at which full vesting will occur), all as set forth in the applicable Award Agreement.

6.4 PSU Account

All PSUs received by a Participant shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant.

6.5 Vesting of PSUs

The Plan Administrator shall have the authority to determine any vesting terms applicable to the grant of PSUs, provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable.

6.6 Settlement of PSUs

- (a) The Plan Administrator shall have the authority to determine the settlement terms applicable to the grant of PSUs provided that with respect to a U.S. Taxpayer the terms comply with Section 409A to the extent it is applicable. Subject to Section 11.6(d) below and except as otherwise provided in an Award Agreement, on the settlement date for any PSU, the Participant shall redeem each vested PSU for the following at the election of the Participant but subject to the approval of the Plan Administrator:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct,
 - (ii) a cash payment, or
 - (iii) a combination of Shares and cash as contemplated by paragraphs (i) and (ii) above.
- (b) Any cash payments made under this Section 6.6 by the Corporation to a Participant in respect of PSUs to be redeemed for cash shall be calculated by multiplying the number of PSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested PSUs may be made through the Corporation's payroll in the pay period that the settlement date falls within.
- (d) Notwithstanding any other terms of this Plan but, in the case of a U.S. Taxpayer, subject to Section 11.6(d) below and except, in the case of a U.S. Taxpayer, as otherwise provided in an Award Agreement, no settlement date for any PSU shall occur, and no Share shall be issued or cash payment shall be made in respect of any PSU, under this Section 6.6 any later than the final Business Day of the third calendar year following the applicable PSU Service Year.

ARTICLE 7 DEFERRED SHARE UNITS

7.1 Granting of DSUs

- (a) The Board may fix from time to time a portion of the Director Fees that is to be payable in the form of DSUs. In addition, each Electing Person is given, subject to the conditions stated herein, the right to elect in accordance with Section 7.1(b)

to participate in the grant of additional DSUs pursuant to this Article 7. An Electing Person who elects to participate in the grant of additional DSUs pursuant to this Article 7 shall receive their Elected Amount (as that term is defined below) in the form of DSUs. The “**Elected Amount**” shall be an amount, as elected by the Director, in accordance with applicable tax law, between 0% and 100% of any Director Fees that would otherwise be paid in cash (the “**Cash Fees**”).

- (b) Each Electing Person who elects to receive their Elected Amount in the form of DSUs will be required to file a notice of election in the form of Schedule A hereto (the “**Election Notice**”) with the Chief Financial Officer of the Corporation: (i) in the case of an existing Electing Person, by December 31st in the year prior to the year to which such election is to apply (other than for Director Fees payable for the 2020 financial year, in which case any Electing Person who is not a U.S. Taxpayer as of the date of this Plan shall file the Election Notice by the date that is 30 days from the Effective Date with respect to compensation paid for services to be performed after such date); and (ii) in the case of a newly appointed Electing Person who is not a U.S. Taxpayer, within 30 days of such appointment with respect to compensation paid for services to be performed after such date. In the case of the first year in which an Electing Person who is a U.S. Taxpayer first becomes an Electing Person under the Plan (or any plan required to be aggregated with the Plan under Section 409A), an initial Election Notice may be filed within 30 days of such appointment only with respect to compensation paid for services to be performed after the end of the 30-day election period. If no election is made within the foregoing time frames, the Electing Person shall be deemed to have elected to be paid the entire amount of his or her Cash Fees in cash.
- (c) Subject to Subsection 7.1(d), the election of an Electing Person under Subsection 7.1(b) shall be deemed to apply to all Cash Fees paid subsequent to the filing of the Election Notice. In the case of an Electing Person who is a U.S. Taxpayer, his or her election under Section 7.1(b) shall be deemed to apply to all Cash Fees that are earned after the Election Date. An Electing Person is not required to file another Election Notice for subsequent calendar years
- (d) Each Electing Person who is not a U.S. Taxpayer is entitled once per calendar year to terminate his or her election to receive DSUs by filing with the Chief Financial Officer of the Corporation a termination notice in the form of Schedule B. Such termination shall be effective immediately upon receipt of such notice, provided that the Corporation has not imposed a “black-out” on trading. Thereafter, any portion of such Electing Person’s Cash Fees payable or paid in the same calendar year and, subject to complying with Subsection 7.1(b), all subsequent calendar years shall be paid in cash. For greater certainty, to the extent an Electing Person terminates his or her participation in the grant of DSUs pursuant to this Article 7, he or she shall not be entitled to elect to receive the Elected Amount, or any other amount of his or her Cash Fees in DSUs again until the calendar year following the year in which the termination notice is delivered. An election by a U.S. Taxpayer to receive the Elected Amount in DSUs for any calendar year (or portion thereof) is irrevocable for that calendar year after the

expiration of the election period for that year and any termination of the election will not take effect until the first day of the calendar year following the calendar year in which the termination notice in the form of Schedule C is delivered.

- (e) Any DSUs granted pursuant to this Article 7 prior to the delivery of a termination notice pursuant to Section 7.1(d) shall remain in the Plan following such termination and will be redeemable only in accordance with the terms of the Plan.
- (f) The number of DSUs (including fractional DSUs) granted at any particular time pursuant to this Article 7 will be calculated by dividing (i) the amount of Director Fees that are to be paid as DSUs, as determined by the Plan Administrator or Director Fees that are to be paid in DSUs (including any Elected Amount), by (ii) the Market Price of a Share on the Date of Grant.
- (g) In addition to the foregoing, the Plan Administrator may, from time to time, subject to the provisions of this Plan and such other terms and conditions as the Plan Administrator may prescribe, grant DSUs to any Participant.

7.2 DSU Account

All DSUs received by a Participant (which, for greater certainty includes Electing Persons) shall be credited to an account maintained for the Participant on the books of the Corporation, as of the Date of Grant. The terms and conditions of each DSU grant shall be evidenced by an Award Agreement.

7.3 Vesting of DSUs

Except as otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, DSUs shall vest immediately upon grant.

7.4 Settlement of DSUs

- (a) DSUs shall be settled on the date established in the Award Agreement; provided, however that if there is no Award Agreement or the Award Agreement does not establish a date for the settlement of the DSUs, then, for a Participant who is not a U.S. Taxpayer the settlement date shall be the date determined by the Participant (which date shall not be earlier than the Termination Date), and for a Participant who is a U.S. taxpayer, the settlement date shall be the date determined by the Participant in accordance with the Election Notice (which date shall not be earlier than the “**separation from service**” (within the meaning of Section 409A)). On the settlement date for any DSU, the Participant shall redeem each vested DSU for:
 - (i) one fully paid and non-assessable Share issued from treasury to the Participant or as the Participant may direct; or
 - (ii) at the election of the Participant and subject to the approval of the Plan Administrator, a cash payment.

- (b) Any cash payments made under this Section 7.4 by the Corporation to a Participant in respect of DSUs to be redeemed for cash shall be calculated by multiplying the number of DSUs to be redeemed for cash by the Market Price per Share as at the settlement date.
- (c) Payment of cash to Participants on the redemption of vested DSUs may be made through the Corporation's payroll or in such other manner as determined by the Corporation.

7.5 No Additional Amount or Benefit

For greater certainty, neither a Participant to whom DSUs are granted nor any person with whom such Participant does not deal at arm's length (for purposes of the Tax Act) shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the Market Price of the Shares to which the DSUs relate.

ARTICLE 8 ADDITIONAL AWARD TERMS

8.1 Dividend Equivalents

- (a) Unless otherwise determined by the Plan Administrator or as set forth in the particular Award Agreement, an Award of RSUs, PSUs and DSUs shall include the right for such RSUs, PSUs and DSUs be credited with dividend equivalents in the form of additional RSUs, PSUs and DSUs, respectively, as of each dividend payment date in respect of which normal cash dividends are paid on Shares. Such dividend equivalents shall be computed by dividing: (a) the amount obtained by multiplying the amount of the dividend declared and paid per Share by the number of RSUs, PSUs and DSUs, as applicable, held by the Participant on the record date for the payment of such dividend, by (b) the Market Price at the close of the first Business Day immediately following the dividend record date, with fractions computed to three decimal places. Dividend equivalents credited to a Participant's account shall vest in proportion to the RSUs, PSUs and DSUs to which they relate, and shall be settled in accordance with Subsections 5.4, 6.6, and 7.4 respectively.
- (b) The foregoing does not obligate the Corporation to declare or pay dividends on Shares and nothing in this Plan shall be interpreted as creating such an obligation.

8.2 Black-out Period

In the event that an Award expires, at a time when a scheduled blackout is in place or an undisclosed material change or material fact in the affairs of the Corporation exists, the expiry of such Award will be the date that is 10 Business Days after which such scheduled blackout terminates or there is no longer such undisclosed material change or material fact.

8.3 Withholding Taxes

Notwithstanding any other terms of this Plan, the granting, vesting or settlement of each Award under this Plan is subject to the condition that if at any time the Plan Administrator determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such grant, vesting or settlement, such action is not effective unless such withholding has been effected to the satisfaction of the Plan Administrator. In such circumstances, the Plan Administrator may require that a Participant pay to the Corporation such amount as the Corporation or a subsidiary of the Corporation is obliged to withhold or remit to the relevant taxing authority in respect of the granting, vesting or settlement of the Award. Any such additional payment is due no later than the date on which such amount with respect to the Award is required to be remitted to the relevant tax authority by the Corporation or a subsidiary of the Corporation, as the case may be. Alternatively, and subject to any requirements or limitations under applicable law, the Corporation or any Affiliate may (a) withhold such amount from any remuneration or other amount payable by the Corporation or any Affiliate to the Participant, (b) require the sale, on behalf of the applicable Participant, of a number of Shares issued upon exercise, vesting, or settlement of such Award and the remittance to the Corporation of the net proceeds from such sale sufficient to satisfy such amount, or (c) enter into any other suitable arrangements for the receipt of such amount.

8.4 Recoupment

Notwithstanding any other terms of this Plan, Awards may be subject to potential cancellation, recoupment, rescission, payback or other action in accordance with the terms of any clawback, recoupment or similar policy adopted by the Corporation or the relevant subsidiary of the Corporation, or as set out in the Participant's employment agreement, Award Agreement or other written agreement, or as otherwise required by law or the rules of the Exchange. The Plan Administrator may at any time waive the application of this Section 8.4 to any Participant or category of Participants.

ARTICLE 9 TERMINATION OF EMPLOYMENT OR SERVICES

9.1 Termination of Employee, Consultant or Director

Subject to Section 9.2, unless otherwise determined by the Plan Administrator or as set forth in an employment agreement, Award Agreement or other written agreement:

- (a) where a Participant's employment, consulting agreement or arrangement is terminated or the Participant ceases to hold office or his or her position, as applicable, by reason of voluntary resignation by the Participant or termination by the Corporation or a subsidiary of the Corporation for Cause, then any Option or other Award held by the Participant that has not been exercised, surrendered or settled as of the Termination Date shall be immediately forfeited and cancelled as of the Termination Date;
- (b) where a Participant's employment, consulting agreement or arrangement is terminated by the Corporation or a subsidiary of the Corporation without Cause

(whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice) then a portion of any unvested Options or other Awards shall immediately vest, such portion to be equal to the number of unvested Options or other Awards held by the Participant as of the Termination Date multiplied by a fraction the numerator of which is the number of days between the Date of Grant and the Termination Date and the denominator of which is the number of days between the Date of Grant and the date any unvested Options or other Awards were originally scheduled to vest. Any vested Options may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the date that is 90 days after the Termination Date. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option, that is held by a Participant who is not a U.S. Taxpayer, such Award will be settled within 90 days after the Termination Date. In the case of vested Awards of a U.S. Taxpayer, vested RSUs will be settled within 90 days after the Termination Date, vested DSUs will be settled in accordance with the Participant's DSU Election Notice (Schedule A hereto), and PSUs that become vested as a result of this Section 9.1(b) will be settled within 90 days after the Termination Date, provided that in all cases such PSUs will be settled by March 15th of the year immediately following the calendar year in which the Termination Date occurs;

- (c) where a Participant's employment, consulting agreement or arrangement terminates on account of his or her becoming Disabled, then any Award held by the Participant that has not vested as of the date of the Participant's Termination Date shall vest on such date. Any vested Option may be exercised by the Participant at any time until the Expiry Date of such Option. Any vested Award other than an Option, that is held by a Participant that is not a U.S. Taxpayer, will be settled within 90 days after the Termination Date. In the case of vested Awards of a U.S. Taxpayer, vested RSUs will be settled within 90 days after the Termination Date, vested DSUs will be settled in accordance with the Participant's DSU Election Notice (Schedule A hereto), and PSUs that become vested as a result of this Section 9.1(c) will be settled within 90 days after the Termination Date, provided that in all cases such PSUs will be settled by March 15th of the year immediately following the calendar year in which the Termination Date occurs;
- (d) where a Participant's employment, consulting agreement or arrangement is terminated by reason of the death of the Participant, then any Award that is held by the Participant that has not vested as of the date of the death of such Participant shall vest on such date. Any vested Option may be exercised by the Participant's beneficiary or legal representative (as applicable) at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the first anniversary of the date of the death of such Participant. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period.

In the case of a vested Award other than an Option, that is held by a Participant that is not a U.S. Taxpayer, such Award will be settled with the Participant's beneficiary or legal representative (as applicable) within 90 days after the date of the Participant's death. In the case of vested Awards of a U.S. Taxpayer, vested RSUs will be settled within 90 days after the date of death, vested DSUs will be settled in accordance with the Participant's Election Notice (Schedule A hereto), and PSUs that become vested as a result of this Section 9.1(d) will be settled within 90 days after the date of death, provided that in all cases such PSUs will be settled by March 15th of the year immediately following the calendar year in which the death occurs;

- (e) where a Participant's employment, consulting agreement or arrangement is terminated due to the Participant's Retirement, then (i) any outstanding Award that vests or becomes exercisable based solely on the Participant remaining in the service of the Corporation or its subsidiary will become 100% vested, and (ii) any outstanding Award that vests based on the achievement of Performance Goals and that has not previously become vested shall continue to be eligible to vest based upon the actual achievement of such Performance Goals. Any vested Option may be exercised by the Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Option; and (B) the third anniversary of the Participant's date of Retirement. If an Option remains unexercised upon the earlier of (A) or (B), the Option shall be immediately forfeited and cancelled for no consideration upon the termination of such period. In the case of a vested Award other than an Option that is described in (i), such Award will be settled within 90 days after the Participant's Retirement. In the case of a vested Award other than an Option that is described in (ii), such Award will be settled at the same time the Award would otherwise have been settled had the Participant remained in active service with the Corporation or its subsidiary. Notwithstanding the foregoing, if, following his or her Retirement, the Participant commences (the "**Commencement Date**") employment, consulting or acting as a director of the Corporation or any of its subsidiaries (or in an analogous capacity) or otherwise as a service provider to any Person that carries on or proposes to carry on a business competitive with the Corporation or any of its subsidiaries, any Option or other Award held by the Participant that has not been exercised or settled as of the Commencement Date shall be immediately forfeited and cancelled as of the Commencement Date;
- (f) a Participant's eligibility to receive further grants of Options or other Awards under this Plan ceases as of:
 - (i) the date that the Corporation or a subsidiary of the Corporation, as the case may be, provides the Participant with written notification that the Participant's employment, consulting agreement or arrangement is terminated, notwithstanding that such date may be prior to the Termination Date; or
 - (ii) the date of the death, Disability or Retirement of the Participant;

- (g) notwithstanding Subsection 9.1(b), unless the Plan Administrator, in its discretion, otherwise determines, at any time and from time to time, but with due regard for Section 409A, Options or other Awards are not affected by a change of employment or consulting agreement or arrangement, or directorship within or among the Corporation or a subsidiary of the Corporation for so long as the Participant continues to be a Director, Employee or Consultant, as applicable, of the Corporation or a subsidiary of the Corporation; and
- (h) for greater clarity, except as otherwise provided in an applicable Award Agreement or employment agreement, and notwithstanding any other provision of this Section 9.1, in the case of an Award (other than an Option or DSU) that is granted to a U.S. Taxpayer and that becomes vested (in whole or in part) pursuant to this Section 9.1 upon the Participant's Termination Date, such Award will, subject to Section 11.6(d), be settled as soon as administratively practicable following the Participant's Termination Date but in no event later than 90 days following the Participant's Termination Date, provided that if such Award is a PSU, settlement will occur no later than March 15th of the year immediately following the calendar year in which the Termination Date occurs. In the case of an Award (other than an Option or DSU) granted to a U.S. Taxpayer that remains eligible to vest (in whole or in part) following a Participant's termination of service based upon the achievement of one or more Performance Goals, such Award will be settled at the earlier of (i) the originally scheduled settlement date at the end of the performance period (to the extent Performance Goals are achieved) and (ii) the date on which performance vesting conditions are waived, or are deemed satisfied pursuant to the terms of the Applicable Award Agreement. DSUs will be settled in accordance with the U.S. Taxpayer's DSU Election Notice (schedule A hereto).

9.2 Discretion to Permit Acceleration

Notwithstanding the provisions of Section 9.1, the Plan Administrator may, in its discretion, at any time prior to, or following the events contemplated in such Section, or in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant, permit the acceleration of vesting of any or all Awards or waive termination of any or all Awards, all in the manner and on the terms as may be authorized by the Plan Administrator, taking into consideration the requirements of Section 409A of the Code, to the extent applicable, with respect to Awards of U.S. Taxpayers.

ARTICLE 10 EVENTS AFFECTING THE CORPORATION

10.1 General

The existence of any Awards does not affect in any way the right or power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, arrangement, merger or consolidation involving the Corporation, to create or issue

any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Article 10 would have an adverse effect on this Plan or on any Award granted hereunder.

10.2 Change in Control

Except as may be set forth in an employment agreement, Award Agreement or other written agreement between the Corporation or a subsidiary of the Corporation and the Participant:

- (a) Subject to this Section 10.2, but notwithstanding anything else in this Plan or any Award Agreement, the Plan Administrator may, without the consent of any Participant, take such steps as it deems necessary or desirable, including to cause (i) the conversion or exchange of any outstanding Awards into or for, rights or other securities of substantially equivalent value, as determined by the Plan Administrator in its discretion, in any entity participating in or resulting from a Change in Control; (ii) outstanding Awards to vest and become exercisable, realizable, or payable, or restrictions applicable to an Award to lapse, in whole or in part prior to or upon consummation of such merger or Change in Control, and, to the extent the Plan Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iii) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Plan Administrator determines in good faith that no amount would have been attained upon the exercise or settlement of such Award or realization of the Participant's rights, then such Award may be terminated by the Corporation without payment); (iv) the replacement of such Award with other rights or property selected by the Board of Directors in its sole discretion where such replacement would not adversely affect the holder; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 10.2(a), the Plan Administrator will not be required to treat all Awards similarly in the transaction. Notwithstanding the foregoing, in the case of Options held by a Canadian Taxpayer, the Plan Administrator may not cause the Canadian Taxpayer to receive (pursuant to this Subsection 10.2(a)) any property in connection with a Change in Control other than rights to acquire shares or units of a "mutual fund trust" (as defined in the Tax Act), of the Corporation or a "qualifying person" (as defined in the Tax Act) that does not deal at arm's length (for purposes of the Tax Act) with the Corporation, as applicable, at the time such rights are issued or granted.
- (b) Notwithstanding Section 9.1, and except as otherwise provided in a written employment or other agreement between the Corporation or a subsidiary of the Corporation and a Participant, if within 12 months following the completion of a

transaction resulting in a Change in Control, a Participant's employment, consultancy or directorship is terminated by the Corporation or a subsidiary of the Corporation without Cause:

- (i) any unvested Awards held by the Participant at the Termination Date shall immediately vest; and
 - (ii) any vested Awards of Participants may, subject to Sections 5.4(d) and 6.6(d) (where applicable), be exercised, surrendered or settled by such Participant at any time during the period that terminates on the earlier of: (A) the Expiry Date of such Award; and (B) the date that is 90 days after the Termination Date, provided that any vested Awards (other than Options) granted to U.S. Taxpayers will be settled within 90 days of the Participant's "separation from service". Any Award that has not been exercised, surrendered or settled at the end of such period will be immediately forfeited and cancelled.
- (c) Notwithstanding Subsection 10.2(a) and unless otherwise determined by the Plan Administrator, if, as a result of a Change in Control, the Shares will cease trading on an Exchange, then the Corporation may terminate all of the Awards, other than an Option held by a Canadian Taxpayer for the purposes of the Tax Act, granted under this Plan at the time of and subject to the completion of the Change in Control transaction by paying to each holder at or within a reasonable period of time following completion of such Change in Control transaction an amount for each Award equal to the fair market value of the Award held by such Participant as determined by the Plan Administrator, acting reasonably, provided that any vested Awards granted to U.S. Taxpayers will be settled within 90 days of the Change in Control.
- (d) It is intended that any actions taken under this Section 10.2 will comply with the requirements of Section 409A of the Code with respect to Awards granted to U.S. Taxpayers.

10.3 Reorganization of Corporation's Capital

Should the Corporation effect a subdivision or consolidation of Shares or any similar capital reorganization or a payment of a stock dividend (other than a stock dividend that is in lieu of a cash dividend), or should any other change be made in the capitalization of the Corporation that does not constitute a Change in Control and that would warrant the amendment or replacement of any existing Awards in order to adjust the number of Shares that may be acquired on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.4 Other Events Affecting the Corporation

In the event of an amalgamation, combination, arrangement, merger or other transaction or reorganization involving the Corporation and occurring by exchange of Shares, by sale or lease of assets or otherwise, that does not constitute a Change in Control and that warrants the amendment or replacement of any existing Awards in order to adjust the number and/or type of Shares that may be acquired, or by reference to which such Awards may be settled, on the vesting of outstanding Awards and/or the terms of any Award in order to preserve proportionately the rights and obligations of the Participants holding such Awards, the Plan Administrator will, subject to the prior approval of the Exchange, authorize such steps to be taken as it may consider to be equitable and appropriate to that end.

10.5 Immediate Acceleration of Awards

In taking any of the steps provided in Sections 10.3 and 10.4, the Plan Administrator will not be required to treat all Awards similarly and where the Plan Administrator determines that the steps provided in Sections 10.3 and 10.4 would not preserve proportionately the rights, value and obligations of the Participants holding such Awards in the circumstances or otherwise determines that it is appropriate, the Plan Administrator may, but is not required to, permit the immediate vesting of any unvested Awards, provided that any such adjustments or acceleration of vesting undertaken pursuant to sections 10.3, 10.4 or 10.5 shall be undertaken only to the extent they will not result in adverse tax consequences under Section 409A of the Code.

10.6 Issue by Corporation of Additional Shares

Except as expressly provided in this Article 10, neither the issue by the Corporation of shares of any class or securities convertible into or exchangeable for shares of any class, nor the conversion or exchange of such shares or securities, affects, and no adjustment by reason thereof is to be made with respect to the number of Shares that may be acquired as a result of a grant of Awards.

10.7 Fractions

No fractional Shares will be issued pursuant to an Award. Accordingly, if, as a result of any adjustment under this Article 10 or a dividend equivalent, a Participant would become entitled to a fractional Share, the Participant has the right to acquire only the adjusted number of full Shares and no payment or other adjustment will be made with respect to the fractional Shares, which shall be disregarded.

ARTICLE 11 U.S. TAXPAYERS

11.1 Provisions for U.S. Taxpayers

Options granted under this Plan to U.S. Taxpayers may be non-qualified stock options or incentive stock options qualifying under Section 422 of the Code (“ISOs”). Each Option shall be designated in the Award Agreement as either an ISO or a non-qualified stock option. If an Award Agreement fails to designate an Option as either an ISO or non-qualified stock option, the

Option will be a non-qualified stock option. The Corporation shall not be liable to any Participant or to any other Person if it is determined that an Option intended to be an ISO does not qualify as an ISO. Non-qualified stock options will be granted to a U.S. Taxpayer only if (i) such U.S. Taxpayer performs services for the Corporation or any corporation or other entity in which the Corporation has a direct or indirect controlling interest or otherwise has a significant ownership interest, as determined under Section 409A, such that the Option will constitute an option to acquire “**service recipient stock**” within the meaning of Section 409A, or (ii) such option otherwise is exempt from Section 409A.

11.2 ISOs

Subject to any limitations in Section 3.6, the aggregate number of Shares reserved for issuance in respect of granted ISOs shall not exceed 10,000,000 Shares, and the terms and conditions of any ISOs granted to a U.S. Taxpayer on the Date of Grant hereunder, including the eligible recipients of ISOs, shall be subject to the provisions of Section 422 of the Code, and the terms, conditions, limitations and administrative procedures established by the Plan Administrator from time to time in accordance with this Plan. At the discretion of the Plan Administrator, ISOs may only be granted to an individual who is an employee of the Corporation, or of a “parent corporation” or “subsidiary corporation” of the Corporation, as such terms are defined in Sections 424(e) and (f) of the Code.

11.3 ISO Grants to 10% Shareholders

Notwithstanding anything to the contrary in this Plan, if an ISO is granted to a person who owns shares representing more than 10% of the voting power of all classes of shares of the Corporation or of a “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code, on the Date of Grant, the term of the Option shall not exceed five years from the time of grant of such Option and the Exercise Price shall be at least 110% of the Market Price of the Shares subject to the Option.

11.4 \$100,000 Per Year Limitation for ISOs

To the extent the aggregate Market Price as at the Date of Grant of the Shares for which ISOs are exercisable for the first time by any person during any calendar year (under all plans of the Corporation and any “parent corporation” or “subsidiary corporation”, as such terms are defined in Section 424(e) and (f) of the Code) exceeds US\$100,000, such excess ISOs shall be treated as non-qualified stock options.

11.5 Disqualifying Dispositions

Each person awarded an ISO under this Plan shall notify the Corporation in writing immediately after the date he or she makes a disposition or transfer of any Shares acquired pursuant to the exercise of such ISO if such disposition or transfer is made (a) within two years from the Date of Grant or (b) within one year after the date such person acquired the Shares. Such notice shall specify the date of such disposition or other transfer and the amount realized, in cash, other property, assumption of indebtedness or other consideration, by the person in such disposition or other transfer. The Corporation may, if determined by the Plan Administrator and in accordance with procedures established by it, retain possession of any Shares acquired pursuant to the

exercise of an ISO as agent for the applicable person until the end of the later of the periods described in (a) or (b) above, subject to complying with any instructions from such person as to the sale of such Shares.

11.6 Section 409A of the Code

- (a) This Plan will be construed and interpreted to be exempt from, or where not so exempt, to comply with Section 409A of the Code to the extent required to preserve the intended tax consequences of this Plan. Any reference in this Plan to Section 409A of the Code shall also include any regulation promulgated thereunder or any other formal guidance issued by the Internal Revenue Service with respect to Section 409A of the Code. Each Award shall be construed and administered such that the Award either (A) qualifies for an exemption from the requirements of Section 409A of the Code or (B) satisfies the requirements of Section 409A of the Code. If an Award is subject to Section 409A of the Code, (I) distributions shall only be made in a manner and upon an event permitted under section 409A of the Code, (II) payments to be made upon a termination of employment or service shall only be made upon a “separation from service” under Section 409A of the Code, (III) unless the Award specifies otherwise, each installment payment shall be treated as a separate payment for purposes of Section 409A of the Code, and (IV) in no event shall a Participant, directly or indirectly, designate the calendar year in which a distribution is made except in accordance with Section 409A of the Code. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Section 409A of the Code, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Section 409A of the Code, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Section 409A of the Code. The Corporation reserves the right to amend this Plan to the extent it reasonably determines is necessary in order to preserve the intended tax consequences of this Plan in light of Section 409A of the Code. In no event will the Corporation or any of its subsidiaries or Affiliates be liable for any tax, interest or penalties that may be imposed on a Participant under Section 409A of the Code or any damages for failing to comply with Section 409A of the Code.
- (b) All terms of the Plan that are undefined or ambiguous must be interpreted in a manner that complies with Section 409A of the Code if necessary to comply with Section 409A of the Code.
- (c) The Plan Administrator, in its sole discretion, may permit the acceleration of the time or schedule of payment of a U.S. Taxpayer’s vested Awards in the Plan under circumstances that constitute permissible acceleration events under Section 409A of the Code.
- (d) Notwithstanding any provisions of the Plan to the contrary, in the case of any “specified employee” within the meaning of Section 409A of the Code who is a U.S. Taxpayer, distributions of non-qualified deferred compensation under

Section 409A of the Code made in connection with a “separation from service” within the meaning set forth in Section 409A of the Code may not be made prior to the date which is six months after the date of separation from service (or, if earlier, the date of death of the U.S. Taxpayer). Any amounts subject to a delay in payment pursuant to the preceding sentence shall be paid as soon practicable following such six-month anniversary of such separation from service.

11.7 Section 83(b) Election

If a Participant makes an election pursuant to Section 83(b) of the Code with respect to an Award of Shares subject to vesting or other forfeiture conditions, the Participant shall be required to promptly file a copy of such election with the Corporation.

11.8 Application of Article 11 to U.S. Taxpayers

For greater certainty, the provisions of this Article 11 shall only apply to U.S. Taxpayers.

ARTICLE 12 AMENDMENT, SUSPENSION OR TERMINATION OF THE PLAN

12.1 Amendment, Suspension, or Termination of the Plan

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Plan or any Awards granted pursuant to the Plan as it, in its discretion determines appropriate, provided, however, that:

- (a) no such amendment, modification, change, suspension or termination of the Plan or any Awards granted hereunder may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable Securities Laws or Exchange requirements; and
- (b) any amendment that would cause an Award held by a U.S. Taxpayer to be subject to income inclusion under Section 409A of the Code shall be null and void *ab initio* with respect to the U.S. Taxpayer unless the consent of the U.S. Taxpayer is obtained.

12.2 Shareholder Approval

Notwithstanding Section 12.1 and subject to any rules of the Exchange, approval of the holders of Shares shall be required for any amendment, modification or change that:

- (a) increases the percentage of Shares reserved for issuance under the Plan, except pursuant to the provisions under Article 10 which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;

- (b) increases or removes the 10% limits on Shares issuable or issued to Insiders as set forth in Subsection 3.7(a);
- (c) reduces the exercise price of an Option Award (for this purpose, a cancellation or termination of an Option Award of a Participant prior to its Expiry Date for the purpose of reissuing an Option Award to the same Participant with a lower exercise price shall be treated as an amendment to reduce the exercise price of an Option Award) except pursuant to the provisions in the Plan which permit the Plan Administrator to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
- (d) extends the term of an Option Award beyond the original Expiry Date (except where an Expiry Date would have fallen within a blackout period applicable to the Participant or within 10 Business Days following the expiry of such a blackout period);
- (e) permits an Option Award to be exercisable beyond 10 years from its Date of Grant (except where an Expiry Date would have fallen within a blackout period of the Corporation);
- (f) increases or removes the limits on the participation of Directors;
- (g) permits Awards to be transferred to a Person in circumstances other than those specified under Section 3.9;
- (h) changes the eligible participants of the Plan; or
- (i) deletes or reduces the range of amendments which require approval of shareholders under this Section 12.2.

12.3 Permitted Amendments

Without limiting the generality of Section 12.1, but subject to Section 12.2, the Plan Administrator may, without shareholder approval, at any time or from time to time, amend the Plan for the purposes of:

- (a) making any amendments to the general vesting provisions of each Award;
- (b) making any amendments to the provisions set out in Article 9;
- (c) making any amendments to add covenants of the Corporation for the protection of Participants, as the case may be, provided that the Plan Administrator shall be of the good faith opinion that such additions will not be prejudicial to the rights or interests of the Participants, as the case may be;
- (d) making any amendments not inconsistent with the Plan as may be necessary or desirable with respect to matters or questions which, in the good faith opinion of the Plan Administrator, having in mind the best interests of the Participants, it

may be expedient to make, including amendments that are desirable as a result of changes in law in any jurisdiction where a Participant resides, provided that the Plan Administrator shall be of the opinion that such amendments and modifications will not be prejudicial to the interests of the Participants and Directors; or

- (e) making such changes or corrections which, on the advice of counsel to the Corporation, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error, provided that the Plan Administrator shall be of the opinion that such changes or corrections will not be prejudicial to the rights and interests of the Participants.

ARTICLE 13 CALIFORNIA PARTICIPANTS

Notwithstanding any other provision of this Plan, the provisions of this Section Article 13 shall apply to any California Award granted or proposed to be granted, unless such California Award is otherwise exempt from the applicable securities laws of California.

13.1 Termination Date

California Awards shall be granted within ten (10) years from the earlier of (i) the date on which this Plan is adopted by the Board and (ii) the date on which this Plan is approved by shareholders of the Company.

13.2 Non-Transferability

No California Participant may transfer any California Award or any rights to acquire any securities thereunder except by will, the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701 of the U.S. Securities Act.

13.3 Proportionate Adjustment

In the event of a stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the issuer's equity securities without the receipt of consideration by the issuer, the Plan Administrator shall, in the case of a California Award that is not a California Option, make a proportionate adjustment to the number of securities allocated to any California Participant, and, in the case of California Options, make a proportionate adjustment to the number of securities purchasable and the exercise price thereof.

13.4 Post-Termination Exercise Period

Subject to Section 13.1, unless employment is terminated for Cause, the terms of the Plan or California Option grant or a contract of employment, the right to exercise a California Option by a California Participant in the event of termination of employment of such California Participant, to the extent that the California Participant is entitled to exercise their California Option on the date employment terminate, continues until the earlier of the option Expiry Date or:

- (a) Six (6) months from the date of termination, if termination was caused by death or Disability.
- (b) At least thirty (30) days from the date of termination, if termination was caused by other than death or Disability.

13.5 Shareholder Approval

The Company shall not grant a California Award unless:

- (a) the Company is a foreign private issuer, as defined by Rule 3b-4 under the U.S. Exchange Act, on the grant date of the California Award, and the aggregate number of persons in California granted awards under all compensation plans and agreements and issued securities under all purchase and bonus plans and agreements of the Company does not exceed thirty five (35); or
- (b) prior to any grant made in reliance upon this subparagraph (b) and within twelve (12) months before or after the Plan was adopted by the Board, the Plan is approved by a majority of the Company's outstanding securities entitled to vote, not counting for the purpose of calculating such vote any securities issued or granted in California.

ARTICLE 14 MISCELLANEOUS

14.1 Legal Requirement

The Corporation is not obligated to grant any Awards, issue any Shares or other securities, make any payments or take any other action if, in the opinion of the Plan Administrator, in its sole discretion, such action would constitute a violation by a Participant or the Corporation of any provision of any applicable statutory or regulatory enactment of any government or government agency or the requirements of any Exchange upon which the Shares may then be listed.

14.2 No Other Benefit

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

14.3 Rights of Participant

No Participant has any claim or right to be granted an Award and the granting of any Award is not to be construed as giving a Participant a right to remain as an Employee, Consultant or Director. No Participant has any rights as a shareholder of the Corporation in respect of Shares issuable pursuant to any Award until the allotment and issuance to such Participant, or as such Participant may direct, of certificates representing such Shares.

14.4 Corporate Action

Nothing contained in this Plan or in an Award shall be construed so as to prevent the Corporation from taking corporate action which is deemed by the Corporation to be appropriate or in its best interest, whether or not such action would have an adverse effect on this Plan or any Award.

14.5 Conflict

In the event of any conflict between the provisions of this Plan and an Award Agreement, the provisions of the Award Agreement shall govern. In the event of any conflict between or among the provisions of this Plan or any Award Agreement, on the one hand, and a Participant's employment agreement with the Corporation or a subsidiary of the Corporation, as the case may be, on the other hand, the provisions of the employment agreement or other written agreement shall prevail.

14.6 Anti-Hedging Policy

By accepting an Award each Participant acknowledges that he or she is restricted from purchasing financial instruments such as prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of Awards.

14.7 Participant Information

Each Participant shall provide the Corporation with all information (including personal information) required by the Corporation in order to administer the Plan. Each Participant acknowledges that information required by the Corporation in order to administer the Plan may be disclosed to any custodian appointed in respect of the Plan and other third parties, and may be disclosed to such persons (including persons located in jurisdictions other than the Participant's jurisdiction of residence), in connection with the administration of the Plan. Each Participant consents to such disclosure and authorizes the Corporation to make such disclosure on the Participant's behalf.

14.8 Participation in the Plan

The participation of any Participant in the Plan is entirely voluntary and not obligatory and shall not be interpreted as conferring upon such Participant any rights or privileges other than those rights and privileges expressly provided in the Plan. In particular, participation in the Plan does not constitute a condition of employment or engagement nor a commitment on the part of the Corporation to ensure the continued employment or engagement of such Participant. The Plan does not provide any guarantee against any loss which may result from fluctuations in the market value of the Shares. The Corporation does not assume responsibility for the income or other tax consequences for the Participants and Directors and they are advised to consult with their own tax advisors.

14.9 International Participants

With respect to Participants who reside or work outside Canada and the United States, the Plan Administrator may, in its sole discretion, amend, or otherwise modify, without shareholder approval, the terms of the Plan or Awards with respect to such Participants in order to conform such terms with the provisions of local law, and the Plan Administrator may, where appropriate, establish one or more sub-plans to reflect such amended or otherwise modified provisions.

14.10 Successors and Assigns

The Plan shall be binding on all successors and assigns of the Corporation and its subsidiaries.

14.11 General Restrictions or Assignment

Except as required by law, the rights of a Participant under the Plan are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant unless otherwise approved by the Plan Administrator.

14.12 Severability

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

14.13 Notices

All written notices to be given by a Participant to the Corporation shall be delivered personally, e-mail or mail, postage prepaid, addressed as follows:

MediPharm Labs Corp.
151 John Street
Barrie, Ontario
L4N 2L1
Attention: Chief Financial Officer

All notices to a Participant will be addressed to the principal address of the Participant on file with the Corporation. Either the Corporation or the Participant may designate a different address by written notice to the other. Such notices are deemed to be received, if delivered personally or by e-mail, on the date of delivery, and if sent by mail, on the fifth Business Day following the date of mailing. Any notice given by either the Participant or the Corporation is not binding on the recipient thereof until received.

14.14 Governing Law

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein, without any reference to conflicts of law rules.

14.15 Submission to Jurisdiction

The Corporation and each Participant irrevocably submits to the exclusive jurisdiction of the courts of competent jurisdiction in the Province of Ontario in respect of any action or proceeding relating in any way to the Plan, including, without limitation, with respect to the grant of Awards and any issuance of Shares made in accordance with the Plan.

SCHEDULE A

MEDIPHARM LABS CORP.

**OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")**

ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Plan, I hereby elect to participate in the grant of DSUs pursuant to Article 7 of the Plan and to receive ____% of my Cash Fees in the form of DSUs.

If I am a U.S. Taxpayer, I hereby further elect for any DSUs subject to this Election Notice to be settled on the later of (i) my "separation from service" (within the meaning of Section 409A) or (ii) _____.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and agreed to be bound by them.
- (b) I recognize that when DSUs credited pursuant to this election are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the DSUs, the Corporation will make all appropriate withholdings as required by law at that time.
- (c) The value of DSUs is based on the value of the Shares of the Corporation and therefore is not guaranteed.
- (d) To the extent I am a U.S. taxpayer, I understand that this election is irrevocable for the calendar year to which it applies and that any revocation or termination of this election after the expiration of the election period will not take effect until the first day of the calendar year following the year in which I file the revocation or termination notice with the Corporation.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan's text.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE B

MEDIPHARM LABS CORP.

**OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")**

ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the date hereof shall be paid in DSUs in accordance with Article 7 of the Plan.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____
_____ (Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

SCHEDULE C

MEDIPHARM LABS CORP.

**OMNIBUS EQUITY INCENTIVE PLAN
(THE "PLAN")**

**ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DSUs
(U.S. TAXPAYERS)**

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule A to the Plan, I hereby elect that no portion of the Cash Fees accrued after the effective date of this termination notice shall be paid in DSUs in accordance with Article 5 of the Plan.

I understand that this election to terminate receipt of additional DSUs will not take effect until the first day of the calendar year following the year in which I file this termination notice with the Corporation.

I understand that the DSUs already granted under the Plan cannot be redeemed except in accordance with the Plan.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to be bound by them.

Date: _____
_____ (Name of Participant)

(Signature of Participant)

Note: An election to terminate receipt of additional DSUs can only be made by a Participant once in a calendar year.

