

**THERACANN INTERNATIONAL BENCHMARK CORPORATION**

**and -**

**2172014 ALBERTA LTD.**

**and -**

**TRUSTED BRAND 2016 INC.**

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**AMALGAMATION AGREEMENT  
AS OF MAY 31, 2019**

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## AMALGAMATION AGREEMENT

THIS AMALGAMATION AGREEMENT is made as of the 31<sup>st</sup> day of May, 2019;

**BETWEEN:**

**THERACANN INTERNATIONAL BENCHMARK CORPORATION**, a corporation incorporated under the laws of Panama ("**TIBC**")

- and -

**2172014 ALBERTA LTD.**, a body corporate incorporated under the laws of Alberta ("**Newco**")

- and -

**TRUSTED BRAND 2016 INC.**, a body corporate incorporated under the laws of the Alberta ("**Trusted Brand**")

*Background:*

- (a) TIBC, Newco and Trusted Brand wish to undertake a business combination in accordance with the terms and subject to the conditions set out in this Agreement;
- (b) Newco is a newly incorporated, wholly-owned subsidiary of TIBC and has not carried on any business to the date hereof;
- (c) TIBC, Newco and Trusted Brand wish to effect the foregoing business combination through the amalgamation of Newco with Trusted Brand, such that the amalgamated corporation will be a wholly-owned subsidiary of TIBC and the shareholders of Trusted Brand become shareholders of TIBC; and

NOW THEREFORE in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties hereto agree as follows:

**ARTICLE 1**  
**DEFINITIONS AND INTERPRETATIONS**

**1.1 Definitions**

Whenever used in this Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the indicated meanings and grammatical variations of such words and terms will have corresponding meanings:

- (a) "**ABCA**" means the *Business Corporations Act* (Alberta), as from time to time amended or reenacted, including the regulations promulgated thereunder;
- (b) "**Acquisition Proposal**" means any bona fide proposal with respect to: (i) any merger, amalgamation, arrangement, share exchange, take-over bid, tender offer, recapitalization, consolidation or business combination involving Trusted Brand; (ii) any acquisition by any Person of assets representing more than 20% of the book value of the assets of Trusted Brand in a single transaction or a series of related transactions; (iii) any acquisition by any Person of beneficial ownership of more than 20% of the Trusted Brand Shares or other securities of Trusted Brand then outstanding; and (iv) any acquisition by Trusted Brand of a material amount or portion of the assets or securities of another Person in a single transaction or a series of related transactions, or any similar transaction involving Trusted Brand, and includes any proposal by Trusted Brand to do any of the foregoing and any public announcement by Trusted Brand of its intention to do any of the foregoing, excluding the transactions contemplated by this Agreement;
- (c) "**Agreement**" means this amalgamation agreement, including the recitals hereto, as amended from time to time;
- (d) "**Amalco**" means the amalgamated corporation resulting from the Amalgamation;
- (e) "**Amalco Shares**" means common shares in the capital of Amalco;
- (f) "**Amalgamation**" means the amalgamation of Newco and Trusted Brand pursuant to the ABCA as contemplated by this Agreement;
- (g) "**Amalgamation Certificate**" means the certificate of amalgamation issued by the Registrar pursuant to the ABCA giving effect to the Amalgamation;
- (h) "**Applicable Canadian Securities Laws**" means, collectively, and as the context may require, the applicable securities legislation of each of the provinces and territories of Canada, and the rules, regulations and policies published and/or promulgated thereunder, as such may be amended from time to time prior to the Effective Date;
- (i) "**Articles of Amalgamation**" means articles of amalgamation of Amalco substantially in the form required by the ABCA;
- (j) "**Business Day**" means a day other than a Saturday, Sunday or other than a day when banks in Calgary, Alberta are not generally open for business;

- (k) "**Circular**" means the management information circular of Trusted Brand containing information relating to TIBC and Trusted Brand, and all related and applicable mailing materials, to be sent to the Trusted Brand Shareholders in connection with the Meeting, and all amendments and supplements thereto, if any;
- (l) "**Closing Date**" has the meaning ascribed thereto in Section 7.6;
- (m) "**Common Shares**" means the common shares in the capital of TIBC;
- (n) "**Constituting Documents**" means, as applicable, the articles, by-laws and other constituting documents of a body corporate;
- (o) "**Consolidation**" means, the consolidation of the Trusted Brand Shares at the effective Exchange Ratio, prior to the exchange of Newco Class "B" Shares;
- (p) "**Convertible Debentures**" means the convertible debentures in aggregate, issued under the TIBC Private Placement, TIBC Employee/Advisory Private Placement, and the TIBC Bridge Private Placement;
- (q) "**Depository**" means the duly appointed depository in respect of the Amalgamation, at its principal transfer office in Calgary, Alberta;
- (r) "**Dissent Rights**" has the meaning ascribed thereto in Section 3.1(a);
- (s) "**Dissenting Newco Shareholder**" means a holder of Newco Class B Shares who dissents in respect of the Newco Amalgamation Resolution in compliance with the Dissent Rights;
- (t) "**Dissenting Trusted Brand Shareholder**" means a holder of Trusted Brand Shares who dissents in respect of the Trusted Brand Amalgamation Resolution in compliance with the Dissent Rights;
- (u) "**Effective Date**" means the date the Amalgamation becomes effective under the ABCA;
- (v) "**Effective Time**" means 12:00 p.m. (Calgary time) on the Effective Date;
- (w) "**Encumbrance**" includes a lien, charge, hypothec, pledge, mortgage, title retention agreement, security interest, adverse claim, exception, reservation, easement, right of occupation, any interest capable of registration against title, option, right of pre-emption or privilege and any agreement to create any of the foregoing;
- (x) "**Enterprise Value**" means the in-the-money fully diluted market capitalization of the company plus any debt outstanding less cash (or cash equivalents) and less any dilutive proceeds from in-the-money dilutive securities outstanding.
- (y) "**Escrow Release Conditions**" means the conditions to be set forth in the TIBC Subscription Receipt Agreement governing conversion of the TIBC Subscription Receipts into Common Shares of TIBC;
- (z) "**Exchange Ratio**" means the ratio by which each Trusted Brand Share will be exchanged for a Newco Class "B" Share as part of the Reorganization, being eighteen and seventy five hundredths (18.75) pre-exchange Trusted Brand Shares for every one (1) post

exchange Newco Class "B" Share, such Exchange Ratio is subject to adjustment in the event there is a decrease in number of Trusted Brand Shares or Trusted Brand Options outstanding prior to the Closing Date, to ensure the Trusted Brand Market Cap remains unchanged;

- (aa) "**Governmental Entity**" includes any:
  - (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign;
  - (ii) subdivision, agent, commission, board, or authority of any of the foregoing; or
  - (iii) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing including any stock exchange;
- (bb) "**IFRS**" means the international financial reporting standards as set out in the Handbook of the Canadian Institute of Chartered Accountants, at the relevant time applied on a consistent basis;
- (cc) "**Laws**" means all laws, statutes, regulations, by-laws, statutory rules, orders, ordinances, protocols, codes, guidelines, notices, directions (including all Applicable Canadian Securities Laws), and terms and conditions of any grant of approval, permission, authority or license of any court, Governmental Authority, statutory body or self-regulatory authority (including the TSXV);
- (dd) "**Letters of Transmittal**" means the letters of transmittal to be forwarded by TIBC to the Trusted Brand Shareholders, which are to be used to exchange certificates representing Trusted Brand Shares for New TIBC Shares in connection with the Amalgamation;
- (ee) "**Liquidity Conversion Price**" means the price per share at which New TIBC Shares may be issued upon conversion of the TIBC Convertible Debentures and TIBC Bridge Financing Debentures into New TIBC Shares of TIBC in the event of a Liquidity Event, in accordance with the provisions of the Liquidity Event;
- (ff) "**Liquidity Event**" means, for the purposes of the Convertible Debentures: (i) the listing of the Common Shares on a recognized exchange, (ii) the sale of all or substantially all of the issued and outstanding Common Shares or all or substantially all of the assets of the TIBC for cash proceeds or for securities provided that such securities are listed and posted for trading on a stock exchange; or (iii) the amalgamation, merger, arrangement, reverse takeover or any other corporate transaction involving the TIBC with or into another entity pursuant to which the common shares of the resulting issuer from such transaction are listed on a stock exchange;
- (gg) "**Material Adverse Change**" or "**Material Adverse Effect**" means, in respect of a party, any adverse change, effect, event or occurrence in business; results of operations, assets, intellectual property, prospects, title to assets, properties, capitalization, financial condition, licenses, permits, rights, liabilities, obligations (whether absolute, accrued, conditional or otherwise) or privileges of such party and its subsidiaries, that individually or taken together with any other change, effect, event or occurrence, has or could

reasonably be expected to have a material and adverse effect on the business as a whole, other than any change, effect, event or occurrence relating to or resulting from: (i) general economic, financial, currency exchange or security market condition in Canada, Australia or Panama not having a material disproportionate effect on such party; (ii) conditions affecting the cannabis industries as a whole in Canada, Australia or Panama and not specifically relating to any party and/or its subsidiaries, including changes in Laws (including Laws relating to Tax); (iii) the execution, announcement or performance of this Agreement or the transactions contemplated hereby; (iv) any matter which has been publicly disclosed or has been communicated in writing to the other party as of the date hereof; (v) any changes or effects arising from matters permitted or contemplated by this Agreement or consented to or approved in writing by the other party; or (vi) acts or war, terrorism or armed hostilities;

- (hh) "**Material fact**" has the meaning ascribed thereto in the *Securities Act*;
- (ii) "**Meeting**" means the special meeting of the Trusted Brand Shareholders to be held for the purpose of considering and, if thought fit, approving the Trusted Brand Amalgamation Resolution;
- (jj) "**Misrepresentation**" has the meaning ascribed thereto in the *Securities Act*;
- (kk) "**New Trusted Brand Options**" means the stock options of TIBC to be issued pursuant to the Amalgamation in replacement for the outstanding Trusted Brand Options, subject to the terms of any consolidation, reorganization or other corporate action, each entitling the holder to acquire, for no additional consideration, one (1) New TIBC Share, which expire one year from the closing date of the Transaction and otherwise on the same terms and conditions as the Trusted Brand Options;
- (ll) "**New TIBC Securities**" means New TIBC Shares and New TIBC Warrants;
- (mm) "**New TIBC Shares**" means the common shares in the capital of TIBC following completion of the Reorganization;
- (nn) "**New TIBC Warrants**" means the share purchase warrants of TIBC to purchase New TIBC Shares, to be issued following completion of the Reorganization, subject to the terms of the TIBC Private Placement;
- (oo) "**New Trusted Brand Share**" means the common shares in the capital of Trusted Brand following the completion of the consolidation subject to the Exchange Ratio;
- (pp) "**Newco Amalgamation Resolution**" means the special resolution of TIBC, as sole voting shareholder of Newco, approving the Transaction;
- (qq) "**Newco Class A Shares**" means Class A common shares in the capital of Newco;
- (rr) "**Newco Class B Shares**" means Class B common shares in the capital of Newco;
- (ss) "**Notice of Meeting**" means the notice of the Meeting to be provided by Trusted Brand to the Trusted Brand Shareholders;

- (tt) "**Offering Price**" means the price of the TIBC Subscription Receipts to be offered in the TIBC Financing as determined by TIBC and the lead agent in the TIBC Financing;
- (uu) "**Ordinary Course**" means, with respect to an action taken by a Person, that such action is taken in the ordinary course of the normal business operations of that Person consistent with past practice;
- (vv) "**Parties**" means TIBC, Newco and Trusted Brand and "**Party**" means any one of them;
- (ww) "**Permitted Encumbrances**" means, in respect of a Party or its Subsidiaries, any one or more of the following: (i) easements, servitudes, restrictions, restrictive covenants, party wall agreements, rights of way, licenses, permits and other similar rights in land or real property, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables that do not materially adversely impair business operations at the affected properties; (ii) Liens imposed by Law and incurred in the Ordinary Course for obligations not yet due or delinquent; (iii) zoning and building by-laws and ordinances and regulations made by Governmental Entities that do not materially adversely impair business operations at the affected properties; (iv) liens incurred, created and granted in the Ordinary Course to a public utility or private supplier of services, municipality or Governmental Entity that do not materially adversely impair business operations at the affected properties; (v) reservations, limitations, provisos and conditions in any original grant from the applicable Governmental Entity or interest or statutory exceptions to title that do not materially adversely impair business operations at the affected properties; (vi) Liens for Taxes for which appropriate provisions have been made in accordance with IFRS and either which (A) are not due or delinquent, or (B) are being contested in good faith by appropriate proceedings; (vii) undermined or inchoate liens, charges and privileges incidental to past or current operations and statutory liens, charges, adverse claims, security interests or encumbrances of any nature whatsoever claimed or held by any Governmental Entity that have not at the time been filed or registered against title to the assets of or served upon TIBC, Trusted Brand or Newco, as applicable, or that relate to obligations not due or delinquent; (viii) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, license, franchise, grant or permit, to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition of their continuance; (ix) such other nonfinancial rights, imperfections or irregularities of title, encroachments and encumbrances or lien as do not materially affect the use of the real properties subject thereto or affected thereby or otherwise materially impair business operations at such real properties; (x) liens relating to purchase money security interests entered into in the Ordinary Course of business prior to the date of this Agreement or otherwise consented to by the other Party (which consent shall not be unreasonably withheld, conditioned or delayed) for amounts that are not overdue; or (xi) Liens registered and identified from searches of the any provincial personal property security registration or land title or similar registration systems for real property that relate to liabilities incurred prior to the date of this Agreement or otherwise consented to by the other Party (which consent shall not unreasonably withheld, conditioned or delayed);
- (xx) "**Person**" includes an individual, firm, sole proprietorship, partnership, joint venture, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, company, trustee, executor, administrator or other legal representative,

Governmental Entity or other entity, whether or not having legal status;

- (yy) "**Public Record**" means all information filed with the securities commissions, including without limitation, the documents and any other information filed with any the applicable securities commissions or other securities administrators or regulatory authorities in Ontario, Alberta and British Columbia in compliance, or intended compliance, with any Applicable Canadian Securities Laws;
- (zz) "**Registrar**" means the Registrar appointed under the ABCA;
- (aaa) "**Regulatory Approvals**" means the rulings, consents, orders, exemptions, permits and other approvals of Governmental Entities required to permit completion of the Amalgamation in accordance with applicable Laws and stock exchange rules;
- (bbb) "**Reorganization**" means the reorganization of the share capital of TIBC to be undertaken in conjunction with the Amalgamation under the terms of this Agreement;
- (ccc) "**Securities Act**" means the *Securities Act* (Alberta), as in effect on the date hereof;
- (ddd) "**Subsidiary**" has the meaning ascribed thereto in the ABCA;
- (eee) "**Tax**" and "**Taxes**" shall mean all taxes, however denominated, including any interest, penalties or other additions that may become payable in respect thereof, imposed by any federal, provincial, territorial, municipal, state, local or foreign government or any agency or political subdivision of any such government, which taxes shall include, without limiting the generality of the foregoing, all income or profits taxes (including, but not limited to, federal income taxes and provincial income taxes), payroll and employee withholding taxes, unemployment insurance, social insurance taxes, sales and use taxes, *ad valorem* taxes, excise taxes, franchise taxes, gross receipts taxes, business license taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, capital taxes, workers compensation and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which TIBC or Trusted Brand (or any of their respective subsidiaries), as the case may be, is required to pay, withhold, remit or collect;
- (fff) "**Tax Act**" means the *Income Tax Act* (Canada), as in effect of the date hereof;
- (ggg) "**Tax Returns**" means all returns, declarations, reports, elections, forms, information returns and statements filed or required to be filed with any taxing authority relating to Taxes;
- (hhh) "**TIBC Bridge Financing Debentures**" means the convertible debentures of TIBC issuable in increments of \$1,000, for aggregate gross proceeds of up to \$3,000,000, which debentures shall be automatically converted into New TIBC Shares upon a Liquidity Event at a conversion price equal to the lesser of: (i) a 20% discount to the applicable Liquidity Event price per Common Share, or (ii) a Liquidity Event price per Common Share implying a TheraCann Enterprise Value of C\$60 million, with such conversion to be effective immediately upon the New TIBC Shares being listed for trading on the TSXV;
- (iii) "**TIBC Bridge Financing Debenture Units**" means the units issued under the TIBC

Bridge Private Placement, with each unit consisting of one TIBC Bridge Financing Debenture and 45 TIBC Bridge Financing Warrants;

- (jjj) "**TIBC Bridge Financing Warrants**" means the warrants issued in connection with the TIBC Bridge Financing Unit, with each warrant exercisable at a 50% premium to the Liquidity Event Price per New TIBC Share for a period of 18 months from the Liquidity Event;
- (kkk) "**TIBC Bridge Private Placement**" means the private placement of TIBC Bridge Financing Debenture Units and TIBC Institutional Bridge Financing Debenture Units for aggregate gross proceeds of up to \$3,000,000, anticipated to be completed in May 2019;
- (lll) "**TIBC Convertible Debentures**" mean the convertible debentures of TIBC issuable in increments of \$10,000, for aggregate gross proceeds of up to \$5,000,000, which debentures shall be automatically converted into New TIBC Shares and New TIBC Warrants whereby each holder shall receive one (1) New TIBC Share and one (1) New TIBC Warrant in exchange for each amount of TIBC Convertible Debenture principal amount outstanding at a conversion price equal to the Offering Price (less a 25% discount), such conversion to be effective immediately upon the New TIBC Shares being listed for trading on the TSXV. Each New TIBC Warrant issuable upon conversion shall have a term of one year from the listing date and shall be exercisable into one (1) New TIBC Share at an exercise price equal to the Offering Price, less a 25% discount;
- (mmm) "**TIBC Employee/Advisor Convertible Debentures**" means the convertible debentures of TIBC issuable in increments of \$1,000 for aggregate gross proceeds of up to \$500,000, which debentures shall be automatically converted into New TIBC Shares whereby each holder shall receive one (1) New TIBC Share in exchange for each amount of TIBC Convertible Debenture principal amount outstanding at a conversion price equal to the Offering Price, less a 50% discount, such conversion to be effective immediately upon TIBC being listed for trading on the TSXV;
- (nnn) "**TIBC Employee/Advisor Private Placement**" means the private placement of TIBC Employee/Advisor Convertible Debentures for aggregate gross proceeds of \$439,000, which is expected to be completed in May 2019;
- (ooo) "**TIBC Financial Statements**" means the annual audited consolidated financial statements of TIBC for the years ended 2017 and 2018;
- (ppp) "**TIBC Financing**" means the commercially reasonable efforts brokered private placement of TIBC Subscription Receipts at the Offering Price to be completed prior to the Effective Date and pursuant to the terms of the TIBC Subscription Receipt Agreement;
- (qqq) "**TIBC Institutional Bridge Financing Debenture Units**" means the units issued under the TIBC Institutional Bridge Financing, with each unit consisting of one TIBC Bridge Financing Debenture and 90 TIBC Institutional Bridge Financing Warrants;
- (rrr) "**TIBC Institutional Bridge Financing Warrants**" means the warrants issued in connection with the TIBC Institutional Bridge Financing Debenture Units, with each warrant exercisable at a the Liquidity Event Price per New TIBC Share for a period of 18 months from the Liquidity Event;

- (sss) "**TIBC Private Placement**" means the private placement of TIBC units for an aggregate gross proceeds of \$3,830,000, the final tranche of which was completed on October 25, 2018, with each unit consisting of one TIBC Convertible Debenture and 2,000 TIBC Warrants;
- (ttt) "**TIBC Registrar and Transfer Agent**" means Odyssey Trust Company, and any other person which may be appointed as registrar and transfer agent of TIBC from time to time;
- (uuu) "**TIBC Securities**" means all TIBC Warrants and TIBC Shares;
- (vvv) "**TIBC Shares**" means common shares in the capital of TIBC, as currently constituted;
- (www) "**TIBC Subscription Receipts**" means a non-transferable subscription receipt issued by TIBC to a subscriber under the TIBC Financing, entitling the subscriber to receive, for no additional consideration, either (i) one TIBC Subscription Receipt Unit upon satisfaction of the Escrow Release Conditions, or (ii) if the Escrow Release Conditions are not satisfied, the return of the subscriber's subscription proceeds, with any applicable pro rata interest;
- (xxx) "**TIBC Subscription Receipt Agreement**" means the agreement providing for the issuance of TIBC Subscription Receipts;
- (yyy) "**TIBC Subscription Receipt Unit**" means a unit consisting of one Common Share in the capital of TIBC and one half (1/2) of one TIBC Subscription Receipt Warrant;
- (zzz) "**TIBC Subscription Receipt Warrant**" means the common share purchase warrants of TIBC with each whole warrant being exercisable for one Common Shares in the capital of TIBC at a price equal to a 25% premium to the TIBC Subscription Receipt Unit for a period of 24 months following the closing date of the Transaction;
- (aaaa) "**TIBC Subsidiaries**" means Theracann Canada Inc. ("**Theracann Canada**"), Theracann Australia Benchmark Pty Ltd. ("**Theracann Australia**"), One System One Solution S.A. ("**OS2**"), 2172014 Alberta Ltd., 2073528 Alberta Ltd., ETCH BioTrace S.A., Sprout A.I. S.A., Theracann Biotrace S.A. and any other subsidiaries that may be disclosed in writing to Trusted Brand;
- (bbbb) "**TIBC Voting Agreements**" means the agreements to be executed and delivered by each of the directors, officers and insiders (as such term is defined in the Securities Act) of TIBC in respect of the TIBC Shares held by each such director, officer and insider as contemplated in Section 7.2(a), which shall be in a form agreed to by TIBC and Trusted Brand, each acting reasonably;
- (cccc) "**TIBC Warrants**" means the share purchase warrants issued in connection with the TIBC Private Placement to purchase up to an aggregate of 764,000 TIBC Shares at a price equal to equal to the lower of: (i) 75% of the Offering Price; and (ii) \$7.50 per share;
- (dddd) "**Time of Closing**" has the meaning ascribed thereto in Section 7.7(a);
- (eeee) "**Transferred Information**" means the personal information (namely, information about an identifiable individual other than their business contact information when used or

disclosed for the purpose of contacting such individual in that individual's capacity as an employee or an official of an organization and for no other purpose) to be disclosed or conveyed to one Party or any of its representatives or agents (a "**Recipient**") by or on behalf of the other Party (a "**Disclosing Party**") as a result of or in conjunction with the transactions contemplated herein, and includes all such personal information disclosed to the Recipient prior to the execution of this Agreement;

- (ffff) "**Trusted Brand Amalgamation Resolution**" means the special resolution of the Trusted Brand Shareholders approving this Agreement and related matters;
- (gggg) "**Trusted Brand Disclosure Letter**" means the disclosure letter dated the date hereof from Trusted Brand to TIBC;
- (hhhh) "**Trusted Brand Financial Statements**" means the annual financial statements of Trusted Brand for the years ended December 31, 2017, and 2018;
- (iiii) "**Trusted Brand Market Cap**" means \$1,743,676 being the sum of 3,962,900 Trusted Brand Shares plus the Trusted Brand Options multiplied by \$0.40;
- (jjjj) "**Trusted Brand Options**" means the outstanding options to purchase up to an aggregate of 396,290 Trusted Brand Shares granted to directors, officers and a consultant of Trusted Brand, each such option entitling the holder to acquire one Trusted Brand Share. 101,200 of the Trusted Brand Options are exercisable at a price of \$0.40, and 295,090 Trusted Brand Options are exercisable at a price of \$0.25 per Trusted Brand Share;
- (kkkk) "**Trusted Brand Shareholders**" means the holders of Trusted Brand Shares;
- (llll) "**Trusted Brand Shares**" means common shares in the capital of Trusted Brand;
- (mmmm) "**Trusted Brand Voting Agreements**" means the agreements to be executed and delivered by each of the directors, officers and insiders (as such term is defined in the Securities Act) of Trusted Brand in respect of the Trusted Brand Shares held by each such director, officer and insider as contemplated in Section 7.2(a), which shall be in a form agreed to by TIBC and Trusted Brand, each acting reasonably;
- (nnnn) "**TSXV**" means the TSX Venture Exchange or any other recognized stock exchange under applicable Canadian Securities Laws; and
- (oooo) "**TSXV Escrow Agent**" means means the escrow agreement to be entered into among the TIBC Registrar and Transfer Agent, Amalco and certain shareholders of Amalco in compliance with the requirements of TSXV, with the securities subject to such agreement to be released in accordance with the prescribed policies of TSXV.

## 1.2 Currency

All amounts of money referred to in this Agreement are expressed in lawful money of Canada unless otherwise specified.

## 1.3 Interpretation Not Affected By Headings

The division of this Agreement into articles, sections and subsections is for convenience of reference

only and does not affect the construction or interpretation of this Agreement. The terms "**this Agreement**", "**hereof**", "**herein**" and "**hereunder**" and similar expressions refer to this Agreement (including the appendices hereto) and not to any particular article, section or other portion hereof and include any agreement or instrument supplementary or ancillary hereto.

#### **1.4 Number and Gender**

Unless the context otherwise requires, words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include all genders.

#### **1.5 Date for Any Action**

If any day on which any action is required to be taken hereunder by any of the Parties is not a Business Day, such action shall be required to be taken on the next succeeding day that is a Business Day.

#### **1.6 Reference to Legislation**

References in this Agreement to any statute or sections thereof shall include such statute as amended or substituted and any regulations promulgated thereunder from time to time in effect.

#### **1.7 Knowledge**

In this Agreement, whenever a representation or warranty is made on the basis of the knowledge or awareness of a party, such knowledge or awareness consists only of the actual collective knowledge or awareness, as of the Agreement Date and the Closing Time, of the Chief Executive Officer or the Chief Financial Officer of such party, in their capacity as such and not in their personal capacity and without personal liability, but does not include the knowledge or awareness of any other individual or any constructive, implied or imputed knowledge.

#### **1.8 Inclusive Terminology**

Whenever used in this Agreement, the words "includes" and "including" and similar terms of inclusion shall not, unless expressly modified by the words "only" or "solely", be construed as terms of limitation, but rather shall mean "includes but not limited to" and "including but not limited to", so that references to included matters or items shall be regarded as illustrative without being either characterizing or exhaustive.

#### **1.9 Accounting Matters**

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made hereunder shall be made in a manner consistent with IFRS.

## **ARTICLE 2** **THE AMALGAMATION**

#### **2.1 Amalgamation and Reorganization**

Subject to the terms and conditions of this Agreement, each of the Parties hereto agrees to use its

reasonable commercial efforts prior to the Effective Date to take, or cause to be taken, all actions and to do, or cause to be done, all things necessary or reasonably advisable to complete the Amalgamation and the Reorganization in the manner as contemplated by this Agreement.

## **2.2 Steps to be taken by Trusted Brand**

- (a) Trusted Brand covenants in favour of TIBC that Trusted Brand shall:
  - (i) lawfully convene and hold the Meeting for the purpose of considering the Trusted Brand Amalgamation Resolution (and for no other purpose unless approved in writing by TIBC, acting reasonably, as may be set out in the notice for such meeting) as soon as reasonably practicable and in any event, on or before August 15, 2019, unless otherwise agreed in writing by the parties; and
  - (ii) except to the extent required by a Governmental Authority having jurisdiction, or as specifically contemplated herein, not adjourn, postpone or cancel (or propose for adjournment, postponement or cancellation) the Meeting without the prior written consent of TIBC, acting reasonably.
- (b) Subject to the satisfaction of the conditions set forth in Article 5, Trusted Brand agrees that it shall, with the cooperation and participation of TIBC and Newco, use its reasonable commercial efforts to make such arrangements with the Registrar as may be necessary or desirable to permit: (A) the filing with the Registrar of the Articles of Amalgamation to be made effective at the Effective Time on the Effective Date; and (B) the obtaining of the Amalgamation Certificate in that regard.
- (c) In the event that there is a failure to obtain, or if TIBC or Trusted Brand reasonably anticipates that there will be a failure to obtain, a consent, order or other approval of a Governmental Authority required in connection with the approval of the Amalgamation, then Trusted Brand and Newco shall, upon the request of TIBC, use its reasonable commercial efforts to assist TIBC to successfully implement and complete any alternative transaction structure mutually agreed by the parties that is not prejudicial to the shareholders of either party and does not have negative financial or other consequences for either party. In the event that the transaction structure is modified as a result of any event contemplated pursuant to this Section 2.2(c) or otherwise, the relevant provisions of this Agreement shall forthwith be deemed modified as necessary in order that it shall apply with full force and effect, *mutatis mutandis*, to reflect the revised transaction structure and the parties hereto shall, upon the reasonable request of any party hereto, execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications and take such actions and execute such other documents as are necessary in connection therewith.

## **2.3 Steps to be taken by TIBC**

- (a) TIBC covenants in favour of Trusted Brand that TIBC shall use reasonable commercial efforts to complete the TIBC Financing, on or before the Effective Date, unless otherwise agreed in writing by the parties;

- (b) TIBC covenants in favour of Trusted Brand that TIBC shall in its capacity as the sole shareholder of Newco, approve and execute the Newco Amalgamation Resolution as soon as reasonably practicable and in any event, on or before August 15, 2019, unless otherwise agreed in writing by the parties;
- (c) Subject to the satisfaction of the conditions set forth in Article 5, each of TIBC and Newco agree that it shall, with the cooperation and participation of Trusted Brand and Newco, use its reasonable commercial efforts to make such arrangements with the Registrar as may be necessary or desirable to permit: (A) the filing with the Registrar of the Articles of Amalgamation to be made effective at the Effective Time on the Effective Date; and (B) the obtaining of the Amalgamation Certificate in that regard;
- (d) on the Effective Date and subject to the satisfaction or waiver of the mutual conditions set out herein and the conditions herein contained in favour of TIBC, TIBC shall issue the New TIBC Shares as contemplated herein;
- (e) In the event that there is a failure to obtain, or if TIBC reasonably anticipates that there will be a failure to obtain, a consent, order or other approval of a Governmental Authority required in connection with the approval of the Amalgamation, then Trusted Brand shall, upon the request of TIBC, use its reasonable commercial efforts to assist TIBC to successfully implement and complete any alternative transaction structure mutually agreed by the parties that is not prejudicial to the shareholders of either party and does not have negative financial or other consequences for either party. In the event that the transaction structure is modified as a result of any event contemplated pursuant to this Section 2.3(e) or otherwise, the relevant provisions of this Agreement shall forthwith be deemed modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to reflect the revised transaction structure and the parties hereto shall, upon the reasonable request of any party hereto, execute and deliver an agreement in writing giving effect to and evidencing such amendments as may be reasonably required as a result of such modifications and take such actions and execute such other documents as are necessary in connection therewith; and
- (f) On or before the Effective Date, TIBC shall use commercially reasonable efforts to take all necessary steps to consummate the TIBC Financing.

## 2.4 Implementation

The Parties agree that in connection with the Amalgamation and as a condition precedent thereto:

- (a) *Agreement to Amalgamate.* Subject to satisfaction or waiver of the conditions set forth in Section 5.1, Section 5.2 and Section 5.3 that, on the Effective Date, pursuant to Section 186 of the ABCA, Trusted Brand and Newco shall file the Articles of Amalgamation and amalgamate and continue as one corporation.
- (b) *Name.* The name of Amalco shall be "●." or such other name as may be approved by the parties and the Registrar.
- (c) *Registered Office.* The registered office of Amalco shall be situated at Suite 1600 Dome Tower, 333 - 7th Avenue S.W., Calgary, Alberta T2P 2Z1.

- (d) *Authorized Capital.* Amalco shall be authorized to issue an unlimited number of shares designated as common shares which shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation as well as unlimited preferred shares issuable in series.
- (e) *Issued and Outstanding Capital.* Amalco's issued and outstanding share capital immediately following the Effective Date shall be divided into Newco Class "A" Common Shares and Newco Class "B" Common Shares only and all outstanding Newco Class "A" Common Shares of Amalco shall be held by TIBC. Such Newco Class "A" Common Shares shall have the rights, privileges, restrictions and conditions set forth in the Articles of Amalgamation. The Newco Class "B" Common Shares shall be non-voting shares.
- (f) *Number of Directors.* The minimum number of directors of Amalco shall be one and the maximum number of directors of Amalco shall be fifteen.
- (g) *First Directors of Amalco.* The first directors of Amalco shall be Chris Bolton, Jason Warnock and David Hyman, unless otherwise agreed upon by the parties.
- (h) *Effect of Certificate of Amalgamation.* On the Effective Date, at the Effective Time, the Amalgamation of Trusted Brand and Newco and their continuance as one corporation shall become effective; the property of each of Trusted Brand and Newco shall continue to be the property of Amalco; Amalco shall continue to be liable for the obligations of each of Trusted Brand and Newco; any existing cause of action, claim or liability to prosecution shall be unaffected; any civil, criminal or administrative action or proceeding pending by or against either Trusted Brand or Newco may be continued to be prosecuted by or against Amalco; a conviction against, or filing, order or judgment in favour of or against, either Trusted Brand or Newco may be enforced by or against Amalco; and the Articles of Amalgamation shall be deemed to be the Articles of Incorporation of Amalco and the Certificate of Amalgamation shall be deemed to be the Certificate of Incorporation for Amalco.
- (i) *Restrictions on Business.* There shall be no restrictions on the business that Amalco may carry on.
- (j) *Articles of Amalgamation.* The articles of Amalco shall be the Articles of Amalgamation.
- (k) *General Effects of the Amalgamation and Reorganization.* At the Effective Time:
  - (i) The class of TIBC Shares shall be re-classified into New TIBC Shares, such that each issued and outstanding TIBC Share as of the Effective Date shall be exchanged and reorganized into such number of fully-paid and non-assessable New TIBC Shares;
  - (ii) Each one (1) New Trusted Brand Share shall be exchanged for one (1) fully-paid and non-assessable Class B Newco Share, subject to the Exchange Ratio, and following which all such Trusted Brand Shares shall be cancelled;
  - (iii) Each one (1) Trusted Brand Option shall be exchanged for one (1) fully-paid and non-assessable New Trusted Brand Option, subject to the Exchange Ratio;

- (iv) Each one (1) Newco Class B Share shall be exchanged for one (1) fully-paid and non-assessable New TIBC Share, subject to the Exchange Ratio;
  - (v) in consideration of the issue by TIBC of the New TIBC Shares exchanged for the Newco Class B Shares pursuant to this Section 2.4(k)(iv), Amalco shall issue to TIBC 211,354 fully paid and non-assessable common shares of Amalco;
  - (vi) any fractional interests in TIBC Shares resulting from this section 2.4(k) shall be rounded down to the nearest whole TIBC Share; and
  - (vii) TIBC shall receive one fully paid and non-assessable common share of Amalco for each Newco Class A Share held by TIBC, following which all such Newco Class A Shares shall be cancelled;
- (l) Share Certificates, etc. At the Effective Time:
- (i) TIBC, as the registered holder of Newco Class A Shares shall be the sole registered and beneficial holder of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof, and shall surrender the certificates representing such Newco Class A Shares to Amalco and, upon such surrender shall be entitled to receive a share certificate representing the number of Amalco Shares to which it is entitled, calculated in accordance with the provisions hereof;
  - (ii) with respect to each of the Newco Class B Shares exchanged in accordance with Section 2.4(k):
    - (A) the holders thereof shall cease to be holders of such Newco Class B Shares and the names of such holders shall be removed from the register of Newco Class B Shares; and
    - (B) as no certificates evidencing such Newco Class B Shares shall formally be issued to the holders thereof, such holders need not deposit certificates representing such Newco Class B Shares as a prerequisite to the receipt of certificates representing the New TIBC Shares issued upon the exchange of such Newco Class B Shares.
  - (iii) each Trusted Brand Shareholder may, using a Letter of Transmittal, surrender the certificate or certificates representing the Trusted Brand Shares formerly held by him, her or it to the Depositary and, upon the surrender of such certificate(s) and Letter of Transmittal, shall be entitled to receive a certificate representing the New TIBC Shares to which such Trusted Brand Shareholder is entitled as a result of the Amalgamation, provided that any certificate formerly representing Trusted Brand Shares that is not deposited with the Depositary on or before the date that is five years less one day after the Effective Date shall cease to represent a right or claim of any kind or nature whatsoever; and
  - (iv) the New TIBC Shares shall be duly listed for trading on the TSXV subject to mandatory lock-up restrictions under the TSXV Escrow Agreement and which shall constitute, immediately after the Effective Date.

- (m) *Lock up Restrictions:* Certain of the New TIBC Shares may be subject to resale restrictions as imposed by Applicable Canadian Securities Laws.

## **2.5 Notice of Meeting**

As soon as reasonably practicable and in accordance with applicable Laws, Trusted Brand shall give the Notice of Meeting to the Trusted Brand Shareholders and shall prepare and mail the Circular to the Trusted Brand Shareholders together with any other documents required by the ABCA or other applicable Laws in connection with the Meeting. Trusted Brand shall give TIBC the opportunity to review and comment on all such documents and all such documents shall be satisfactory to each of TIBC and Trusted Brand, acting reasonably, before they are distributed to the Trusted Brand Shareholders.

## **2.6 Preparation of Filings**

- (a) Each of the Parties shall cooperate in the taking of all such action as may be required under the ABCA in connection with the transactions contemplated hereby.
- (b) Each of the Parties shall promptly furnish to the others all information concerning it and its securityholders as may be required in order to effect the actions described in this Article 2, and each Party covenants that no information furnished by it in connection with such actions or otherwise in connection with the consummation of the Amalgamation will (to its knowledge, in the case of information concerning its securityholders) not contain any misrepresentation.
- (c) Each of the Parties shall promptly notify the other Parties if, at any time before or after the Effective Time, it becomes aware that the Notice of Meeting or the Circular contains any misrepresentation or otherwise requires an amendment or supplement. In any such event, each Party shall cooperate in the preparation of a supplement or amendment to the Notice of Meeting or the Circular, as applicable, and, if required, shall cause the same to be mailed or otherwise distributed to the Trusted Brand Shareholders.

## **2.7 Filing of Articles of Amalgamation**

Subject to the rights of termination set out in Article 10 hereof, upon the Newco Class A Shareholder and the Trusted Brand Shareholders approving this Agreement in accordance with the ABCA, Trusted Brand and Newco shall jointly file, with the Registrar, the Articles of Amalgamation and such other documents as are required to be filed under the ABCA to give effect to the Amalgamation pursuant to the ABCA.

## **2.8 Assets and Liabilities**

Amalco shall possess all of the property, rights, privileges and franchises of each of Trusted Brand and Newco as they exist immediately before the Effective Time, and shall be subject to all of the liabilities, contracts, disabilities and debts of each of Trusted Brand and Newco as they exist immediately before the Effective Time. All rights of creditors against the properties, assets, rights, privileges and franchises of Trusted Brand and Newco and all liens upon their properties, rights and assets shall be unimpaired by the Amalgamation and all debts, contracts, liabilities and duties of Trusted Brand and Newco shall attach to and may be enforced against Amalco. No action or proceeding by or against either Trusted Brand or Newco shall abate or be affected by the Amalgamation.

## **2.9 Stated Capital**

- (a) Upon the Amalgamation, Amalco shall add to the stated capital account maintained in respect of the Amalco Shares an amount equal to the aggregate stated capital of the Newco Class A Shares, Newco Class B Shares and the Trusted Brand Shares immediately before the Effective Time.
- (b) Upon the Amalgamation, TIBC shall add to the stated capital account maintained in respect of the New TIBC Shares an amount equal to the aggregate fair market value of the Trusted Brand Shares immediately before the Effective Time less \$100.
- (c) Upon the Amalgamation, TIBC shall add to the stated capital account maintained in respect of the New TIBC Shares an amount equal to the aggregate stated capital of the Newco Class B Shares immediately before the Effective Time.

## **2.10 Tax Withholdings**

TIBC, Newco and Amalco (or any of them) shall be entitled to deduct and withhold from any consideration otherwise payable to any Trusted Brand Shareholder (and, for greater certainty, from any amount payable to a Dissenting Trusted Brand Shareholder) in connection with the Amalgamation such amounts as TIBC, Newco and Amalco (or any of them) are required, or reasonably believe are required, to be deducted and withheld from such consideration in accordance with applicable Laws. Any such amounts will be deducted and withheld from the consideration payable in connection with the Amalgamation and shall be treated for all purposes as having been paid to the applicable Trusted Brand Shareholder in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted to the appropriate Governmental Entity.

## **ARTICLE 3 RIGHTS OF DISSENT**

### **3.1 Trusted Brand Dissent Rights**

- (a) A holder of Trusted Brand Shares may exercise rights of dissent with respect to such holder's Trusted Brand Shares pursuant to and in the manner set forth in Section 191 of the ABCA (the "**Dissent Rights**") in connection with the Amalgamation. If a holder of Trusted Brand Shares who duly exercises Dissent Rights is ultimately entitled to be paid fair value for his, her or its Trusted Brand Shares, such shares shall be deemed to have been surrendered to Trusted Brand for cancellation immediately prior to the Effective Time.
- (b) If a Dissenting Trusted Brand Shareholder is ultimately determined not to be entitled, for any reason, to be paid fair value for his, her or its Trusted Brand Shares, such Dissenting Trusted Brand Shareholder shall be deemed to have participated in the Amalgamation, as of the Effective Time, on the same basis as a holder of Trusted Brand Shares who does not properly exercise Dissent Rights in connection with the Amalgamation.

## ARTICLE 4

### **REPRESENTATIONS AND WARRANTIES OF TRUSTED BRAND**

Trusted Brand represents and warrants to and in favour of TIBC and Newco as follows, and acknowledges that TIBC and Newco are relying upon such representations and warranties in connection with the entering into of this Agreement and the completion of the transactions contemplated herein:

#### **4.1 Organization and Standing**

- (a) Trusted Brand has been duly incorporated under the laws of the Province of Alberta and is a valid and subsisting corporation under the ABCA, has all requisite corporate power and capacity to carry on its business in each jurisdiction in which it conducts business.
- (b) Trusted Brand has engaged in no business except for business that is materially in compliance with the rules of the TSXV relating to Capital Pool Companies and related to maintaining its status as a reporting issuer under Applicable Canadian Securities Laws.
- (c) Trusted Brand has no Subsidiaries at the date hereof and shall have no Subsidiaries at the Effective Date.

#### **4.2 Capitalization of Trusted Brand**

- (a) The authorized share capital of Trusted Brand consists of an unlimited number of Trusted Brand Shares and an unlimited number of preferred shares. At the date hereof, 3,962,900 Trusted Brand Shares have been issued and are outstanding as fully paid and non-assessable shares and nil preferred shares are outstanding. All of the outstanding Trusted Brand Shares were offered, issued and sold in compliance with Applicable Canadian Securities Laws, and all notices and filings in respect of such distributions have been made by Trusted Brand within the time and within the manner required by such Laws.
- (b) Except for the Trusted Brand Options, no person now has any agreement or option or right or privilege (whether at law, pre-emptive or contractual) capable of becoming an agreement for the purchase, subscription or issuance of, or conversion into, any unissued shares, securities, warrants or convertible obligations of any nature of Trusted Brand.
- (c) Trusted Brand does not own, legally or beneficially, any shares or other interests in any other Person. Trusted Brand is not a party to any agreement or arrangement to acquire any shares or other interests in any other Person and is not a party to any agreement or arrangement to acquire or lease any other business operations.
- (d) There are no shareholder agreements, proxies, voting trusts, rights to require the registration of any securities or the qualification of the distribution of any securities

under Applicable Canadian Securities Laws or other arrangements or commitments to which Trusted Brand is a party or by which it is bound with respect to the voting, disposition, registration or qualification of the distribution of any outstanding securities of Trusted Brand.

- (e) To the knowledge of Trusted Brand, none of the outstanding Trusted Brand Shares are subject to any escrow restriction, pooling arrangement, or voting trust, voluntary or otherwise, except as set out in the Trusted Brand Disclosure Letter.

### **4.3 Authority and No Violation**

Trusted Brand has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder; the execution and delivery of this Agreement and the consummation by Trusted Brand of the transactions contemplated hereby have been duly authorized by the Trusted Brand board of directors and no other corporate proceedings on the part of Trusted Brand is or will be necessary to authorize this Agreement and the transactions contemplated; this Agreement has been duly executed and delivered by Trusted Brand and constitutes the legal, valid and binding obligation of Trusted Brand enforceable against Trusted Brand in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.

### **4.4 Consents, Approvals**

Subject to receipt of all regulatory filings, approvals and consents necessary for the Amalgamation, neither the execution and delivery of this Agreement by Trusted Brand, the consummation by it of the transactions contemplated hereby nor compliance by them with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of either of them under, any of the terms, conditions or provisions of: (A) its articles or bylaws; or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which it is a party or to which its properties or assets may be subject or by which either is bound; or (ii) subject to compliance with applicable Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to it (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on it and would not materially adversely affect the ability of Trusted Brand to consummate the transactions contemplated hereby); or (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a Material Adverse Effect on Trusted Brand.

### **4.5 Financial Statements**

- (a) The Trusted Brand Financial Statements fairly present, in accordance with IFRS, consistently applied (except as specifically provided in the notes to such statements and except as otherwise disclosed in writing to Trusted Brand), the financial position and condition of Trusted Brand, on a consolidated basis, at the dates thereof and the results of the operations of Trusted Brand, on a consolidated basis, for the periods then ended and reflect all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of Trusted Brand as at the dates thereof.

- (b) There is no pending disagreement between Trusted Brand and its auditors which could materially affect the financial situation of Trusted Brand.

#### **4.6 Liabilities and Indebtedness**

- (a) Except as disclosed or reflected in the Trusted Brand Financial Statements or in the Trusted Brand Disclosure Letter, or pursuant to the terms of this Agreement, Trusted Brand has no liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by IFRS to be reflected on a balance sheet of TIBC).
- (b) except as disclosed in the Trusted Brand Financial Statements, Trusted Brand is not indebted to:
  - (i) any director, officer or Trusted Brand Shareholder;
  - (ii) any individual related to any of the foregoing by blood, marriage or adoption; or
  - (iii) any corporation controlled, directly or indirectly, by any one or more of those Persons referred to in subsections 4.6(b)(i) and (ii) hereof.

#### **4.7 Litigation, Etc.**

There are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of Trusted Brand, instituted or, to the knowledge of Trusted Brand, pending or threatened against or affecting Trusted Brand, at Law or in equity or before or by any Governmental Entity, and there are no grounds upon which any such action, suit or proceeding might be commenced, against Trusted Brand. There is no judgment, order, decree or award of any Governmental Entity having jurisdiction issued or, to the knowledge of Trusted Brand, pending or threatened against Trusted Brand, and neither Trusted Brand nor its assets is subject to any outstanding judgment, order, writ, injunction or decree.

#### **4.8 Absence of Certain Changes or Events**

Since its date of incorporation: (i) there has been no Material Adverse Change in respect of Trusted Brand (or any condition, event or development involving a prospective change that would result in a Material Adverse Change to, or have a Material Adverse Effect on, Trusted Brand); (ii) Trusted Brand has conducted its businesses in the ordinary and normal course; and (iii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) material to Trusted Brand (taken as a whole) has been incurred other than in the ordinary and normal course of business.

#### **4.9 Tax**

- (a) Trusted Brand has timely filed, or caused to be filed, all material Tax Returns required to be filed by it (all of which returns were correct and complete in all material respects), has timely paid, or caused to be paid, all Taxes due and payable by it, and has satisfied in full in all respects all Tax withholding, deposit and remittance requirements imposed on or with respect to Trusted Brand, and Trusted Brand Financial Statements for the year ended December 31, 2018 contain an adequate provision in accordance with IFRS for all material amounts of Taxes payable in respect of each period covered by such financial statements to the extent such Taxes have not been paid, whether or not due and whether or not shown as being due on any Tax Return. Trusted Brand has made adequate provision in accordance with IFRS in its

books and records for any amount of Taxes material to Trusted Brand and accruing in respect of any accounting period ending subsequent to the period covered by such financial statements.

- (b) Trusted Brand has not received any written notification that any issue involving an amount of Taxes has been raised (and is currently pending) by the Canada Revenue Agency or any other taxing authority, including any sales tax authority, and no waivers of statutes of limitations or objections to any assessments or reassessments involving an amount of Taxes have been given, filed or requested with respect to Trusted Brand. To the knowledge of Trusted Brand, it has not received any notice from any taxing authority to the effect that any Tax Return is being examined, and Trusted Brand has no knowledge or notice of any contemplated Tax audit. No proposed (but unassessed) additional Taxes have been asserted against Trusted Brand. There are no Tax liens on, or statutory trusts in respect of, any assets of Trusted Brand except for Taxes not yet due and payable. Trusted Brand has not received a refund of any Taxes to which it was not entitled.
- (c) Trusted Brand has withheld from each payment made to any present or former employees, officers, consultants and directors and to all Persons who are non-residents of Canada for the purposes of the Tax Act all amounts required by applicable Laws, and has remitted such withheld amounts within the prescribed periods to the appropriate federal or provincial taxing authority. Trusted Brand has remitted all Canada Pension Plan contributions, Employment Insurance premiums and other Taxes payable by it and has or will have remitted such amounts to the proper taxing authority within the time required by applicable Laws. Trusted Brand has charged, collected and remitted on a timely basis all Taxes required by applicable Laws (including Part IX of the *Excise Tax Act* (Canada) or the retail sales tax legislation of any province of Canada) on any sale, supply or delivery whatsoever made by Trusted Brand.
- (d) Trusted Brand has furnished to TIBC true and complete copies of all of its federal and provincial Tax Returns and Tax Returns relating to its most recently completed financial year and filed by it pursuant to the *Excise Tax Act* (Canada).
- (e) Trusted Brand has provided TIBC with copies of all material agreements with any officer, director, employee, shareholder or any other Person not dealing at arm's length with Trusted Brand and Trusted Brand has no benefit plans, bonus plans or deferred compensation plans other than as disclosed in the Circular.

#### **4.10 Employment Matters, Etc.**

- (a) Trusted Brand has no employees and has never entered into an employer-employee relationship with any other Person. Trusted Brand is not a party to any written or oral policy, agreement, obligation or understanding providing for severance, termination or change of control payments to any former or current director, officer or consultant of Trusted Brand. No payments will be triggered and be payable by Trusted Brand or Amalco (on account of prior actions or obligations of Trusted Brand) in connection with, or as a result of, the Amalgamation.
- (b) There are no complaints against Trusted Brand before any employment standards branch or tribunal or human rights tribunal, nor, to the knowledge of Trusted Brand, are there any complaints or any occurrences that could reasonably be expected to lead to a complaint under any human rights legislation or employment standards legislation.

- (c) To the knowledge of Trusted Brand, no independent contractor of Trusted Brand is obligated under any contract (including licenses, covenants or commitments of any nature) or other agreement (in all cases, to which Trusted Brand is a party), which would interfere with the use of such independent contractor's best efforts to promote the interests of Trusted Brand. To the knowledge of Trusted Brand (without having made any independent inquiry in this regard), no independent contractor of Trusted Brand is subject to any judgment, decree or order of any court or administrative agency, which would interfere with the use of such independent contractor's best efforts to promote the interests of Trusted Brand. Trusted Brand has not received any notice from any other Person that any present or former independent contractor of Trusted Brand has violated any term of any non-competition or non-solicitation agreement, patent or other proprietary information agreement or similar contract with, or any fiduciary duty in favour of, any other third party. Trusted Brand has not received any notice from any third party alleging that such a violation has occurred.
- (d) Trusted Brand is not subject to any present or future obligation or liability under any pension plan, deferred compensation plan, retirement income plan, stock purchase plan, profit sharing plan, bonus plan or policy, group insurance plan, hospitalization plan, disability plan or other benefit plan, program, policy or practice, formal or informal.
- (e) The obligations of Trusted Brand to its consultants arising out of or as a result of the Amalgamation shall not exceed nil.

#### **4.11 Corporate Records**

The corporate records and minute books of Trusted Brand, as made available to TIBC and its counsel, are up-to-date in all material respects, and contain complete and accurate minutes of all meetings of shareholders and the board of directors and any committees thereof and all resolutions consented to in writing by the directors or shareholders of Trusted Brand.

#### **4.12 Compliance with Laws**

Trusted Brand is in compliance, and at all times has complied, with all applicable Laws other than those the non-compliance with which would not, individually or in the aggregate, have a Material Adverse Effect on Trusted Brand. No investigation or review by any Governmental Entity with respect to Trusted Brand is, to the knowledge of Trusted Brand, pending or threatened, nor has any Governmental Entity indicated to Trusted Brand an intention to conduct any investigation or review.

#### **4.13 Restrictions on Business Activities**

To the knowledge of Trusted Brand, there is no agreement, judgment, injunction, order or decree binding upon Trusted Brand that has, or could be reasonably expected to have, the effect of prohibiting, restricting or materially impairing any business practice of Trusted Brand or the conduct of business by Trusted Brand.

#### **4.14 Brokerage and Finders' Fees**

Neither Trusted Brand nor any shareholder, director or officer thereof has incurred, or will incur on behalf of Trusted Brand, any brokerage fees, finder's fees, agent's commissions or other similar forms of compensation in connection with this Agreement or the transactions contemplated hereby.

#### **4.15 Solvency of Trusted Brand**

There are reasonable grounds for believing that Trusted Brand is able to pay its liabilities as they become due and, immediately prior to the Effective Time, Trusted Brand will be able to pay its liabilities as they become due. There are reasonable grounds for believing that the realizable value of Amalco's assets will, immediately after the consummation of the Amalgamation, not be less than the aggregate of its liabilities and the stated capital of all classes of its shares, and a senior officer of Trusted Brand will sign a certificate to that effect in connection with the filing of the Articles of Amalgamation pursuant to Section 2.4, which certificate will be addressed to the director of Amalco who provides the statutory declaration contemplated by Section 185(2) of the ABCA.

#### **4.16 Issuer Status**

- (a) Trusted Brand is a "reporting issuer" under securities legislation in force in each of the provinces of British Columbia, Alberta and Ontario as that term is defined under Applicable Canadian Securities Laws, is not in default of the requirements of any Applicable Canadian Securities Laws, or the policies and requirements or the policies and requirements of any stock exchange or the securities commissions.
- (b) Trusted Brand has filed all forms, reports, documents and information required to be filed by it, whether pursuant to Applicable Canadian Securities Laws or otherwise. As of the time filing with the applicable securities regulators and on SEDAR (System for Electronic Document Analysis and Retrieval) (or, if amended or superseded by a filing prior to the date of this letter agreement, then on the date of such filing): (i) each of the forms, reports, documents and information complied in all material respects with the requirements of the Applicable Canadian Securities Laws; and (ii) none of the forms, reports, documents and information contained any misrepresentation.

#### **4.17 Creditors of Trusted Brand**

Trusted Brand has reasonable grounds for believing that no creditor of Trusted Brand will be prejudiced by the Amalgamation, and a senior officer of Trusted Brand will sign a certificate to that effect in connection with the filing of the Articles of Amalgamation pursuant to Section 2.4, which certificate will be addressed to the proposed director of Amalco who provides the statutory declaration contemplated by Section 185(2) of the ABCA.

#### **4.18 Non Arm's-Length Contracts**

Trusted Brand is not a party to any contract or agreement with any officer, director or shareholder of Trusted Brand or any Person not dealing at arm's-length (within the meaning of the Tax Act) with any of the foregoing.

#### **4.19 No Guarantees or Indemnities**

Trusted Brand is not a party to or bound by any agreement of guarantee, indemnification (other than

indemnities in favour of directors and officers in accordance with the by-laws of Trusted Brand and other than indemnities and guarantees in favour of Trusted Brand's registrar and transfer agent), or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

#### **4.20 No Loans**

Trusted Brand has no loans or other indebtedness outstanding that have been made to or by any of its shareholders, officers or directors or, except as set forth in the Trusted Brand Disclosure Letter, any other Person.

#### **4.21 Encumbrances and Title**

Trusted Brand's assets are free and clear of all mortgages, pledges, liens, charges and encumbrances and no Person has any right to acquire an interest in any of its assets. Trusted Brand has not done any act, omitted to do any act or permitted any act to be done that may adversely affect its ownership of any of its assets.

#### **4.22 Public Record**

- (a) All information and statements filed by or on behalf of Trusted Brand with applicable securities regulatory authorities were true, correct and complete in all material respects and did not contain any misrepresentation as of the date of such information or statements, and Trusted Brand has not filed any confidential material change reports still maintained on a confidential basis under Applicable Canadian Securities Laws.
- (b) Trusted Brand is in material compliance with all of its obligations as a reporting issuer in the jurisdictions where it is a reporting issuer, including those imposed pursuant to securities legislation, and the regulations and policies thereunder.
- (c) Trusted Brand is in material compliance with all of the policies of the TSXV.
- (d) No cease trade order is currently issued against Trusted Brand or the Trusted Brand Common Shares in any jurisdiction, and, to the knowledge of Trusted Brand, no cease trade order is pending or threatened.

#### **4.23 Trusted Brand Information**

Trusted Brand has made available to TIBC, and its directors, officers, employees and agents, all of the information relating to Trusted Brand that TIBC has requested in connection with the Amalgamation. None of the information relating to Trusted Brand provided by Trusted Brand to TIBC or its directors, officers, employees or agents in connection with the transaction contemplated by this Agreement contained, in respect of Trusted Brand, any misrepresentation.

#### **4.24 Miscellaneous**

There does not exist any state of facts which after notice or lapse of time, or both, will constitute a default or breach on the part of Trusted Brand under any of the provisions contained in any of the material contracts, commitments or agreements to which it is a party, and no party to any such material contract has given written notice to Trusted Brand of or made a claim against Trusted Brand with respect to any breach or default thereunder, in any such case in which such breach or default constitutes

a Material Adverse Effect.

#### **4.25 Survival of Representations and Warranties**

The representations and warranties of Trusted Brand contained in this Agreement shall not survive the completion of the Amalgamation and shall expire and be terminated and extinguished upon the Amalgamation becoming effective.

### **ARTICLE 5** **REPRESENTATIONS AND WARRANTIES OF TIBC**

TIBC represents and warrants to and in favour of Trusted Brand as follows, and acknowledges that Trusted Brand is relying upon such representations and warranties in connection with the entering into of this Agreement and the completion of the Amalgamation.

#### **5.1 Organization and Standing**

- (a) Each of TIBC and the TIBC Subsidiaries have been duly incorporated and are validly subsisting under the laws of its jurisdiction of incorporation, has all requisite corporate power and capacity to carry on its business as now conducted and to own or lease and operate its properties and assets and, except as disclosed in writing to Trusted Brand and the TIBC Subsidiaries, are duly licensed or otherwise qualified to carry on business in each jurisdiction in which the nature of the business conducted by it or the ownership or leasing of its properties makes such qualification necessary, except where the failure to be so licensed or qualified would not have a Material Adverse Effect on TIBC.
  
- (b) TIBC has no Subsidiaries at the date hereof and shall have no Subsidiaries at the Effective Date, other than Theracann Canada, Theracann Australia, OS2, 2172014 Alberta Ltd, 2073528 Alberta Ltd, ETCH BioTrace S.A., Sprout A.I. S.A., Theracann Biotrace S.A. or as disclosed in writing to Trusted Brand.

## **5.2 Capitalization of TIBC**

- (a) the authorized share capital of TIBC consists of an unlimited number of TIBC Shares and an unlimited number of preferred shares, of which, as at the date hereof, TIBC has issued and outstanding 10,000,000 TIBC Shares and no preferred shares, there are no outstanding securities of TIBC or options, warrants, rights or conversion or exchange privileges entitling anyone to acquire any securities of TIBC or any other rights, agreements or commitments of any character whatsoever requiring the issuance, sale or transfer by TIBC of any securities of TIBC or any securities convertible into, exchangeable or exercisable for, or otherwise evidencing a right to acquire, any securities of TIBC save and except for the TIBC Convertible Debentures, TIBC Employee/Advisor Debentures, TIBC Bridge Financing Debentures, TIBC Bridge Financing Warrants and TIBC Warrants. On the Effective Date, all of the TIBC Convertible Debentures TIBC Employee/Advisor Debentures, and TIBC Bridge Financing Debentures will have been converted and all outstanding TIBC Shares will be fully paid and non-assessable and not subject to, nor issued in violation of, any pre-emptive rights, and all TIBC Shares, as applicable, issuable in connection with the transactions contemplated hereby, will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive rights;
- (b) all TIBC Subscription Receipts and all TIBC shares and warrants underlying the Subscription Receipts issuable in connection with the TIBC Financing, will be duly authorized and validly issued, fully paid and non-assessable and will not be subject to any pre-emptive right;
- (c) Except as noted in Section 5.1(b) and joint ventures entered into by TIBC in the ordinary course of its business, TIBC does not own, legally or beneficially, any shares or other interests in any Person. TIBC is not a party to any agreement or arrangement to acquire any shares or other interests in any other Person and is not a party to any agreement or arrangement to acquire or lease any other business operations except agreements and arrangements entered into in the ordinary course of its business;
- (d) There are no shareholder agreements, proxies, voting trusts, rights to require the registration of any securities or the qualification of the distribution of any securities under securities Laws or other arrangements or commitments to which TIBC is a party or by which it is bound with respect to the voting, disposition, registration or qualification of the distribution of any outstanding securities of TIBC;
- (e) To the knowledge of TIBC, none of the outstanding TIBC Shares are subject to any escrow restriction, pooling arrangement, or voting trust, voluntary or otherwise, except for escrow restrictions that may be imposed by the TSXV in connection with the transactions contemplated by this Agreement; and
- (f) all private placements of TIBC have been or will be completed in accordance with all Applicable Canadian Securities Laws.

## **5.3 Authority and No Violation**

- (a) TIBC has the requisite corporate power and authority to enter into this Agreement and to carry out its obligations hereunder; the execution and delivery of this Agreement and the consummation by TIBC of the transactions contemplated hereby have been duly authorized by the TIBC board of directors and no other corporate proceedings on the part of TIBC is or

will be necessary to authorize this Agreement and the transactions contemplated; this Agreement has been duly executed and delivered by TIBC and constitutes the legal, valid and binding obligation of TIBC enforceable against TIBC in accordance with its terms, subject to bankruptcy, insolvency, fraudulent transfer, reorganization, moratorium and other laws relating to or affecting creditors' rights generally and to general principles of equity.

- (b) Neither the execution and delivery of this Agreement by TIBC, the consummation by TIBC of the transactions contemplated hereby nor compliance by TIBC with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of TIBC under, any of the terms, conditions or provisions of: (a) the articles of TIBC, or (b) except as disclosed in writing to Trusted Brand, any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which TIBC is a party or to which its properties or assets may be subject or by which TIBC is bound; or (ii) subject to compliance with applicable Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to TIBC (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on TIBC and would not adversely affect the ability of Trusted Brand and TIBC to consummate the transactions contemplated hereby); or (iii) cause a suspension or revocation of any authorization for the consent, approval or license currently in effect which would have a Material Adverse Effect on TIBC.

#### **5.4 Financial Statements**

- (a) The TIBC Financial Statements fairly present, in accordance with IFRS, consistently applied (except as specifically provided in then notes to such statements and except as otherwise disclosed in writing to Trusted Brand), the financial position and condition of TIBC, on a consolidated basis, at the dates thereof and the results of the operations of TIBC, on a consolidated basis, for the periods then ended and reflect all material assets, liabilities or obligations (absolute, accrued, contingent or otherwise) of TIBC, on a consolidated basis, as at the dates thereof; and
- (b) There is no pending disagreement between TIBC and its auditors which could materially affect the financial situation of TIBC.

#### **5.5 Liabilities and Indebtedness**

- (a) Except as disclosed or reflected in the TIBC Financial Statements or as incurred in the Ordinary Course of TIBC since December 31, 2018, TIBC has no liabilities of any nature, whether accrued, contingent or otherwise (or which would be required by IFRS to be reflected on a balance sheet of TIBC) that have had or would be reasonably likely to have a Material Adverse Effect in respect of TIBC; and
- (b) As at December 31, 2018 TIBC's aggregate bank debt was nil and its working capital deficiency (excluding bank debt) did not exceed nil.

## **5.6 Litigation, Etc.**

Except as disclosed in writing to Trusted Brand, there are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of TIBC, instituted or, to the knowledge of TIBC, pending or threatened against or affecting TIBC, at Law or in equity or before or by any Governmental Entity, except those that, if determined adversely to TIBC, would not reasonably be expected to have a Material Adverse Effect on TIBC. There is no judgment, order, decree or award of any Governmental Entity having jurisdiction issued or, to the knowledge of TIBC, pending or threatened against TIBC, and neither TIBC nor its assets or properties is, to the knowledge of TIBC, subject to any outstanding judgment, order, writ, injunction or decree.

## **5.7 Insurance**

TIBC is insured against loss or damages to its business and assets, in such amounts and against such risks as are customarily carried and insured against by owners of comparable businesses and assets, no notice of cancellation or termination thereof has been received by TIBC and there is no existing default or event that, with the giving of notice or lapse of time, or both, would constitute a default thereunder. All such policies of insurance will remain in full force and effect in accordance with their terms following the execution and delivery of this Agreement and shall not be cancelled or otherwise terminated as a result of the Amalgamation.

## **5.8 Absence of Certain Changes or Events**

- (a) Each contract or agreement between TIBC and any other Person that is material to the ownership, use or operation of a material portion of the business, properties or assets of TIBC is in full force and effect and, to the knowledge of TIBC: (i) is valid, binding and enforceable against each of the parties thereto in accordance with its terms (subject only to qualifications of the nature set out in Sections 5.3(a)(i) and (ii) hereof); (ii) no material breach or default exists in respect thereof on the part of any party thereto; and (iii) no event has occurred that, with the giving of notice or the lapse of time, or both, would constitute such a material breach or default, except as disclosed to Trusted Brand in writing.
- (b) Since December 31, 2018, TIBC has not:
  - (i) declared or paid any dividends or made any distribution of its properties or assets to its shareholders;
  - (ii) disposed of any of its material properties or assets or incurred any material indebtedness; or
  - (iii) made or suffered any change or changes in its financial condition, assets, liabilities or business that, singly or in the aggregate, have had a Material Adverse Effect or would reasonably be expected to have a Material Adverse Effect on its financial condition, assets, liabilities or business as currently conducted or as proposed to be conducted, except as disclosed to Trusted Brand in writing.
- (c) Since December 31, 2018, TIBC has conducted its business only in the Ordinary Course, except as disclosed in writing to Trusted Brand.

## 5.9 Tax

- (a) TIBC and/or the TIBC Subsidiaries, have timely filed, or caused to be filed, all material Tax Returns required to be filed by it (all of which returns were correct and complete in all material respects), has timely paid, or caused to be paid, all Taxes due and payable by it, and has satisfied in full in all respects all Tax withholding, deposit and remittance requirements imposed on or with respect to TIBC, and TIBC's financial statements for the fiscal period ended December 31, 2018 contain an adequate provision in accordance with IFRS for all material amounts of Taxes payable in respect of each period covered by such financial statements to the extent such Taxes have not been paid, whether or not due and whether or not shown as being due on any Tax Return. TIBC has made adequate provision in accordance with IFRS in its books and records for any amount of Taxes material to TIBC and accruing in respect of any accounting period ending subsequent to the period covered by such financial statements.
- (b) TIBC has not received any written notification that any issue involving an amount of Taxes has been raised (and is currently pending) by the Canada Revenue Agency or any other taxing authority, including any sales tax authority, and no waivers of statutes of limitations or objections to any assessments or reassessments involving an amount of Taxes have been given, filed or requested with respect to TIBC. TIBC has not received any notice from any taxing authority to the effect that any Tax Return is being examined, and TIBC has no knowledge or notice of any contemplated Tax audit. No proposed (but unassessed) additional Taxes have been asserted against TIBC. There are no Tax liens on, or statutory trusts in respect of, any assets of TIBC except for Taxes not yet due and payable. TIBC has not received a refund of any Taxes to which it was not entitled.
- (c) TIBC has withheld from each payment made to any present or former employees, officers, consultants and directors and to all Persons who are non-residents of Canada for the purposes of the Tax Act all amounts required by applicable Laws, and has remitted such withheld amounts within the prescribed periods to the appropriate federal or provincial taxing authority. TIBC has remitted all Canada Pension Plan contributions, Employment Insurance premiums and other Taxes payable by it and has or will have remitted such amounts to the proper taxing authority within the time required by applicable Laws. TIBC has charged, collected and remitted on a timely basis all Taxes required by applicable Laws (including Part IX of the *Excise Tax Act* (Canada) or the retail sales tax legislation of any province of Canada) on any sale, supply or delivery whatsoever made by TIBC.
- (d) TIBC, and/or the required TIBC Subsidiaries, have furnished to Trusted Brand true and complete copies of all of its federal and provincial Tax Returns and Tax Returns relating to its most recently completed financial year and filed by it pursuant to the *Excise Tax Act* (Canada).
- (e) TIBC, and/or the required TIBC Subsidiaries have provided Trusted Brand with copies of all material agreements with any officer, director, employee, shareholder or any other Person not dealing at arm's length with TIBC and TIBC has no benefit plans, bonus plans or deferred compensation plans.

## 5.10 Corporate Records

The corporate records and minute books of TIBC, as made available to Trusted Brand and its counsel,

are up-to-date in all material respects, and contain complete and accurate minutes of all meetings of shareholders and the board of directors and any committees thereof and all resolutions consented to in writing by the directors or shareholders of TIBC.

#### **5.11 Compliance with Laws**

TIBC is in compliance, and at all times has complied, with all applicable Laws other than those the non-compliance with which would not, individually or in the aggregate, have a Material Adverse Effect on TIBC. No investigation or review by any Governmental Entity with respect to TIBC is, to the knowledge of TIBC, pending or threatened, nor has any Governmental Entity indicated to TIBC an intention to conduct any investigation or review in respect of TIBC, other than those the outcome of which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on TIBC.

#### **5.12 Restrictions on Business Activities**

To the knowledge of TIBC, there is no agreement, judgment, injunction, order or decree binding upon TIBC that has, or would be reasonably expected to have, the effect of prohibiting, restricting or materially impairing any business practice of TIBC or the conduct of business by TIBC as currently conducted or as proposed to be conducted.

#### **5.13 No Guarantees or Indemnities**

Except as entered into in the Ordinary Course, TIBC is not a party to or bound by any agreement of guarantee, indemnification (other than indemnities in favour of directors and officers in accordance with the by-laws of TIBC and applicable Laws and indemnities and guarantees in favour of TIBC's registrar and transfer agent and its bankers), or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

#### **5.14 No Loans**

TIBC has no loans or other indebtedness outstanding that have been made to or by any of its shareholders, officers, directors or employees or any other Person not dealing at arm's-length with TIBC other than as evidenced by the TIBC Convertible Debentures, TIBC Employee/Advisor Debentures, and the TIBC Bridge Financing Debentures.

#### **5.15 Encumbrances and Title**

- (a) TIBC has good and valid title to, or a valid and enforceable leasehold interest in, all material personal property and material assets owned or leased by it, free and clear of any liens, except for Permitted Encumbrances and other encumbrances disclosed in the Trusted Brand Disclosure Letter; and
- (b) no cease trade order has been issued against TIBC or the TIBC Common Shares in any jurisdiction, and to the knowledge of TIBC, no cease trade order is pending or threatened.

#### **5.16 TIBC Information**

TIBC has made available to Trusted Brand, and its directors, officers and agents, all of the information relating to TIBC that Trusted Brand has requested in connection with the Amalgamation. None of the information relating to TIBC provided by TIBC to Trusted Brand or its directors, officers or agents in

connection with the transaction contemplated by this Agreement contained, in respect of TIBC, any misrepresentation.

#### **5.17 Survival of Representations and Warranties**

The representations and warranties of TIBC contained in this Agreement shall not survive the completion of the Amalgamation and shall expire and be terminated and extinguished upon the Amalgamation becoming effective.

### **ARTICLE 6** **REPRESENTATIONS AND WARRANTIES OF TIBC IN RELATION TO NEWCO**

TIBC represents and warrants to and in favour of Trusted Brand as follows, and acknowledges that Trusted Brand is relying upon such representations and warranties in connection with the entering into of this Agreement and the completion of this Amalgamation.

#### **6.1 Organization and Standing**

- (a) Newco has been duly incorporated and is a valid and subsisting corporation under the ABCA, has all requisite corporate power and capacity to carry on its business as now being carried on by it and is duly licensed or otherwise qualified to carry on business in each jurisdiction in which the nature of the business conducted by it makes such qualification necessary, except where the failure to be so licensed or qualified would not have a Material Adverse Effect on TIBC.
- (b) Newco has no Subsidiaries at the date hereof.

#### **6.2 Capitalization of Newco**

- (a) The authorized share capital of Newco consists of an unlimited number of Newco Class A Shares and an unlimited number of Class B Shares. At the date hereof, 100 Newco Class A Shares have been issued and are outstanding as fully paid and non-assessable. The foregoing Newco Class A Shares were issued and sold in compliance with Applicable Canadian Securities Laws in a distribution exempt from the prospectus and registration requirements of such laws, and all notices and filings, if any, in respect of such distribution have been made by Newco within the time and within the manner required by such securities Laws. There are no outstanding Newco Class B Shares as of the date hereof.
- (b) Newco does not have any outstanding agreements, subscriptions, warrants, options or commitments (pre-emptive, contingent or otherwise), nor has it granted any right or privilege capable of becoming an agreement, subscription, warrant, option or commitment, obligating Newco to offer, sell, repurchase or otherwise acquire, transfer, pledge or encumber any securities of Newco, nor are there outstanding any securities or obligations of any kind convertible into or exercisable or exchangeable for any securities of Newco. There are no outstanding bonds, debentures or other evidences of indebtedness of Newco having the right to vote at meetings of the holders of Newco Class A Shares or Newco Class B Shares that are exchangeable or convertible for or

exercisable into securities having the right to vote at meetings of the holders of Newco Class A Shares.

- (c) Newco does not own any shares or other interests in any Person. Newco is not a party to any agreement or arrangement to acquire any shares or other interests in any other Person and is not a party to any agreement or arrangement to acquire or lease any other business operations.
- (d) There are no shareholder agreements, proxies, voting trusts, rights to require the registration of any securities or the qualification of the distribution of any securities under securities Laws or other arrangements or commitments to which Newco is a party or by which it is bound with respect to the voting, disposition, registration or qualification for distribution of any outstanding securities of Newco.
- (e) None of the Newco Class A Shares held by TIBC, which is the sole Newco Class A Shareholder, are subject to any escrow restriction, pooling arrangement, or voting trust, voluntary or otherwise.

### **6.3 Authority and No Violation**

- (a) Newco has all requisite corporate power and capacity to enter into this Agreement and to perform its obligations hereunder and to consummate the Amalgamation. The execution, delivery and performance of this Agreement have been, or will prior to the Effective Time be, duly authorized by all necessary corporate action of Newco. This Agreement has been duly executed and delivered by Newco and constitutes a valid and binding obligation of Newco, enforceable against Newco in accordance with its terms, subject only to the following qualifications:
  - (i) the general principles of equity, including that an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy; and
  - (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar Laws generally affecting the enforceability of creditors' rights.
- (b) TIBC has all requisite corporate power and capacity to enter into this Agreement and to perform the obligations hereunder. The execution, delivery and performance by TIBC of this Agreement have been duly authorized by all necessary corporate action of TIBC. This Agreement has been duly executed and delivered by TIBC and constitutes valid and binding obligations of TIBC, enforceable against TIBC in accordance with its terms, subject only to the following qualifications:
  - (i) the general principles of equity, including that an order of specific performance and an injunction are discretionary remedies and, in particular, may not be available where damages are considered an adequate remedy; and
  - (ii) enforcement may be limited by bankruptcy, insolvency, liquidation, reorganization, reconstruction and other similar Laws generally affecting the enforceability of creditors' rights.

- (c) Neither the execution and delivery of this Agreement by Newco, the consummation by Newco of the transactions contemplated hereby nor compliance by Newco with any of the provisions hereof will: (i) violate, conflict with, or result in breach of any provision of, require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration under, or result in a creation of any lien, security interest, charge or encumbrance upon any of the properties or assets of Newco under, any of the terms, conditions or provisions of: (A) the articles of Newco, or (B) any note, bond, mortgage, indenture, loan agreement, deed of trust, agreement, lien, contract or other instrument or obligation to which Newco is a party or to which its properties or assets may be subject or by which Newco is bound; or (ii) subject to compliance with Applicable Laws, violate any judgment, ruling, order, writ, injunction, determination, award, decree, statute, ordinance, rule or regulation applicable to Newco (except, in the case of each of clauses (i) and (ii) above, for such violations, conflicts, breaches, defaults, terminations which, or any consents, approvals or notices which if not given or received, would not have any Material Adverse Effect on TIBC or materially impair the ability of TIBC to perform its obligations hereunder or prevent or delay the consummation of the Amalgamation.

#### **6.4 Consents, Approvals**

No consent, approval, order or authorization of, or registration, declaration or filing with, any third party or Governmental Entity is required by or with respect to Newco in connection with the execution and delivery of this Agreement by Newco, the performance of its obligations hereunder or the consummation by Newco of the transactions contemplated hereby other than:

- (a) the approval by the Newco Class A Shareholder of the Newco Amalgamation Resolution;
- (b) any filings with the Registrar; and
- (c) any other consents, approvals, orders, authorizations, registrations, declarations or filings that, if not obtained or made, would not, individually or in the aggregate, have a Material Adverse Effect on TIBC or prevent or delay the consummation of the Amalgamation or materially impair Newco's ability to perform its obligations hereunder.

#### **6.5 Litigation, Etc.**

There are no actions, suits, proceedings, investigations or outstanding claims or demands, whether or not purportedly on behalf of Newco, instituted or, to the knowledge of TIBC, pending or threatened against or affecting Newco, at Law or in equity or before or by any Governmental Entity. There is no judgment, order, decree or award of any Governmental Entity having jurisdiction issued or, to the knowledge of TIBC, pending or threatened against Newco, and Newco is not subject to any outstanding judgment, order, writ, injunction or decree.

#### **6.6 Corporate Records**

The corporate records and minute books of Newco, as made available to Trusted Brand and its counsel, are up-to-date in all material respects, and contain complete and accurate minutes of all meetings of

shareholders and the board of directors and any committees thereof and all resolutions consented to in writing by the directors or shareholders of Newco.

#### **6.7 Compliance with Laws**

Newco is in compliance, and at all times has complied, with all applicable Laws, other than those the non-compliance with which would not, individually or in the aggregate, have a Material Adverse Effect on TIBC. No investigation or review by any Governmental Entity with respect to Newco is, to the knowledge of TIBC, pending or threatened, nor has any Governmental Entity indicated an intention to conduct any investigation or review in respect of Newco, other than those the outcome of which would not reasonably be expected to have, individually or in the aggregate, a Material Adverse Effect on TIBC.

#### **6.8 Restrictions on Business Activities**

To the knowledge of TIBC, there is no agreement, judgment, injunction, order or decree binding upon Newco that has, or could be reasonably expected to have, the effect of prohibiting, restricting or materially impairing any business practice of Newco or the conduct of business by Newco as currently conducted or proposed to be conducted.

#### **6.9 Solvency of Newco**

There are reasonable grounds for believing that Newco is able to pay its liabilities as they become due and, immediately prior to the time of the consummation of the Amalgamation, will be able to pay its liabilities as they become due.

#### **6.10 Creditors of Newco**

TIBC has reasonable grounds for believing that no creditor of Newco will be prejudiced by the Amalgamation.

#### **6.11 No Guarantees or Indemnities**

Newco is not a party to or bound by any agreement of guarantee, indemnification (other than indemnities in favour of directors and officers in accordance with the by-laws of Newco and applicable Laws), or any other like commitment in respect of the obligations, liabilities (contingent or otherwise) or indebtedness of any other Person.

#### **6.12 No Loans**

Newco has no loans or other indebtedness outstanding that have been made to or by any of its shareholders, officers, directors or employees or any other Person not dealing at arm's-length with Newco.

#### **6.13 Restrictions on Business**

Newco is not a party to or bound or affected by any commitment, agreement or document containing any covenant expressly limiting its freedom to compete in any line of business, compete in any geographic region, or transfer or move any of its assets or operations that would have a Material Adverse Effect on TIBC.

## **6.14 Survival of Representations and Warranties**

The representations and warranties of TIBC relating to Newco contained in this Agreement shall not survive the completion of the Amalgamation and shall expire and be terminated and extinguished upon the Amalgamation becoming effective.

## **ARTICLE 7 COVENANTS AND AGREEMENTS**

### **7.1 Mutual Covenants**

- (a) Each of TIBC, Trusted Brand and Newco agrees that, until the earlier of the Effective Date or the termination of this Agreement in accordance with Article 10 in each case, except (i) with the consent of the other Parties or (ii) as expressly contemplated by this Agreement:
  - (i) it shall:
    - a) carry on its businesses in the usual and ordinary course consistent with past practices; and
    - b) use reasonable efforts to preserve intact its present business organization and material rights and franchises, to keep available the services of its current officers and employees, and to preserve its relationships with customers, suppliers and others having business dealings with it.
  - (ii) it shall not:
    - a) declare or pay any dividends on, make other distributions, or return capital in respect of any of its outstanding shares or any other equity interests;
    - b) reorganize, amalgamate or merge with any Person;
    - c) split, combine or reclassify any of its outstanding shares or issue or authorize or propose the issuance of any other securities in respect of, in lieu of or in substitution for, any of its outstanding shares;
    - d) issue, sell, pledge, reserve, set aside, dispose of or encumber, repurchase, redeem or otherwise acquire, any of its shares or any securities or obligations convertible into, exercisable or exchangeable for unissued shares or any rights, warrants, calls, subscriptions or options to acquire unissued shares, except pursuant to stock options, warrants or other convertible securities or debt obligations outstanding on the date hereof and, in the case of TIBC and Newco, the issuance of securities contemplated by the TIBC Bridge Private Placement, TIBC Employee/Advisor Private Placement and the TIBC Financing;
    - e) except in respect of the TIBC Bridge Private Placement, TIBC

Employee/Advisor Private Placement and the TIBC Financing, enter into or announce any agreement or arrangement with respect to the sale, voting or repurchase of any of its shares or any security convertible into or exchangeable for such shares;

- f) grant a security interest in, or any Encumbrance on, or in respect of, any of its material assets;
- g) incur any indebtedness for borrowed money or purchase money indebtedness or assume, guarantee or endorse any indebtedness, other than indebtedness under its existing credit facilities, except in the Ordinary Course;
- h) make or commit to make any capital expenditures (including capital lease obligations), except, in the case of TIBC, in connection with its ongoing operations;
- i) except in the Ordinary Course in the case of TIBC, acquire, agree to acquire, dispose of or agree to dispose of any corporation, partnership, joint venture or other business organization or division or acquire, agree to acquire, dispose of or agree to dispose of any assets;
- j) except in the Ordinary Course, (i) satisfy or settle any claims or liabilities; (ii) relinquish any contractual rights; or (iii) enter into, modify, or terminate any interest rate, currency or commodity swaps, hedges or other similar financial instruments;
- k) except in the Ordinary Course in the case of TIBC, otherwise enter into any material operating lease or create any material mortgages, liens, security interests or other encumbrances on the property of such Party in connection with any indebtedness, other than Permitted Encumbrances;
- l) expend or commit to expend any amounts with respect to any operating expenses other than in the ordinary course of business;
- m) otherwise acquire any assets, except, in the case of TIBC, in the ordinary course of business;
- n) increase the amount of (or accelerate the payment or vesting of) any benefit or amount payable under, any benefit plan or any other contract, agreement, commitment, arrangement, plan or policy providing for compensation or benefits to any former, present or future director, officer or consultant of such Party except in the ordinary course, consistent with past practices;
- o) increase (or enter into any commitment or arrangement to increase) the compensation or benefits, or otherwise extend, expand or enhance any related rights, of any former, present or future director, officer or consultant of such Party except in the ordinary course, consistent with past practices;

- p) adopt, establish, enter into or implement any benefit plan, policy, severance or termination agreement providing for any form of benefits or other compensation to any former, present or future director, officer, employee or consultant of such Party or amend any benefit plan, policy, severance or termination agreement of such Party;
  - q) make any payment to any director, officer or consultant outside of their ordinary and usual compensation for services provided;
  - r) amend or propose to amend its Constatng Documents, except in the case of TIBC and specifically as required by Regulatory Approvals;
  - s) pay, discharge, satisfy, compromise or settle any material claims or material liabilities prior to the same being due;
  - t) make any changes to the existing accounting practices, methods and principles used or relied upon by such Party except as required by applicable Laws as advised by such Party's regular independent accountants;
  - u) make or rescind any material tax election;
  - v) (i) enter into any confidentiality or standstill agreement (other than in respect of confidentiality agreements entered into in the ordinary course of business), or (ii) amend or release any third party from its obligations or grant any consent under, any confidentiality or standstill provision or fail to fully enforce any such provision;
  - w) take any action, or refrain from taking any action (subject to commercially reasonable best efforts), or permit any action to be taken or not taken, inconsistent with the provisions of this Agreement or which would reasonably be expected to materially impede the completion of the Transaction or would render, or that could reasonably be expected to render, any representation or warranty made by each Party in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Date if then made, or which would or could have a Material Adverse Effect on the Party, provided that the Party may take any such action or refrain from taking such action (subject to commercially reasonable best efforts) as a result of this Agreement, in the event the Party immediately notifies the other in writing of such circumstances; or
- (iii) it shall not agree in writing or otherwise to take any of the actions described above in clauses 7.1(ii)(a) through 7.1(ii)(w).
- (b) Each Party shall promptly advise the other Parties in writing:
- (i) of any event, condition or circumstance that might be reasonably expected to cause any representation or warranty of such Party contained in this Agreement to be inaccurate on the Effective Date (or, in the case of any representation or warranty

made as of a specified date, as of such specified date); and

- (ii) of any material breach by such Party of any covenant, obligation or agreement contained in this Agreement.
- (c) Each of Trusted Brand and TIBC will promptly advise the other in writing of the occurrence of any event, circumstance, occurrence or development having a Material Adverse Effect on such Party or any event, circumstance, occurrence or development that might reasonably be expected to have a Material Adverse Effect on such Party.
- (d) Each of TIBC, Trusted Brand and Newco will, in all material respects, keep the other Parties informed as to the material decisions required to be made or actions required to be taken with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of a confidentiality obligation owed to a third party for which a waiver is not obtainable.
- (e) Each of TIBC and Trusted Brand shall use reasonable commercial efforts to perform all obligations required to be performed by such Party under this Agreement, cooperate with the other Party in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing, each of TIBC and Trusted Brand shall:
  - (i) use reasonable commercial efforts to satisfy or cause to be satisfied, as soon as reasonably practicable, all the conditions precedent set out in Article 8 over which such Party may have control;
  - (ii) apply for and use reasonable commercial efforts to obtain, as soon as reasonably practicable, all appropriate Regulatory Approvals relating to such Party or any of its Subsidiaries and, in doing so, to keep the other Parties reasonably informed as to the status of any proceedings related to its efforts in that regard, including providing such other Parties with copies of all related applications and notifications, in draft form, in order for each such other Party to provide its reasonable comments;
  - (iii) use reasonable commercial efforts to comply promptly with all requirements imposed under applicable Laws on such Party or such Party's Subsidiaries with respect to the transactions contemplated hereby;
  - (iv) use reasonable commercial efforts to defend all lawsuits or other legal, regulatory or other proceedings to which it is a Party challenging or affecting this Agreement or the consummation of the Amalgamation;
  - (v) use reasonable commercial efforts to have lifted or rescinded any injunction or restraining order or other order that may adversely affect the ability of the Parties to consummate the Amalgamation;
  - (vi) effect all necessary registrations, filings and submissions of information required by Governmental Entities from such Party or any of such Party's Subsidiaries in connection with the Amalgamation; and

- (vii) use reasonable commercial efforts to obtain all waivers, consents and approvals from other parties to loan agreements, leases or other contracts that are required to be obtained by such Party or any of such Party's subsidiaries to consummate the Amalgamation where the failure to obtain the same would materially and adversely affect the ability of such Party or such Party's Subsidiaries to consummate the Amalgamation.
- (f) Each of TIBC and Trusted Brand shall provide to the other such reports on its operations and affairs as may reasonably be required from time to time by the other.

## **7.2 Other Covenants**

- (a) As soon as reasonably practicable following the date of the execution of this Agreement, and in any event not later than 5 Business Days following such date, Trusted Brand shall deliver to TIBC executed Trusted Brand Voting Agreements from all of the directors, officers and insiders (as such term is defined in the Applicable Canadian Securities Laws) of Trusted Brand.
- (b) As soon as reasonably practicable following the date of the execution of this Agreement, and in any event not later than 5 Business Days following such date, TIBC shall deliver to Trusted Brand executed TIBC Voting Agreements from all of the directors, officers and insiders (as such term is defined in the Applicable Canadian Securities Laws) of Trusted Brand.
- (c) Trusted Brand shall solicit from the Trusted Brand Shareholders proxies in favour of approval of the Trusted Brand Amalgamation Resolution.
- (d) Trusted Brand will prepare and mail to the Trusted Brand Shareholders, in a timely and expeditious manner, and in any event by not later than July 15, 2019, the Notice of Meeting and Circular, which will include the unanimous recommendation of the directors of Trusted Brand that Trusted Brand Shareholders vote in favour of the Trusted Brand Amalgamation Resolution, all in accordance with applicable Law.
- (e) TIBC will provide to Trusted Brand copies of Letters of Transmittal, which may be used by Trusted Brand Shareholders to exchange certificates representing their Trusted Brand Shares for certificate representing TIBC Shares following completion of the Amalgamation and Trusted Brand will include copies of the Letters of Transmittal with the Circular and other materials mailed to Trusted Brand Shareholders pursuant to Section 7.2(d).
- (f) Trusted Brand shall not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Meeting without TIBC's prior written consent, except as required by Laws or, in the case of adjournment, as may be authorized by the Trusted Brand Shareholders as expressed by a majority resolution.
- (g) Until the earlier of the Effective Date and the termination of this Agreement pursuant to Article 10, Trusted Brand shall not sell or pledge or otherwise dispose of any of its assets.

- (h) Trusted Brand shall promptly advise TIBC of the number of Trusted Brand Shares in respect of which Trusted Brand has received notices of dissent or written objections to the Trusted Brand Amalgamation Resolution or the Amalgamation, and will promptly provide TIBC with copies of such notices or written objections. Trusted Brand shall give TIBC (i) prompt notice of any withdrawals of Dissent Rights, and receipt of any other instruments served pursuant to the ABCA in relation to Dissent Rights and (ii) the opportunity to participate in all negotiations and proceedings with respect to applicable Dissent Rights. Without the prior written consent of TIBC, except as required by applicable Law, Trusted Brand shall not make any payment with respect to the exercise of any Dissent Rights or offer to settle or settle any Dissent Rights.
- (i) TIBC agrees that Trusted Brand shall be entitled to obtain directors' and officers' liability insurance on a "trailing" or "run-off" basis for current and former directors and officers of Trusted Brand (whether such insurance is maintained independently of or included under TIBC's directors' and officers' insurance policy), covering claims made prior to or within six years from the Effective Date; provided that the cost of such coverage is not to exceed \$7,500.
- (j) TIBC shall indemnify and save harmless Trusted Brand and the directors, officers and agents of Trusted Brand from and against any and all liabilities, claims, demands, losses, costs, damages and expenses (excluding any loss of profits or consequential damages) to which Trusted Brand, or any director, officer or agent thereof, may be subject or which Trusted Brand, or any director, officer or agent thereof, may suffer, whether under the provisions of any statute or otherwise, in any way caused by, or arising, directly or indirectly, from or in consequence of any misrepresentation or alleged misrepresentation in the Circular relating to any information provided by TIBC for inclusion in the Circular.
- (k) TIBC will make available to Trusted Brand, and consents to the use of, all financial statements and related financial information of TIBC that may be required to be disclosed in the Circular or in other Trusted Brand documents required under applicable Law in connection with the Amalgamation and will request that its auditors, to the extent required under applicable Law, provide their consent to the use of their reports and use of their name in connection with any disclosure by Trusted Brand of such financial statements, provided that Trusted Brand agrees that it shall:
  - (i) be liable to TIBC for all losses, costs, damages and expenses whatsoever that TIBC may suffer, sustain, pay or incur; and
  - (ii) indemnify and save TIBC and its directors, officers, employees and agents harmless from and against all claims, liabilities, actions, proceedings, demands, losses, costs, damages and expenses whatsoever that may be alleged against, threatened, brought against or suffered or incurred by TIBC or any of its directors, officers, employees and agents as a result of the use of the financial information as provided in this Section 7.2(j).
- (l) Each Disclosing Party covenants and agrees to, upon request, use reasonable efforts to advise the Recipient of all documented purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates and all additional documented purposes where the Disclosing Party has notified the individual of such additional purpose, and where required by Laws,

obtained the consent of such individual to such use or disclosure.

- (m) In addition to its other obligations hereunder, each Recipient covenants and agrees to:
- (i) prior to the completion of the transactions contemplated herein, collect, use and disclose the Transferred Information solely for the purpose of reviewing and completing the transactions contemplated herein, including for the purpose of determining to complete such transactions;
  - (ii) after the completion of the transactions contemplated herein, collect, use and disclose the Transferred Information only for those purposes for which the Transferred Information was initially collected from or in respect of the individual to which such Transferred Information relates or for the completion of the transactions contemplated herein, unless (1) the Disclosing Party or Recipient have first notified such individual of such additional purpose, and where required by Laws, obtained the consent of such individual to such additional purpose, or (2) such use or disclosure is permitted or authorized by Law, without notice to, or consent from, such individual;
  - (iii) where required by Law, promptly notify the individuals to whom the Transferred Information relates that the transactions contemplated herein have taken place and that the Transferred Information has been disclosed to Recipient;
  - (iv) return or destroy the Transferred Information, at the option of the Disclosing Party, should the transactions contemplated herein not be completed; and
  - (v) notwithstanding any other provision herein, where the disclosure or transfer of Transferred Information to Recipient requires the consent of, or the provision of notice to, the individual to which such Transferred Information relates, to not require or accept the disclosure or transfer of such Transferred Information until the Disclosing Party has first notified such individual of such disclosure or transfer and the purpose for same, and where required by Laws, obtained the individual's consent to same and to only collect, use and disclose such information to the extent necessary to complete the transactions contemplated herein and as authorized or permitted by Laws.

### **7.3 Recommendation of the Trusted Brand Board of Directors**

The Circular shall include the recommendation of the board of directors of Trusted Brand to the Trusted Brand Shareholders in respect of the Trusted Brand Amalgamation Resolution contemplated by Section 2.2, and shall disclose the execution and delivery of the Trusted Brand Voting Agreements. Notwithstanding any other provision of this Agreement, the board of directors of Trusted Brand may change its recommendation to the Trusted Brand Shareholders in respect of the Amalgamation from that set forth herein, as applicable, if such board concludes, in good faith, after receiving the advice of outside counsel that is reflected in the minutes of a meeting of the board, that such action is necessary for such board to act in a manner consistent with its fiduciary duty under applicable Laws and, in the event that Sections 7.4 and 9.2 are applicable, if Trusted Brand and its board, as applicable, are in compliance with those sections and Trusted Brand has paid any fee applicable under Section 9.2. The foregoing shall not relieve Trusted Brand from its obligation to proceed to call and hold the Meeting,

solicit proxies for the Meeting and hold the vote of Trusted Brand Shareholders in respect of the Amalgamation at the Meeting.

#### **7.4 Trusted Brand Covenant Regarding Non-Solicitation**

- (a) Trusted Brand shall immediately terminate and cause to be terminated all solicitations, initiations, encouragements, discussions or negotiations with any Person conducted prior to the date hereof by Trusted Brand, or its officers, directors, employees, financial advisors, legal counsel, representatives or agents, with respect to any Acquisition Proposal. Trusted Brand shall promptly send a letter to each Person who has entered into a confidentiality agreement with Trusted Brand in connection with the consideration by any such Person of a business combination or similar transaction involving Trusted Brand, requiring all materials provided to such Person by Trusted Brand to be destroyed or returned to Trusted Brand or its agents or advisors and Trusted Brand shall use reasonable commercial efforts to ensure that such requests are honoured.
- (b) Trusted Brand shall not, directly or indirectly, through any officer, director, representative or agent, solicit, initiate, invite or knowingly encourage (including by way of furnishing confidential information or entering into any form of agreement, arrangement or understanding) the initiation of or participate in, any inquiries or proposals regarding an Acquisition Proposal.

#### **7.5 Access to Information**

- (a) Subject to Section 7.5(b) and applicable Laws, upon reasonable notice to an officer of Trusted Brand, Trusted Brand shall afford the officers, employees, counsel, accountants and other authorized representatives and advisors of TIBC access, during normal business hours from the date hereof and until the earlier of the Effective Date or the termination of this Agreement, to its properties, books, contracts and records as well as to its management personnel; provided that such access shall be provided on a basis that minimizes the disruption to the operations of Trusted Brand. During such period, Trusted Brand shall furnish promptly to TIBC all information concerning Trusted Brand's business, properties and personnel as TIBC may reasonably request.
- (b) TIBC acknowledges that certain information received pursuant to Section 7.5(a) will be non-public or proprietary in nature and that such information will be considered "Confidential Information" for purposes of the Trusted Brand Confidentiality Agreement.

#### **7.6 Closing Matters**

- (a) Closing of the Amalgamation and Reorganization will occur at the office of Burstall LLP (Suite 1600 Dome Tower, 333 7<sup>th</sup> Avenue S.W., Calgary, Alberta) at or before 2:00 p.m. (Calgary time) (the "**Time of Closing**") on or about August 15, 2019 (the "**Closing Date**"), or on such other date or at such other time and place as the Parties may agree.
- (b) Each of TIBC, Newco and Trusted Brand shall deliver, at the Time of Closing, such customary certificates, resolutions and other closing documents as may be required by the other Parties hereto, acting reasonably, including any documents expressly

contemplated by this Agreement.

## **ARTICLE 8** **CONDITIONS**

### **8.1 Mutual Conditions Precedent**

The respective obligations of TIBC, Trusted Brand and Newco to complete the Amalgamation and to file the Articles of Amalgamation and such other documents as are required to be filed under the ABCA to give effect to the Amalgamation shall be subject to the satisfaction of each of the following conditions at or prior to the Effective Date:

- (a) the Trusted Brand Amalgamation Resolution shall have been approved by not less than 66⅔% of the votes cast by Trusted Brand Shareholders who attend the Meeting in person or by proxy;
- (b) the Newco Amalgamation Resolution shall have been approved by TIBC in its capacity as the Newco Class A Shareholder;
- (c) all required Regulatory Approvals shall have been obtained or received from the Persons having jurisdiction in the circumstances;
- (d) there shall not be in force any order or decree restraining or enjoining the consummation of the Amalgamation and there shall be no proceeding, whether of a judicial or administrative nature or otherwise, in progress that relates to the Amalgamation that would, if successful, result in an order or ruling that would preclude consummation of the Amalgamation in accordance with the terms and conditions hereof or thereof;
- (e) there shall not exist any prohibition at Law against the completion of the Amalgamation;
- (f) all consents and approvals under any agreements to which Trusted Brand or TIBC is a party or by which either of them is bound that are required for the completion of the Amalgamation shall have been obtained or received;
- (g) none of the consents, orders, regulations or approvals required to permit the Amalgamation shall contain terms or conditions or require undertakings or security deemed unsatisfactory or unacceptable by any of the Parties acting reasonably; and
- (h) this Agreement shall not have been terminated under Article 10.

The foregoing conditions are for the mutual benefit of TIBC, Trusted Brand and Newco and may only be waived in writing, in whole or in part, by TIBC, Trusted Brand and Newco. If any such condition precedent is not satisfied or waived as aforesaid on or before the date required for the satisfaction thereof (provided such non-satisfaction did not arise from the acts or omissions of such Party), any of TIBC, Trusted Brand or Newco may, in addition to the other remedies it may have at Law or in equity, rescind and terminate this Agreement by written notice to the other Parties.

## **8.2 Additional Conditions Precedent to the Obligations of Trusted Brand**

The obligations of Trusted Brand to complete the Amalgamation and the obligation of Trusted Brand to file Articles of Amalgamation jointly with Newco and such other documents as are required to be filed under the ABCA to give effect to the Amalgamation shall also be subject to the satisfaction of each of the following conditions at or prior to the Effective Date or such other time as is specified below:

- (a) TIBC shall, in all material respects, have performed or complied with each of its obligations, covenants and agreements hereunder to be performed and complied with by it on or before the Effective Time (or any earlier time specified);
- (b) each of the representations and warranties of TIBC set out in this Agreement shall be true and correct in all material respects on the date of this Agreement and as of the Effective Date as if made on and as of such date except:
  - (i) representations and warranties of TIBC made as of a specified date, which shall be true and correct in all material respects as of such specified date;
  - (ii) as affected by transactions contemplated or permitted by this Agreement; or
  - (iii) where the failure of such representations and warranties to be true and correct in all respects would not be reasonably expected to have a Material Adverse Effect on TIBC;
- (c) since the date of this Agreement, there shall have been no change, event or occurrence that would reasonably be expected to have a Material Adverse Effect on TIBC;
- (d) Trusted Brand shall have received a certificate of a senior officer of TIBC addressed to Trusted Brand and dated the Effective Date confirming that the conditions in Sections 8.2(a) and (b) have been satisfied;
- (e) since the date of this Agreement, no action, suit or proceeding shall have been commenced before or by any Governmental Entity or by any other Person against TIBC that would, if successful, have a Material Adverse Effect on TIBC in the opinion of Trusted Brand, acting reasonably;
- (f) The TSXV shall have granted conditional approval to the Amalgamation as a Qualifying Transaction (as that term is defined in the TSXV Corporate Finance Manual) of Trusted Brand; and
- (g) the board of directors of TIBC shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by TIBC to permit the consummation of the Amalgamation.

The foregoing conditions are for the benefit of Trusted Brand and may be waived in writing, in whole or in part, by Trusted Brand at any time. If any such condition precedent is not satisfied or waived by Trusted Brand on or before the date required for the satisfaction thereof (provided such non-satisfaction did not arise from the acts or omissions of Trusted Brand), Trusted Brand may, in addition

to the other remedies it may have at Law or in equity, rescind and terminate this Agreement by written notice to TIBC and Newco.

### **8.3 Additional Conditions Precedent to the Obligations of TIBC**

The obligations of TIBC and Newco to complete the Amalgamation and the obligation of Newco to file Articles of Amalgamation jointly with Trusted Brand and such other documents as are required to be filed under the ABCA to give effect to the Amalgamation shall also be subject to the satisfaction of each of the following conditions at or prior to the Effective Date or such other time as is specified below:

- (a) Trusted Brand shall, in all material respects, have performed or complied with each of its obligations, covenants and agreements hereunder to be performed and complied with by it on or before the Effective Time (or any earlier time specified);
- (b) each of the representations and warranties of Trusted Brand set out in this Agreement shall be true and correct in all material respects on the date of this Agreement and as of the Effective Date as if made on and as of such date except:
  - (i) representations and warranties of Trusted Brand made as of a specified date, which shall be true and correct in all material respects as of such specified date;
  - (ii) as affected by transactions contemplated or permitted by this Agreement; or
  - (iii) where the failure of such representations and warranties to be true and correct in all respects would not be reasonably expected to have a Material Adverse Effect on Trusted Brand;
- (c) there shall be no material adverse change in the condition of Trusted Brand from the date hereof to the Closing Date and for purposes of this paragraph, "material adverse change" shall mean a change in the condition of Trusted Brand resulting in an impairment in value of at least \$20,000 (but excluding reasonable transaction costs relating to the Amalgamation and agreed to by TIBC, which are not to exceed \$50,000);
- (d) Trusted Brand shall have completed the Consolidation at the effective Exchange Ratio;
- (e) TIBC shall have received a certificate of a senior officer of Trusted Brand addressed to TIBC and dated the Effective Date confirming that the conditions in Sections 8.3(a) and (b) have been satisfied;
- (f) the receipt of any necessary third party consents or approvals (in form and substance reasonably satisfactory to TIBC and Newco), including conditional listing approval from TSXV (without any requirement for sponsorship) in respect of the listing of the outstanding TIBC Shares on TSXV and the listing of the TIBC Shares to be distributed in connection with the Amalgamation;
- (g) in connection with the listing of the TIBC Shares on TSXV, TIBC shall be designated as a either a Tier 2 or Tier 1 issuer by the TSXV;
- (h) TIBC being satisfied, acting reasonably, that the number of existing shareholders of

Trusted Brand who will hold at least one board lot of TIBC Shares upon completion of the Amalgamation will be not less than 100;

- (i) completion by TIBC (or an affiliate) of an equity financing transaction pursuant to which TIBC (or an affiliate) will distribute, by way of private placement (to accredited investors resident in British Columbia, Alberta, and Ontario (and such other jurisdictions as TIBC may determine in its sole discretion)), not less than \$15,000,000 million of TIBC Shares, or securities convertible into or exchangeable for TIBC Shares, at a price (or effective price) to be determined between the Agents and TIBC;
- (j) TIBC shall have received an executed resignation and release from each of the directors and officers of Trusted Brand in form and substance satisfactory to TIBC;
- (k) TIBC shall have received the executed Trusted Brand Voting Agreements contemplated by Section 7.2(a) from Trusted Brand on or prior to the date that is five Business Days following the date hereof;
- (l) since the date of this Agreement, no action, suit or proceeding shall have been taken before or by any Governmental Entity or by any other Person against Trusted Brand that would, if successful, have a Material Adverse Effect on Trusted Brand in the opinion of TIBC, acting reasonably;
- (m) all of the Trusted Brand Options shall have been exercised in full or terminated on terms acceptable to TIBC, acting reasonably;
- (n) on or prior to July 15, 2019, Trusted Brand shall have called the Meeting for a date not later than August 15, 2019, at which the Trusted Brand Shareholders will be asked to consider, and if thought fit, pass the Trusted Brand Amalgamation Resolution and such additional resolutions as TIBC and Newco may reasonably stipulate in writing on or prior to the date that is five business days prior to the scheduled mailing of the Circular;
- (o) Trusted Brand shall have mailed the Circular to the Trusted Brand Shareholders in accordance with applicable Law by not later than July 15, 2019, and shall have convened the Meeting by not later than August 15, 2019;
- (p) the board of directors of Trusted Brand and the Trusted Brand Shareholders shall have adopted all necessary resolutions and all other necessary corporate action shall have been taken by Trusted Brand to permit the consummation of the Amalgamation;
- (q) the assets of Trusted Brand shall, as at the Closing Date be free and clear of any and all liens, charges, security interests, purchase options or other claims or encumbrances of any kind or nature;
- (r) as of the Effective Date, Trusted Brand shall have cash of not less than \$250,000 and positive working capital of not less than \$250,000 (excluding reasonable transaction costs relating to the Amalgamation, which are not to exceed \$50,000);
- (s) Trusted Brand shall not have paid any dividends or made any other distributions or payments on account of bonuses or other remuneration to any of its officers, directors or employees prior to the Closing Date;

- (t) the number of shares of Trusted Brand, if any, in respect of which Dissent Rights are exercised by the holders thereof as contemplated by Section 3.1 shall not exceed 10% of the total number of issued and outstanding shares of Trusted Brand;
- (u) Trusted Brand shall have no employees as of the Closing Date and no liabilities of any nature or kind whatsoever in respect of employees;
- (v) no Person that is resident in the United States holds, legally or beneficially, any Trusted Brand Shares; and
- (w) The aggregate number of Trusted Brand Shares outstanding immediately prior to the Effective Time shall not exceed 3,962,900.

The foregoing conditions are for the benefit of TIBC and Newco and may be waived in writing, in whole or in part, by TIBC and Newco at any time. If any such condition precedent is not satisfied or waived by TIBC and Newco on or before the date required for the satisfaction thereof (provided such non-satisfaction did not arise from the acts or omissions of TIBC), TIBC and Newco may, in addition to the other remedies they may have at Law or in equity, rescind and terminate this Agreement by written notice to Trusted Brand.

#### **8.4 Merger of Conditions**

The conditions set out in Sections 8.1, 8.2 and 8.3 shall be conclusively deemed to have been satisfied, waived or released on the filing by Trusted Brand and Newco of the Articles of Amalgamation and such other documents as are required to be filed under the ABCA to give effect to the Amalgamation and the issuance by the Registrar of a certificate of amalgamation.

### **ARTICLE 9 FEES AND EXPENSES**

#### **9.1 General**

Subject to Section 9.2, hereof, TIBC, Newco and Trusted Brand will each bear their own expenses in connection with this Agreement and the transactions contemplated hereby, whether or not the Amalgamation is consummated. Neither TIBC nor Newco shall be responsible for any brokerage or other finder's fees to any broker or agent engaged by Trusted Brand in respect of the transactions contemplated by this Agreement. TIBC shall be fully responsible for any brokerage or finder's fee to any broker or agent engaged by TIBC or Newco in respect of the transactions contemplated by this Agreement.

#### **9.2 Expense Fees**

Provided Trusted Brand is not in default of its obligations under this Agreement, if all of the conditions to completion of the Amalgamation in favor of TIBC are satisfied or waived and the Amalgamation is not completed as a result of action or inaction on the part of TIBC, TIBC will pay to Trusted Brand an amount equal to the lesser of: (i) the aggregate legal and accounting costs incurred by Trusted Brand in connection with the Amalgamation; and (ii) \$50,000. Provided TIBC is not in default of its obligations under this Agreement, if all of the conditions to completion of the Amalgamation in favor of Trusted Brand are satisfied or waived and the Amalgamation is not completed as a result of action or inaction

on the part of Trusted Brand, Trusted Brand will pay to TIBC an amount equal to the lesser of: (i) the aggregate legal and accounting costs incurred by TIBC in connection with the Amalgamation; and (ii) \$50,000.

### **9.3 Liquidated Damages**

Each of the Parties acknowledges that the amounts set out in Section 9.2 represent liquidated damages, which are a genuine pre-estimate of certain damages which the Party entitled to such amount will suffer or incur as a result of the event giving rise to the applicable payment, and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

## **ARTICLE 10 AMENDMENT AND TERMINATION**

### **10.1 Amendment**

This Agreement may not be amended except by mutual written agreement of the Parties, provided that after approval by the Trusted Brand Shareholders no amendment may be made that by Law requires further approval or authorization by the Trusted Brand Shareholders without such further approval or authorization.

### **10.2 Termination**

This Agreement may be terminated and the Amalgamation abandoned at any time prior to the Effective Time (notwithstanding any approval of the Trusted Brand Amalgamation Resolution by the Trusted Brand Shareholders):

- (a) by the mutual written consent of TIBC and Trusted Brand;
- (b) by TIBC or Trusted Brand, by written notice to the other Party, if such Party determines, acting reasonably, that the consummation of the Amalgamation would be illegal or otherwise prohibited by Law, or if any judgment, injunction, order or decree of a court of competent jurisdiction enjoining Newco or Trusted Brand from consummating the Amalgamation shall be entered and such judgment, injunction, order or decree shall have become final and nonappealable;
- (c) by TIBC or Trusted Brand, by written notice to the other Party, if the Effective Date does not occur on or prior to August 15, 2019, or such other date as TIBC and Trusted Brand may agree; provided, however, that the right to terminate this Agreement under this Section 10.2(c) shall not be available to any Party whose failure to perform any material covenant, agreement or obligation hereunder has been the cause of, or resulted in, the failure of the Effective Date to occur on or before such date;
- (d) by TIBC, by written notice to Trusted Brand, if:
  - (i) the board of directors of Trusted Brand fails to recommend or withdraws, modifies or changes its approval or recommendation in respect of the Amalgamation in a manner adverse to TIBC or Newco;

- (ii) the Trusted Brand Amalgamation Resolution is not submitted for approval at the Meeting;
  - (iii) Trusted Brand does not call the Meeting on or prior to July 15, 2019;
  - (iv) Trusted Brand does not mail the Circular (and related materials) to the Trusted Brand Shareholders on or prior to July 15, 2019, provided that the failure to mail the Circular on or before such date is not attributable to a breach by TIBC of any of its obligations under Section 2.3, or
  - (v) the Meeting is not held by August 15, 2019, or such later date to which the Meeting shall have been adjourned or postponed (if agreed to in writing by TIBC), provided that the failure to hold the Meeting on or prior to such date is not attributable to a breach by TIBC of any of its obligations under Section 2.3;
- (e) by TIBC or Trusted Brand, by written notice to the other Party, if at the Meeting the requisite vote of the Trusted Brand Shareholders to approve the Trusted Brand Amalgamation Resolution shall not be obtained;
  - (f) by TIBC, Newco or Trusted Brand, by written notice to the other Parties, if any of the conditions precedent set out in Section 8.1 have not been complied with or waived on or before the date required for performance thereof; provided, however, that no Party may rely on the failure to satisfy any of the conditions set out in Section 8.1 if the condition would have been satisfied but for a failure by such Party to comply with its obligations hereunder;
  - (g) by Trusted Brand, by written notice to TIBC and Newco, if any of the conditions precedent set out in Section 8.2 hereof has not been complied with or waived on or before the date required for performance thereof; provided, however, that Trusted Brand may not rely on the failure to satisfy any of the conditions set out in Section 8.2 if the condition would have been satisfied but for a material failure by Trusted Brand to comply with its obligations hereunder;
  - (h) by Trusted Brand, by written notice to TIBC and Newco, if TIBC has breached any of its representations or warranties herein, such breach would result in the failure to satisfy the condition set out in Section 8.2(b) and such breach is not curable or, if curable, is not cured within 20 days after notice thereof has been received by TIBC;
  - (i) by TIBC or Newco, by written notice to Trusted Brand, if any of the conditions precedent set out in Section 8.3 has not been complied with or waived on or before the date required for performance thereof; provided, however, that TIBC may not rely on the failure to satisfy any of the conditions set out in Section 8.3 if the condition would have been satisfied but for a material failure by TIBC to comply with its obligations hereunder; or
  - (j) by TIBC or Newco, by written notice to Trusted Brand, if Trusted Brand has breached any of its representations or warranties herein, such breach would result in the failure to satisfy the condition set out in Section 8.3(b) and such breach is not curable or if curable, is not cured within 20 days after notice thereof has been received by Trusted Brand.

### **10.3 Effect of Termination**

In the event of the termination of this Agreement as provided in Section 10.2, this Agreement shall forthwith have no further force or effect and none of the Parties shall have any further obligations or liabilities hereunder except as contemplated by Sections 7.2(j), 7.2(k) and Article 9, which provisions, together with Sections 11.4, 11.6, 11.8 and 11.10, will survive any such termination. For greater certainty, the termination of this Agreement shall not relieve any Party from its obligations under the TIBC Confidentiality Agreement or the Trusted Brand Confidentiality Agreement. Nothing in this Section 10.3 shall relieve any Party from liability for any breach of this Agreement that occurred prior to the date of termination.

## **ARTICLE 11 GENERAL**

### **11.1 Investigation**

No investigation by a Party and its representatives and advisors shall mitigate, diminish or affect the representations and warranties of any other Party set out in this Agreement.

### **11.2 Notices**

Any notice, consent, waiver, direction or other communication required or permitted to be given under this Agreement by a Party to any other Party shall be in writing and may be given by delivering or sending the same by facsimile transmission or by hand delivery addressed to the Party to whom the notice is to be given at its address for service herein. Any such notice, consent, waiver, direction or other communication shall, if delivered, be deemed to have been given and received on the date on which it was delivered to the address provided herein (if a Business Day and, if not, the next succeeding Business Day) and if sent by facsimile transmission be deemed to have been given and received at the time of receipt unless actually received after 5:00 p.m. (Calgary time) at the point of receipt in which case it shall be deemed to have been given and received on the next Business Day. If this Agreement requires specification of the time (not just the date) of delivery, the time of delivery shall be deemed to be: (a) if delivered by fax, the time noted on the fax header, unless actually received after 5:00 p.m. (Calgary time) at the point of receipt in which case it shall be deemed to have been given and received at 8:30 a.m. (Calgary time) on the next Business Day; and (b) if delivered, the time that delivery actually occurs.

### **11.3 Addresses**

The address for service for each of the Parties hereto shall be as follows:

- (a) in the case of TIBC or Newco:

Theracann International Benchmark Corporation  
International Business Park, Unit 5B, Building 3860  
Panama Pacifico, Republic of Panama, 000000

Attention: Jason Warnock, Chief Executive Officer  
Email: *email address redacted*

With a copy to the corporation's counsel:

Burstall LLP  
Suite 1600, 333-7<sup>th</sup> Ave S.W.  
Calgary, AB, T2P 2Z1

Attention: Doug McCartney  
Email: *email address redacted*  
Facsimile: (403) 266-6016

- (b) in the case of Trusted Brand:

Trusted Brand 2016 Inc.  
Suite 200, 805 – 1st Street S.W.  
Calgary, AB T2P 1B8

Attention: Ted Geier, Chief Executive Officer  
Email: *email address redacted*

With a copy to the corporations counsel:

DLA Piper (Canada) LLP  
Suite 1000, 250 2<sup>nd</sup> Street S.W.  
Calgary, AB, T2P 0C1

Attention: Trevor Wong-Chor  
Email: *email address redacted*  
Facsimile: (403) 213-4473

or at such other address of which any Party may, from time to time, advise the other Parties by notice in writing given in accordance with the foregoing.

#### **11.4 Assignment**

No Party may assign this Agreement or any of its rights, interests or obligations under this Agreement (whether by operation of Law or otherwise) without the prior written consent of the other Parties.

#### **11.5 Binding Effect**

This Agreement shall be binding upon and shall enure to the benefit of the Parties and their respective successors and permitted assigns.

#### **11.6 Third Party Beneficiaries**

- (a) Except as noted in Sections 11.6(b) and (c) below, nothing in this Agreement, express or implied, shall be construed to create any third party beneficiaries.
- (b) The provisions of Section 7.2(i) are: (i) intended for the benefit of the directors, officers and agents of Trusted Brand, as and to the extent applicable in accordance with its terms, and shall be enforceable by each of such Persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**Trusted**

**Brand Third Party Beneficiaries")** and Trusted Brand shall hold the rights and benefits of Section 7.2(i) in trust for and on behalf of the Trusted Brand Third Party Beneficiaries and Trusted Brand hereby accepts such trust and agrees to hold the benefit of and enforce the performance of such rights and benefits on behalf of the Trusted Brand Third Party Beneficiaries; and (ii) in addition to, and not in substitution for, any other rights that any of the Trusted Brand Third Party Beneficiaries may have by contract or otherwise.

- (c) The provisions of Section 7.2(k) are: (i) intended for the benefit of the directors, officers, employees and agents of TIBC, as and to the extent applicable in accordance with its terms, and shall be enforceable by each of such Persons and his or her heirs, executors, administrators and other legal representatives (collectively, the "**TIBC Third Party Beneficiaries**") and TIBC shall hold the rights and benefits of Section 7.2(k) in trust for and on behalf of the TIBC Third Party Beneficiaries and TIBC hereby accepts such trust and agrees to hold the benefit of and enforce performance of such rights and benefits on behalf of the TIBC Third Party Beneficiaries; and (ii) in addition to, and not in substitution for, any other rights that any of the TIBC Third Party Beneficiaries may have by contract or otherwise.

#### **11.7 Waiver and Modification**

Each of Trusted Brand, TIBC and Newco may: (i) extend the time for performance of any of the covenants or obligations of any other Party; (ii) waive compliance by any other Party with any of the covenants or agreements of such Party or Parties or the fulfillment of any conditions to its own obligations contained herein; or (iii) waive inaccuracies in any of the representations or warranties of any other Party provided to it hereunder or in any document delivered to it by any other Party pursuant to this Agreement; provided, however, that any such extension or waiver shall be valid only if set out in an instrument in writing signed on behalf of such Party, and, unless otherwise provided in the applicable written waiver, will be limited to the specific covenant, obligation, agreement, representation or warranty, as applicable, so waived.

#### **11.8 No Personal Liability**

- (a) No director, officer or agent of Trusted Brand shall have any personal liability whatsoever to TIBC or Newco under this Agreement or any other document delivered in connection with the Amalgamation on behalf of Trusted Brand.
- (b) No director, officer, employee or agent of TIBC or Newco shall have any personal liability whatsoever to Trusted Brand under this Agreement or any other document delivered in connection with the Amalgamation on behalf of TIBC or Newco.

#### **11.9 Further Assurances**

Each Party shall, from time to time, and at all times hereafter, at the request of the other Parties, but without further consideration, do all such further acts and execute and deliver all such further documents and instruments as shall be reasonably requested by another Party in order to fully perform and carry out the terms and intent hereof.

#### **11.10 Public Announcements, Etc.**

From the date hereof until the Effective Date or such earlier date on which this Agreement may be

terminated pursuant to Section 10.2, each of TIBC and Trusted Brand shall advise and consult and cooperate with the other prior to issuing, or permitting any of its directors, officers, employees or agents to issue any news release or otherwise make any public statements with respect to this Agreement or the Amalgamation or making any filings with any Governmental Entity with respect thereto. Neither TIBC nor Trusted Brand shall issue any such news release or make any such statement or filing prior to such consultation, except as may be required to ensure compliance with applicable Law, including, for greater certainty, in order to discharge continuous disclosure obligations under applicable securities Laws and only after using reasonable commercial efforts to consult with the other, taking into account the time constraints to which it is subject as a result of applicable securities Laws.

#### **11.11 Governing Law; Consent to Jurisdiction**

This Agreement shall be governed by and be construed in accordance with the laws of Alberta and the federal laws of Canada applicable in Alberta and shall be treated in all respects as an Alberta contract. Each Party hereby irrevocably attorns to the jurisdiction of the courts of Alberta in respect of all matters arising under or in relation to this Agreement.

#### **11.12 Entire Agreement**

This Agreement and the other agreements and other documents referred to herein constitute the entire agreement between the Parties pertaining to the subject matter hereof and supersede all prior agreements, understandings, negotiations and discussions, whether oral or written, among the Parties, except that this Agreement does not supersede the TIBC Confidentiality Agreement or the Trusted Brand Confidentiality Agreement, each of which shall remain in effect in accordance with its terms.

#### **11.13 Time of Essence**

Time is of the essence of this Agreement.

#### **11.14 Severability**

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that transactions contemplated hereby are fulfilled to the extent possible.

#### **11.15 Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same agreement.

WITNESS WHEREOF the Parties hereto have executed this Agreement as of the date first above written.

**THERACANN INTERNATIONAL  
BENCHMARK CORPORATION**

Per: (s) "Jason Warnock"

Jason Warnock  
Chief Executive Officer

**2172014 ALBERTA LTD.**

Per: (s) "Jason Warnock"

Jason Warnock  
Chief Executive Officer

**TRUSTED BRAND 2016 INC.**

Per: (s) "Ted Geier"

Ted Geier  
Chief Executive Officer