



**ANNUAL GENERAL MEETING
OF SHAREHOLDERS**

TO BE HELD ON JULY 5, 2023

**NOTICE OF MEETING
AND MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT**

THIS NOTICE OF MEETING AND MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT IS FURNISHED IN CONNECTION WITH THE SOLICITATION BY MANAGEMENT OF DECIBEL CANNABIS COMPANY INC., OF PROXIES TO BE VOTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF DECIBEL CANNABIS COMPANY INC. TO BE HELD ON JULY 5, 2023

TO BE HELD AT:

**The Palmer Room
Burnet, Duckworth & Palmer LLP
2400, 525 – 8th Avenue S.W.
Calgary, Alberta**

At 4:00 p.m. (Calgary time)



NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

The annual general meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Decibel Cannabis Company Inc. (the "**Corporation**") will be held in the Palmer Room at **the offices of Burnet, Duckworth & Palmer LLP** at 2400, 525 – 8th Avenue S.W., Calgary, Alberta, on July 5, 2023 at 4:00 p.m. (Calgary time), to:

1. receive and consider the audited financial statements of the Corporation for the financial year ended December 31, 2022, and the report of the auditor thereon;
2. fix the number of directors of the Corporation to be elected at the Meeting at five (5) directors;
3. elect five (5) directors for the ensuing year;
4. appoint KPMG LLP, Chartered Professional Accountants, as the auditors of the Corporation for the ensuing year and to authorize the board of directors to fix the auditor's remuneration as such; and
5. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

Registered Shareholders are requested to date and sign the enclosed Instrument of Proxy and deposit it with Odyssey Trust Company, Suite 702 - 67 Yonge St, Toronto, ON M5E 1J8 (Attention: Proxy Department), by facsimile at (800) 517-4553 (if outside North America) or by internet at <https://login.odysseytrust.com/pxlogin> at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof. All instructions are listed in the enclosed form of proxy. The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy.

The board of directors of the Corporation has fixed the record date for the Meeting at the close of business on June 2, 2023 (the "**Record Date**"). Shareholders of the Corporation of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Common Shares included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, unless any such Shareholder transfers the ownership of his or her Common Shares after the Record Date and the transferee of those Common Shares establishes that he or she owns the Common Shares and demands not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Particulars of the foregoing matters are set forth in the accompanying Management Information Circular. The financial statements for the year ended December 31, 2022, and the report of the auditor of the Corporation thereon are available on SEDAR at www.sedar.com.

DATED at Calgary, Alberta June 2, 2023

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "Shawn Dym"

Shawn Dym

Director and Chair of the Board of Directors



**MANAGEMENT INFORMATION CIRCULAR AND PROXY STATEMENT
DATED JUNE 2, 2023**

**For the Annual General Meeting
of Shareholders to be held on July 5, 2023**

PROXIES

Solicitation of Proxies

This management information circular and proxy statement (the "**Management Information Circular**") is provided in connection with the solicitation by management of Decibel Cannabis Company Inc. ("**Decibel**" or the "**Corporation**") of proxies from the holders ("**Shareholders**") of common shares (the "**Common Shares**") for the annual general meeting (the "**Meeting**") of the Shareholders of the Corporation to be held on July 5, 2023 at **4:00 p.m.** (Calgary time) at **the offices of Burnet, Duckworth & Palmer LLP at 2400, 525 – 8th Avenue S.W.**, Calgary, Alberta, or at any adjournment thereof for the purposes set out in the accompanying notice of annual general meeting ("**Notice of Meeting**").

The board of directors of the Corporation (the "**Board**") has fixed the record date for the Meeting at the close of business on June 2, 2023 (the "**Record Date**"). Only Shareholders of record on the Record Date are entitled to notice of, and to attend and vote at, the Meeting, unless a Shareholder transfers the ownership of his or her Common Shares subsequent to that date and the transferee of those Common Shares establishes that he or she owns the Common Shares and demands not less than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

Unless otherwise stated, the information in this Management Information Circular is given as at the Record Date.

This solicitation is made on behalf of management of the Corporation. The Corporation is not using "notice-and-access" to send its proxy-related materials to Shareholders, and paper copies of such materials will be sent to all Shareholders. The costs incurred in the preparation and mailing of the instrument appointing a proxy (the "**Instrument of Proxy**"), Notice of Meeting and this Management Information Circular will be borne by the Corporation. In addition to mailing Instruments of Proxy, proxies may also be solicited personally or by telephone, facsimile or other proxy solicitation services. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), arrangements have been made with brokerage houses and other intermediaries, clearing agencies, custodians, nominees and fiduciaries to forward solicitation materials to the Beneficial Shareholders (as defined below) by such persons, and since costs are being borne by the Corporation, the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The Corporation does not intend to pay for costs of an intermediary to deliver to objecting Beneficial Shareholders the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary* of NI 54-101, and objecting Beneficial Shareholders will not receive the materials unless their intermediary assumes the cost of delivery.

Appointment and Revocation of Proxies

The Instrument of Proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by a duly authorized officer or attorney of the corporation.

The persons named (the "**Management Designees**") in the enclosed Instrument of Proxy have been selected by the Board and have indicated their willingness to represent, as proxy, the Shareholder who appoints them. **A Shareholder has the right to designate a person (who need not be a Shareholder) other than the Management Designees to represent him or her at the Meeting.** Such right may be exercised by inserting in the space provided for that purpose on the Instrument of Proxy, the name of the person to be designated and by striking out the names of the Management Designees, or by completing another proper form of proxy and delivering the same to the Corporation's transfer agent, Odyssey Trust Company, Suite 702 - 67 Yonge St, Toronto, ON M5E 1J8 (Attention: Proxy Department), by facsimile at (800) 517-4553 (if outside North America) or by internet at <https://login.odysseytrust.com/pxlogin> at least forty-eight (48) hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment thereof. Late proxies may be accepted or rejected by the Chairman of the Meeting in his discretion, and the Chairman is under no obligation to accept or reject any particular late proxy. Shareholders should notify any nominee that is not a Management Designee of the appointment, obtain the nominee's consent to act as proxy and should provide instructions on how the Shareholder's Common Shares are to be voted. The nominee should bring personal identification with him or her to the Meeting. In any case, the form of proxy should be dated and executed by the Shareholder, or an attorney authorized in writing, with proof of such authorization attached (where an attorney executed the proxy form).

A Shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy. In addition to revocation in any other manner permitted by law, a proxy may be revoked by depositing an instrument in writing executed by the Shareholder or by his or her authorized attorney in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized, either at the registered office of the Corporation or with Odyssey Trust Company, 1230, 300 – 5 Avenue SW, Calgary, Alberta, T2P 3C4, at any time prior to 4:30 p.m. (Calgary time) on the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or by depositing the instrument in writing with the Chairman of such Meeting on the day of the Meeting, or at any adjournment thereof.

Advice to Beneficial Holders of Common Shares

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Management Information Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation's transfer agent as registered holders of Common Shares will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common Shares will more likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Securities Inc., which acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for their clients (the Beneficial Shareholder). **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of the Meeting. Every broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Instrument of Proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the registered Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from their clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") or another intermediary. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge or another intermediary it cannot be used as a proxy to vote Common Shares directly at the Meeting as the proxy must be returned (or otherwise reported) as directed by Broadridge well in advance of the Meeting in order to have the**

Common Shares voted. If you have any questions respecting the voting of Common Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

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

All references to Shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

Exercise of Discretion by Proxy

Each Shareholder may instruct his or her proxy how to vote his or her Common Shares by completing the blanks on the Instrument of Proxy. All Common Shares represented at the Meeting, by properly executed proxies, will be voted or withheld from voting (including the voting on any ballot) and where a choice with respect to any matter to be acted upon has been specified in the Instrument of Proxy, the Common Shares represented by the proxy will be voted in accordance with such specification. **In the absence of any such specification as to voting on the Instrument of Proxy, the Management Designees, if named as proxy, will vote in favour of the matters set out therein. In the absence of any specification as to voting on any other form of proxy accepted by the Corporation, the Common Shares represented by such form of proxy will be voted in favour of the matters set out therein.**

The enclosed Instrument of Proxy confers discretionary authority upon the Management Designees, or other persons named as proxy, with respect to amendments or variations of those matters identified in the Instrument of Proxy and Notice of Meeting and with respect to any other matters which may properly be brought before the Meeting or any adjournment thereof. As of the time of printing this Management Information Circular, management knows of no such amendment, variation or other matter. In the event that other matters come before the Meeting, then the Management Designees intend to vote in accordance with the judgment of management of the Corporation.

QUORUM

The by-laws of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders of the Corporation if at least one (1) person holding or representing by proxy not less than five percent (5%) of the outstanding shares of the Corporation entitled to vote at the Meeting is present.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Corporation is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares. As at the Record Date there were 408,814,808 Common Shares issued and outstanding and no preferred shares issued and outstanding. The Common Shares are the only shares entitled to be voted at the Meeting and holders of Common Shares are entitled to one (1) vote for each Common Share held.

Holders of Common Shares as at the Record Date (being June 2, 2023) are entitled to vote such Common Shares at the Meeting except to the extent that: (a) the Shareholder has transferred the ownership of any of his, her or its Common Shares, as applicable, after the Record Date; and (b) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it, as applicable, owns the Common Shares, and demands not later than ten (10) days before the Meeting that his, her or its name, as applicable, be included in the list of persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his, her or its Common Shares, as applicable, at the Meeting.

To the best of the knowledge of the Corporation's directors and executive officers, as at the date hereof, no person or company beneficially owns or controls or directs, directly or indirectly, Common Shares carrying more than ten percent (10%) of the votes attached to all of the issued and outstanding Common Shares.

MATTERS TO BE ACTED UPON AT THE MEETING

To the knowledge of the Board, the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting and detailed below.

Receipt of the Financial Statements and Auditors' Report

At the Meeting, Shareholders will receive and consider the audited financial statements of the Corporation for the year ended December 31, 2022, and the auditors' report thereon. The audited financial statements of the Corporation for the year ended December 31, 2022, and the auditors' report thereon have been approved by the Board and no formal action is required, or proposed to be taken, at the Meeting with respect to these financial statements. These financial statements are available at the Corporation's profile on SEDAR at www.sedar.com.

Fixing the Number of Directors

At the Meeting, it is proposed that the number of directors of the Corporation to be elected at the Meeting be set at five (5), as may be adjusted between Shareholders' meetings by way of resolution of the Board. **Accordingly, unless otherwise, directed, it is the intention of management to vote proxies in the accompanying Instrument of Proxy in favour of fixing the number of directors of the Corporation to be elected at the Meeting at five (5).**

Election of Directors

The Corporation currently has five (5) directors each of whose term of office expires at the Meeting. All of the directors are standing for re-election as directors of the Corporation at the Meeting. **Unless otherwise directed, it is the intention of management to vote proxies in the accompanying Instrument of Proxy in favour of the election as directors for the ensuing year the five (5) nominees hereinafter set forth:**

Paul Wilson
Manjit Minhas
Nadia Vattovaz
Shawn Dym
Jakob Ripshtein

Management does not contemplate that any of such nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of Shareholders or until his or her successor is duly elected or appointed, unless his or her office is earlier vacated in accordance with the by-laws of the Corporation or the provisions of the *Business Corporations Act* (Alberta).

The following table sets forth various details with respect to each of the persons proposed to be nominated for election as a director.

Name, Province/State and Country of Residence	Position Presently Held	Director Since	Principal Occupation During the Five Preceding Years	Number and Percentage ⁽¹⁾ of Common Shares Beneficially Owned or Controlled or Directed on June 2, 2023
Paul Wilson Alberta, Canada	Chief Executive Officer and Director	December 2019	President, Cannabis Division of Alcanna Inc. (March 2018 to October 2018). Chief Executive Officer of Hold It All Inc. (March 2015 to February 2017).	2,010,476 0.49%

Manjit Minhas ⁽³⁾ Alberta, Canada	Director	December 2022	9,	Co-Founder and Chief Executive Officer of MCBSW Sales Co. (o/a as Minhas Brewery and Distillery), a producer and distributor of liquor and beer products in North America, since 1999.	Nil
Nadia Vattovaz ⁽²⁾⁽³⁾ Ontario, Canada	Director	December 2022	9,	CFO and Head of Logistics of Sporting Life Group. Former Chief Financial Officer & Chief Operating Officer of Fire & Flower Inc.	100,000 0.02%
Shawn Dym ⁽²⁾ Ontario, Canada	Director and Chair of the Board	December 2022	9,	Board member of Humble & Fume, Managing Director, York Plains Investments. Advisor to the Board of Green Acre Capital (Canada's largest cannabis private investment fund)	2,282,500 0.56%
Jakob Ripshtein ⁽²⁾⁽³⁾ Ontario, Canada	Director	December 2022	9,	Mr. Ripshtein served as the President of Aphria Inc. (" Aphria "), which was acquired by Tilray, Inc. (NASDAQ: TRLRY). He joined Aphria after spending years as the Chief Financial Officer of Diageo North America Inc. ("Diageo") (NYSE: DEO) and President of Diageo Canada. Mr. Ripshtein is currently CEO of Perennial Brands Inc and Humble and Fume, as well as the acting CEO of YourWay Cannabis.	Nil

Notes:

- (1) As at the Record Date there were 408,814,808 Common Shares issued and outstanding.
- (2) Current members of the Corporation's audit committee (the "**Audit Committee**").
- (3) Current members of the Corporation's compensation, corporate governance and nominating committee (the "**Compensation, Corporate Governance and Nominating Committee**").

The Board has adopted a policy (the "**Majority Voting Policy**") which requires that any nominee for director who receives a greater number of votes "withheld" than votes "for" their election as a director shall, forthwith following the applicable shareholders' meeting, submit their resignation to the Board. The Board shall make a determination whether to accept or reject the resignation within ninety (90) days of the applicable shareholders' meeting and a press release shall be issued by the Corporation announcing the Board's determination and the reasons for such determination. In determining whether to accept or reject the tendered resignation, the Board will assess all matters the Board believes to be relevant and shall accept such resignation absent exceptional circumstances. Any director who tenders their resignation shall not participate in any meetings to consider whether the resignation shall be accepted. The Majority Voting Policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected. If the Board determines to accept the resignation, the Board may fill any vacancy resulting from a resignation pursuant to the Majority Voting Policy in accordance with the Corporation's by-laws and articles and applicable laws.

Cease Trade Orders

To the knowledge of the management of the Corporation, none of the proposed directors is, or has been in the last ten (10) years, a director, chief executive officer or chief financial officer of an issuer (including the Corporation) that:

- (a) while that person was acting in that capacity, was the subject of a cease trade order or similar order, or an order

that denied the issuer access to any exemptions under securities legislation, for a period of more than thirty (30) consecutive days; or (b) was, after that person ceased to be a director, chief executive officer or chief financial officer, the subject of a cease trade or similar order or an order that denied the issuer access to any exemption under securities legislation, for a period of more than thirty (30) consecutive days, and which resulted from an event that occurred while that person was acting in the capacity as a director, chief executive officer or chief financial officer.

Mr. Jakob Ripshtein was and remains Executive Chairman, and is now also Acting Chief Executive Officer, of YourWay Cannabis Brands Inc. ("**YourWay**") the securities of which became subject to a cease trade order issued by the British Columbia Securities Commission and the Ontario Securities Commission (on behalf of the applicable Canadian securities regulatory authorities) on May 10, 2022 (the "**CTO**") for failure to file its audited annual financial statements for the year ended December 31, 2021 (the "**Annual Statements**"). The CTO remains in place at this time and YourWay intends to file its Annual Statements as soon as it has identified an auditor and, in any event, as soon as practicable.

Bankruptcies

To the knowledge of the management of the Corporation, no proposed director of the Corporation is, or within the ten (10) years prior to the date of this Management Information Circular was: (a) declared bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the assets of that person; or (b) was a director or executive officer of a corporation (including the Corporation) that while that person was acting in that capacity or within a year of the person ceasing to act as a director or officer of the corporation became bankrupt or made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of management of the Corporation, no proposed director of the Corporation has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director of the Corporation.

Appointment of Auditor

Unless otherwise directed, it is management's intention to vote the proxies in favour of the re-appointment of KPMG LLP, Chartered Professional Accountants ("**KPMG**"), to serve as auditors of the Corporation until the next annual meeting of shareholders and to authorize the directors to fix their remuneration as such. KPMG has acted as the auditor of the Corporation since July 16, 2019.

STATEMENT OF EXECUTIVE COMPENSATION

The Corporation's disclosure with respect to certain director and executive compensation matters and practices is set forth in Schedule "A" hereto.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth securities of the Corporation that are authorized for issuance under equity compensation plans as at the end of the Corporation's most recently completed financial year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in Column (a)) ⁽¹⁾ (c)
Equity compensation plans approved by securityholders	70,567,657	\$0.31	10,450,315
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	70,567,657	\$0.31	10,450,315

Note:

- (1) Represents the maximum aggregate number of additional Common Shares issuable under the Corporation's stock option plan (the "**Stock Option Plan**") and/or the Corporation's equity settled restricted share unit award plan (the "**RSU Plan**"). The aggregate number of Common Shares that may be reserved for issuance under the Stock Option Plan, when combined with the RSU Plan, shall not exceed 20% of the Corporation's issued and outstanding Common Shares as of the date of implementation of the Stock Option Plan and the RSU Plan. See "*Schedule "A" – Statement of Executive Compensation – Elements of Compensation*", "*Schedule "C" – Stock Option Plan*" and "*Schedule "D" – RSU Plan*" for information on the Stock Option Plan and the RSU Plan, respectively.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

At no time during the most recently completed fiscal year was there any indebtedness of any executive officer, director, employee or any former executive officer, director or employee of the Corporation, or any associate of any of the foregoing, to the Corporation or to any other entity which is, or at any time since the beginning of the most recently completed financial period, has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL CONTRACTS

There were no material interests, direct or indirect, of any Informed Persons (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation, any proposed director, or any known associate or affiliate of such persons, in any transaction since the commencement of the last completed financial year of the Corporation, or in any proposed transaction which has materially affected, or would materially affect, the Corporation or any of the Corporation's subsidiaries and affiliates.

INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON

No director or executive officer of the Corporation, or any proposed nominee of management of the Corporation for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in matters to be acted upon at the Meeting. See also "*Interest of Informed Persons in Material Contracts*".

AUDIT COMMITTEE INFORMATION

The following disclosure is provided in accordance with National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The Corporation is a venture issuer and relies on an exemption to provide the Audit Committee disclosure contained in this Management Information Circular as required by Form 52-110F2 - *Disclosure by Venture Issuers*.

Audit Committee Charter

The Board has adopted the Audit Committee Charter for the Audit Committee which is attached hereto as Schedule "B".

The Audit Committee is a committee of the Board established for the purpose of overseeing the accounting and financial reporting processes of Decibel and annual external audits of the financial statements. The Audit Committee has formally set out its responsibilities and compensation requirements in fulfilling its oversight in relation to Decibel's internal accounting standards and practices, financial information, accounting systems and procedures.

Composition of the Audit Committee.

The current members of the Audit Committee, all of whom are financially literate (for the purposes of NI 52-110), are Nadia Vattovaz (Chair), Shawn Dym and Jakob Ripshtein all of whom are independent directors. See "*Corporate Governance Disclosure – Board of Directors*".

A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation. A material relationship means a relationship which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the Audit Committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation.

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter. The education and related experience of each of the Audit Committee members relevant to the performance of their responsibilities as members of the Audit Committee are set out below.

Nadia Vattovaz (Chair):

Ms. Vattovaz currently serves as the Chief Financial Officer and Head of Logistics of Sporting Life Group. Ms. Vattovaz formerly served as the Chief Operating Officer of Fire & Flower Inc. and as the VP Finance and Procurement for Holt Renfrew. Prior thereto, Ms. Vattovaz held senior financial positions at each of Canadian Tire and Maple Leaf Foods.

Jakob Ripshtein

Mr. Ripshtein currently serves on the boards of Nextage Innovation and CordovaCann Corp, ("Cordova"). Mr. Ripshtein also serves on the audit committees of Humble and Fume ("Humble"), Cordova and YourWay Cannabis ("YourWay"), while additionally serving as the Chief Executive Officer of Humble and acting Chief Executive Officer of YourWay. Prior to, Mr. Ripshtein served as the President of Aphria Inc. ("Aphria"), which was acquired by Tilray, Inc. (NASDAQ: TLRY). He joined Aphria after spending years as the Chief Financial Officer of Diageo North America Inc. ("Diageo") (NYSE: DEO) and President of Diageo Canada, the multinational beverage giant behind such global brands as Johnnie Walker, Don Julio, Guinness, Baileys, Smirnoff and Captain Morgan. Mr. Ripshtein is currently Chief Executive Officer of Perennial Brands Inc, a full life-cycle brand strategy organization.

Shawn Dym

Mr. Dym currently serves as a director for Humble and Fume Inc. and is currently the President and Principal of Green Room Investments Inc. Previously, Mr. Dym served on the board of Aphria inc. and Minus Global Holdings.

Audit Committee Oversight

Since the commencement of the Corporation's most recently completed financial year, the Board has not failed to adopt a recommendation of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption in Section 2.4 of NI 52-110 (De Minimis Non-audit Services), Section 3.2 of NI 52-110 (Initial Public Offerings), Section 3.4 of NI 52-110 (Events Outside Control of Member), or Section 3.6 of NI 52-110 (Temporary Exemption for Limited and Exceptional Circumstances), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions) or in Section 3.8 of NI 52-110 (Acquisition of Financial Literacy).

Pre-Approval Policies and Procedures

The Audit Committee reviews the planning and results of external audit activities and the ongoing relationship with the external auditor including in relation to the engagement of any non-audit services.

External Auditor Service Fees (By Category)

The aggregate fees paid by Decibel to the external auditors of Decibel for the last two (2) financial years for audit and other fees are as follows:

<u>Fiscal Year Ending</u>	<u>Audit Fees⁽¹⁾</u>	<u>Audit Related Fees⁽²⁾</u>	<u>Tax Fees⁽³⁾</u>	<u>All Other Fees⁽⁴⁾</u>	<u>Total</u>
December 31, 2022	\$695,056	Nil	\$59,380	Nil	\$754,436
December 31, 2021	\$406,252	Nil	\$69,343	\$8,807	\$484,402

Notes:

- (1) "Audit Fees" include (i) fees necessary to perform the annual audit and quarterly reviews of the Corporation's consolidated financial statements, (ii) fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements, and (iii) audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit-Related Fees" include services that are traditionally performed by the auditor.
- (3) "Tax Fees" include fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions and requests for rulings or technical advice from tax authorities.
- (4) "All Other Fees" include all other non-audit services, which includes systems and organizational controls audit services and privacy regulation compliance services.

CORPORATE GOVERNANCE DISCLOSURE

General

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day to day management of the Corporation. The Board is committed to sound corporate governance practices which are both in the interest of its Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), the Corporation is required to disclose its corporate governance practices as summarized below. The prescribed corporate governance disclosure for the Corporation is that contained in Form 58-101F2 which is attached to NI 58-101 ("**Form 58-101F2 Disclosure**").

Set out below is a description of the Corporation's current corporate governance practices, relative to Form 58-101F2 Disclosure (which is set out below in italics).

1. Board of Directors

The Board has plenary power to manage and supervise the management of the business and affairs of Decibel and to act in the best interest of Decibel. The Board is responsible for the overall stewardship of Decibel and approves all significant decisions that affect Decibel before they are implemented. The Board also considers their implementation and reviews the results. According to its mandate, the fundamental objectives of the Board are to enhance and preserve long-term shareholder value and to ensure that Decibel conducts business in an ethical and safe manner. In performing its functions, the Board's mandate is to consider the legitimate interests that stakeholders, such as employees, customers and communities, may have in Decibel. The Board is currently comprised of five (5) directors.

National Policy 58-201 – *Corporate Governance Guidelines* suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A material relationship is a relationship which could, in the view of the Board, reasonably interfere with the exercise of a director's independent judgment.

Disclose the identity of directors who are independent

The Board of the Corporation has determined that the following four (4) directors of the Corporation are independent:

Manjit Minhas
Nadia Vattovaz
Shawn Dym
Jakob Ripshtein

Disclose the identity of directors who are not independent, and describe the basis for that determination.

The Board of the Corporation has determined that the following one (1) director of the Corporation is not independent:

Paul Wilson

Paul Wilson is the Chief Executive Officer of Decibel and, as a result, is not an independent director.

2. Directorships

If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer

Jacob Ripshtein and Shawn Dym are directors of Humble and Fume. Mr. Ripshtein is also a director of YourWay, which is listed on the CSE. None of Decibel's other directors are currently directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction.

3. Orientation and Continuing Education

Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.

The Chief Executive Officer of Decibel, the Chair of the Board and the Compensation, Corporate Governance and Nominating Committee are jointly responsible for the provision of an orientation program for new directors to explain Decibel's approach to corporate governance and the nature and operation of its business. The Chief Executive Officer of Decibel is also responsible for generating continuing education opportunities for all directors so that members of the Board may maintain and enhance their skills as directors.

4. Ethical Business Conduct

Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.

Decibel has adopted the Decibel Code of Business Conduct and Ethics to deal with the business conduct of directors and officers of Decibel. In conjunction with the Decibel Code of Business Conduct and Ethics, the Board is of the view that the fiduciary duties placed on individual directors pursuant to corporate legislation and the common law, and the conflict of interest provisions under corporate legislation which restricts an individual director's participation in decisions of the Board in which the director has an interest, are sufficient to ensure that the Board operates independently of management and in the best interests of Decibel. The Board also encourages and promotes a culture of ethical business conduct by appointing directors who demonstrate integrity and high ethical standards in their business dealings and personal affairs.

5. Nomination of Directors

Disclose what steps, if any, are taken to identify new candidates for board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.

The Board has established a Compensation, Corporate Governance and Nominating Committee to review the composition, skills, size and tenure of the Board when considering the number of directors to recommend for election at the annual meeting of Shareholders. Among other factors, the Compensation, Corporate Governance and Nominating Committee of the Board takes into account the number of directors required to carry out the Board duties effectively, and to maintain a diversity of view and experience.

6. Compensation

Disclose what steps, if any, are taken to determine compensation for the directors and CEO, including: (i) who determines compensation, and (ii) the process for determining compensation.

The Board has established the Compensation, Corporate Governance and Nominating Committee to determine compensation for the directors and the Chief Executive Officer of Decibel. The Compensation, Corporate Governance and Nominating Committee is empowered to: (a) recommend, review and approve corporate goals and objectives relevant to the Chief Executive Officer of Decibel and director performance and evaluate performance to determine compensation; (b) make recommendations to the Board regarding compensation including incentive and equity-based compensation plans; and (c) review director and executive officer compensation disclosure prior to its public disclosure. Jakob Ripshtein (Chair), Manjit Minhas and Nadia Vattovaz comprise the Compensation, Corporate Governance and Nominating Committee.

7. Other Board Committees

If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.

The Board does not have any committees other than the Audit Committee and the Compensation, Corporate Governance and Nominating Committee.

8. Assessment of Directors, the Board and Board Committees

Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.

The Board monitors the adequacy of information given to directors, the communications between the Board and management and the strategic direction and processes of the Board and its committees, to satisfy itself that the Board, its committees and its individual directors are performing effectively. In addition, pursuant to the Board mandate: (a) each director is subject to an annual evaluation of his or her individual performance; and (b) the collective performance of the Board and of each committee of the Board are subject to annual review.

OTHER MATTERS

Management of the Corporation knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the Notice of Meeting. However, if any other matter properly comes before the Meeting, the accompanying proxy will be voted on such matter in accordance with the best judgment of the person voting the proxy.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available on SEDAR at www.sedar.com. Financial information of the Corporation's most recently completed financial year is provided, or will be provided, in the Corporation's comparative financial statements and management discussion and analysis available on SEDAR at www.sedar.com, or from the Corporation at:

Decibel Cannabis Company Inc.
1440 North Tower, 140-4th Avenue S.W.
Calgary, Alberta
T2P 3N3

SCHEDULE "A"
STATEMENT OF EXECUTIVE COMPENSATION

DECIBEL CANNABIS COMPANY INC.

Information Concerning Decibel Cannabis Company Inc.

Decibel Cannabis Company Inc. ("**Decibel**" or the "**Corporation**") is a cannabis company, focused on premium cannabis flower, vape, cannabis infused, and concentrate products, created through a vertically integrated business mode. Set forth below is the statement of executive compensation in the form of Form 51-102F6 - *Statement of Executive Compensation* ("**Form 51-102F6**") for the Corporation for the year ended December 31, 2022.

Compensation Discussion and Analysis

As at December 31, 2022, the named executive officers (as defined in Form 51-102F6 and as prescribed by National Instrument 51-102 – *Continuous Disclosure Obligations*) of the Corporation were Paul Wilson – Chief Executive Officer, Stuart Boucher – Chief Financial Officer, and Adam Coates – Chief Revenue Officer (each a "**Named Executive Officer**").

Compensation Objectives and Process

The objective of Decibel's executive compensation program is to motivate, reward and retain management talent that is needed to achieve Decibel's business objectives. The compensation program is designed to ensure that compensation is competitive with other companies of similar size and is commensurate with the experience, performance and contribution of the individuals involved and the overall performance of Decibel. In evaluating performance, the Compensation, Corporate Governance and Nominating Committee gives consideration to Decibel's long-term interests and quantitative financial objectives, as well to the qualitative aspects of the individual's performance and achievements.

Composition of the Compensation, Corporate Governance and Nominating Committee

The Compensation, Corporate Governance and Nominating Committee of the board of directors of Decibel (the "**Board**") is responsible for setting the overall compensation strategy of Decibel and administering Decibel's executive compensation program. The Compensation, Corporate Governance and Nominating Committee is empowered to: (a) recommend, review and approve corporate goals and objectives relevant to the Chief Executive Officer, Chief Financial Officer and director performance and evaluate performance to determine compensation; (b) make recommendations to the Board regarding compensation including incentive and equity-based compensation plans; and (c) review director and executive officer compensation disclosure prior to its public disclosure. As part of its mandate, the Compensation, Corporate Governance and Nominating Committee approves the remuneration of Decibel's executive officers, including the Named Executive Officers.

The Compensation, Corporate Governance and Nominating Committee may be comprised of up to three (3) Board members, provided that a majority of the members are "independent", under National Policy 58-201 – *Corporate Governance Guidelines* ("**NP 58-201**"). During the year ended December 31, 2022 from the period of January 1, 2022 to December 9, 2022, the Compensation, Corporate Governance and Nominating Committee was comprised of Cody Church, Michael Kelly and Ivan Casselman. On December 9, 2022, following the resignation of Messrs. Church, Kelly and Casselman the following individuals were appointed as the members of the committee Jakob Ripshtein, Nadia Vattovaz and Manjit Minhas. Each of Jakob Ripshtein, Nadia Vattovaz and Manjit Minhas are, and Cody Church and Ivan Casselman were, independent directors within the meaning of NP 58-201. Michael Kelly was not independent within the meaning of NP 58-201 as he was formerly an executive officer of a subsidiary of Decibel. Set forth below is a brief summary of the education and experience of the members of the Compensation, Corporate Governance and Nominating Committee, which enables the members to make decisions on the suitability of the Corporation's compensation policies and practices of the Corporation.

*Current Compensation, Corporate Governance and Nominating Committee**Jakob Ripshtein (Chair):*

Mr. Ripshtein currently serves on the boards of Nextage Innovation and CordovaCann Corp, (“Cordova”). Mr. Ripshtein also serves on the audit committees of Humble and Fume (“Humble”), Cordova and Yourway Cannabis (“Yourway”), while additionally serving as the Chief Executive Officer of Humble and acting Chief Executive Officer of Yourway. Prior to, Mr. Ripshtein served as the President of Aphria Inc. (“Aphria”), which was acquired by Tilray, Inc. (NASDAQ: TRLY). He joined Aphria after spending years as the Chief Financial Officer of Diageo North America Inc. (“Diageo”) (NYSE: DEO) and President of Diageo Canada, the multinational beverage giant behind such global brands as Johnnie Walker, Don Julio, Guinness, Baileys, Smirnoff and Captain Morgan. Mr. Ripshtein is currently Chief Executive Officer of Perennial Brands Inc, a full life-cycle brand strategy organization.

Nadia Vattovaz:

Ms. Vattovaz currently serves as the Chief Financial Officer and Head of Logistics of Sporting Life Group. Ms. Vattovaz formerly served as the Chief Operating Officer of Fire & Flower Inc. and as the VP Finance and Procurement for Holt Renfrew. Prior thereto, Ms. Vattovaz held senior financial positions at each of Canadian Tire and Maple Leaf Foods.

Manjit Minhas:

Ms. Minhas is the Co-Founder and Chief Executive Officer of MCBSW Sales Co. (o/a Minhas Brewery and Distillery), a producer and distributor of liquor and beer products in North America, since 1999. Ms. Minhas also serves on the public board of ATB Financial, including sitting on its HR and Governance Committee, as well as serving as a member of the YYC Calgary Airport Authority’s board of directors and audit committee. Since 2015 Ms. Minhas has been starring on CBC’s Dragon’s Den as a venture capitalist Dragon, using her entrepreneurial knowledge and experience to help others create successful businesses.

*Former Compensation, Corporate Governance and Nominating Committee**Mr. Michael Kelly (Chair):*

Mr. Kelly has extensive board experience having served on STEP Energy Services Ltd.'s board from April 2014 until October 2018 where he served as Audit Committee Chair and was a member of the Compensation and Corporate Governance Committee. Mr. Kelly was the Executive Vice President and Chief Financial Officer of STEP Energy Services Ltd., serves as Chair of Enersoft Inc., and sits on the board of Interra Ltd. He is a chartered accountant and a member of the Institute of Chartered Accountants of Alberta and is a certified director from the Institute of Corporate Directors.

Mr. Cody Church

Mr. Church has more than twenty-five years of experience in the financial market and is currently the Chief Executive Officer and President of Clear North Capital where he is directly responsible for creating value through mid-market companies. Previously, Mr. Church co-founded TriWest Capital Partners in 1997 where he raised over \$1.25 billion in equity capital raises. Mr. Church has served on the public boards of Edgefront REIT, Source Energy Services and POI Business Solutions. Mr. Church holds a Bachelor of Economics from Harvard University.

Dr. Ivan Casselman

Dr. Casselman brings a wealth of product and industry knowledge through his industry experience as an analytical chemist and plant medicine researcher, and his current role as the Chief Psychedelic Officer at Havn. Dr. Casselman additionally holds a Master of Science in Ethnobotany and a Doctorate (Ph.d.) in Plant Science (analytical chemistry and genetics).

Elements of Compensation

The executive compensation program for the year ended December 31, 2022, was comprised of three principal components: base salaries (including cash-based incentives), option-based awards, and restricted share unit awards which are designed to provide a combination of cash and equity-based compensation to effectively retain and motivate the executive officers to achieve corporate goals and objectives. Each component of the executive compensation program is described below.

Base Salaries

Executive officers are paid a base salary to compensate and properly motivate them for providing the leadership and specific skills needed to fulfill their responsibilities. The payment of base salaries is an important component of Decibel's compensation program and serves to attract and retain qualified individuals. The base salaries for the executive officers are reviewed annually by the Compensation, Corporate Governance and Nominating Committee and are determined by considering the contributions made by the executive officers, how their compensation levels related to compensation packages that would be achievable by such officers from other opportunities and publicly available salary data. Salaries of the executive officers are not determined based on benchmarks or a specific formula.

Option-Based Awards

The process that Decibel uses to grant option-based awards to executive officers, including the Named Executive Officers, is for the Board to approve grants of options ("**Options**") to acquire common shares in the capital of the Corporation ("**Common Shares**") based on recommendations made by the Compensation, Corporate Governance and Nominating Committee from time to time pursuant to the Corporation's stock option plan (the "**Stock Option Plan**"). The factors that are taken into account when considering new grants under the Stock Option Plan are based upon a number of criteria, including the performance of the executive officers, the number of Options available for grant under the Stock Option Plan, the number of Options anticipated to be required to meet the future needs of Decibel, as well as the number of Options previously granted to each of the executive officers.

Restricted Share Unit Awards

The process that Decibel uses to grant restricted share unit awards ("**RSUs**") to executive officers, including the Named Executive Officers, is for the Board to approve RSUs based on recommendations made by the Compensation, Corporate Governance and Nominating Committee from time to time. Decibel currently has two forms of RSU plan, one contemplating the grant of RSUs that may be settled with Common Shares and one form contemplating the grant of RSUs that may only be settled with cash (in each case, an "**RSU Plan**" and collectively, the "**RSU Plans**"). The factors that are taken into account when considering new awards under the RSU Plans are based upon a number of criteria, including the performance of the executive officers, the number of incentive awards or grants available under the RSU Plans (as applicable) and the Stock Option Plan, the number of RSUs anticipated to be required to meet the future needs of Decibel, as well as the number of RSUs previously granted to each of the executive officers, and the current and projected cash position of Decibel. Subsequent to the year ended December 31, 2022, on March 17, 2023, Decibel adopted a performance share unit award plan (the "**PSU Plan**"), that is intended to replace the use of RSUs as an element of executive compensation going forward. The PSU Plan provides for the grant of cash settled, non-equity performance share units ("**PSUs**"), which are subject to a performance multiplier based on annual key performance indicators (in each case to be determined by the Board on the date of the grant of the PSUs).

Short-Term Cash Incentives

Annual incentive bonuses are a short-term variable compensation element, designed to reward executive officers on an annual basis for achieving the Corporation's business objectives. The Corporation's business objectives are generally established by the Board at the start of each year. Determination of the amount of bonus awarded to each executive officer is based on an assessment by the Compensation, Corporate Governance and Nominating Committee of several factors, including but not limited, to the contribution of the individual to the overall progress of the Corporation in achieving its stated business objectives. The purpose of the annual incentive bonus is to pay for performance, align the executive officer's economic interest with the Corporation's business objectives and to motivate and retain the executives.

The Board has the discretion to alter the conditions of the bonus plan, if warranted. Discretionary bonuses may be paid to other employees at the discretion of the Board upon recommendation by the Compensation, Corporate Governance and Nominating Committee.

Deferred Share Unit Awards

In addition to its executive compensation, Decibel also grants deferred share unit awards ("**DSUs**") to directors and the process utilized in such grants is for the Board to approve DSU awards based on recommendations made by the Compensation, Corporate Governance and Nominating Committee from time to time. Management directors, other than those acting in interim positions, are not eligible to participate in the deferred share unit award plan of the Corporation (the "**DSU Plan**"). Under the DSU Plan, DSUs are granted by the Corporation to directors providing rights to receive, on a deferred payment basis, a cash payment based on the volume weighted average trading price of the Common Shares on the TSX Venture Exchange ("**Exchange**") for the five trading days immediately preceding the date of payment.

Risks of Compensation Policies and Practices

Decibel's compensation program is designed to provide executive officers incentives for the achievement of near-term and long-term objectives, without motivating them to take unnecessary risk. As part of its review and discussion of executive compensation, the Compensation, Corporate Governance and Nominating Committee noted the following facts that discourage Decibel's executives from taking unnecessary or excessive risk:

- Decibel's operating strategy and related compensation philosophy;
- the effective balance, in each case, between cash and equity mix, near-term and long-term focus, corporate and individual performance and financial and non-financial performance; and
- Decibel's approach to performance evaluation and compensation provides greater rewards to an executive officer achieving both short-term and long-term agreed upon objectives.

Based on this review, the Compensation, Corporate Governance and Nominating Committee believes that Decibel's total executive compensation program does not encourage executive officers to take unnecessary or excessive risk.

Significant Events Affecting Compensation

Other than the employment agreements described under the heading "*Statement of Executive Compensation - Employment, Consulting and Management Agreements*", and the Stock Option Plan, the RSU Plans, the PSU Plan and the DSU Plan, as further described under the headings "*Statement of Executive Compensation – Elements of Compensation – Option-Based Awards*" and "*Statement of Executive Compensation – Elements of Compensation – Restricted Share Unit Awards*" respectively and "*Statement of Executive Compensation – Elements of Compensation – Deferred Share Unit Awards*" there are no significant events affecting compensation. For more information concerning compensation of directors and executive officers, please see "*Summary Compensation Table*" and "*Directors' Summary Compensation Table*", below.

Financial Instruments

Decibel has not implemented any policies which restrict its executive officers and directors from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officer or director.

Summary Compensation Table

The following table sets forth information concerning the compensation paid to the Named Executive Officers for the years ended December 31, 2022, December 31, 2021 and December 31, 2020:

Name and principal position ⁽¹⁾	Year	Non-Equity Incentive Plan Compensation				Annual Incentive Plans ⁽⁵⁾	Long-Term Incentive Plans	Pension Value	All other compensation	Total compensation
		Salary (\$)	Share-Based Awards ⁽²⁾	Option Based Awards ⁽³⁾⁽⁴⁾	(\$)					
Paul Wilson ⁽⁵⁾ Director and Chief Executive Officer	2022	335,000	421,802	78,198	110,938	Nil	Nil	110,711	1,056,649	
	2021	179,375	67,162	619,632	110,711	Nil	Nil	Nil	976,880	
	2020	23,750	Nil	49,502	Nil	Nil	Nil	Nil	73,252	
Stuart Boucher Chief Financial Officer	2022	250,000	210,901	39,099	25,000	Nil	Nil	42,258	567,258	
	2021	150,000	Nil	170,993	48,750	Nil	Nil	Nil	369,743	
	2020	115,000	Nil	86,854	Nil	Nil	Nil	Nil	201,854	
Adam Coates Chief Revenue Officer	2022	200,000	84,360	15,640	24,990	Nil	Nil	18,000	349,990	
	2021	150,000	Nil	76,947	18,000	Nil	Nil	Nil	244,947	
	2020	140,000	Nil	54,002	Nil	Nil	Nil	Nil	194,002	

(1) Each of Paul Wilson, Stuart Boucher and Adam Coates was, at December 31, 2022, a party to an executive employment contract with Decibel. See the section herein entitled "*Employment, Consulting and Management Agreements*".

(2) "Share-Based Award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, common share equivalent units and stock. The amount for Paul Wilson in 2021 represents the fair value of DSUs determined at the closing price of the Common Shares on the date of grant. The amounts for each of Paul Wilson, Stuart Boucher and Adam Coates in 2022 represent the fair value of RSUS determined at the closing price of Common Shares on the date of grant. For the value of Share-Based Awards that vested in the current year, see "*Incentive Plan Awards – Value Vested or Earned During the Year*".

- (3) "Option-Based Award" means an award under an equity incentive plan, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features. The fair values of Option grants have been determined using the same methodology used in determining the share option value for the Corporation's financial statements as the Corporation believes it represents the best estimate of fair value of the Options at the time of grant. The fair value of these Options was calculated by using the Black-Scholes option pricing model as follows:

Volatility	50% - 115%
Risk-free interest rate	0.33% - 1.5%
Expected life	3.5 - 5.0 years
Dividend yield	Nil
Forfeiture rate	Nil
Share price	\$0.09 - \$0.34

- (4) For the value of Options that vested in the current year see "*Incentive Plan Awards – Value Vested or Earned During the Year*".
- (5) Reflects cash bonuses earned in respect of 2020, 2021 and 2022
- (6) Paul Wilson was appointed as Chief Executive Officer of Decibel on June 23, 2021. \$29,750 of Paul Wilson's total compensation received in the financial year ended December 31, 2021, is attributable to his position as a Director of Decibel. The DSUs received by Mr. Wilson in the financial year ended December 31, 2021 were issued to him in his capacity as a non-management director prior to his appointment as Chief Executive Officer.

Incentive Plan Awards

Outstanding Share-Based Awards and Option-Based Awards¹

The following table sets forth information in respect of all compensation securities granted or issued to each director of Decibel and Named Executive Officer that were outstanding at the end of the most recently completed financial year.

Name ⁽¹⁾	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽²⁾⁽³⁾ (\$)	Number of Shares or Units of Shares that have not vested ⁽⁴⁾ (#)	Market or Payout Value of share-based awards that have not vested (\$)	Market or Payout Value of vested share-based awards not paid out or distributed ⁽⁴⁾ (\$)
Paul Wilson Chief Executive	763,415	\$0.09	December 31, 2024	7,634	395,070	39,507	Nil

Officer	2,500,000	\$0.34	January 1, 2026	Nil			
	1,253,176	\$0.14	December 31, 2027	Nil			
Stuart Boucher	1,339,446	\$0.09	December 31, 2024	13,394			
Chief Financial Officer	1,276,993	\$0.17	January 1, 2026	Nil	125,000	Nil	12,500
	626,587	\$0.14	December 31, 2027	Nil			
Adam Coates	832,816	\$0.09	December 31, 2024	8,328			
Chief Revenue Officer	574,647	\$0.17	January 1, 2026	Nil	Nil	Nil	Nil
	250,635	\$0.14	December 31, 2027	Nil			

Notes:

- (1) Each of Paul Wilson, Adam Coates and Stuart Boucher was, at December 31, 2022, a party to an executive employment contract with Decibel. See the section herein entitled, "*Employment, Consulting and Management Agreements*"
- (2) Unexercised "in-the-money" Options refer to the Options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the Option.
- (3) The aggregate of the difference between the closing price of the Common Shares on the Exchange on December 30, 2022, being \$0.10 per Common Share, and the exercise price of the Options.
- (4) The value of Common Shares underlying the DSUs is determined using the closing price of the Common Shares on the Exchange at December 31, 2022, being \$0.10, per Common Share. These awards were granted to Mr. Wilson in his capacity as a director of Decibel prior to his appointed as Chief Executive Officer.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the Named Executive Officers, the value of option-based awards and share-based awards which vested during the year ended December 31, 2022 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2022.

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year⁽²⁾⁽³⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year⁽³⁾ (\$)
Paul Wilson ⁽⁴⁾ Director and Chief Executive Officer	2,545	532,740	Nil
Stuart Boucher Chief Financial Officer	2,776	235,901	Nil

Adam Coates ⁽⁵⁾ Chief Revenue Officer	2,776	109,350	Nil
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Notes:

- (1) Calculated based on the difference between the market price of the Common Shares on the vesting date and the exercise price of the Options.
- (2) Calculated based on the value of the Common Shares underlying the DSUs as at December 30, 2022.
- (3) Calculated based on the value of the Common Shares underlying the RSUs as at December 30, 2022.

Employment, Consulting and Management Agreements

Employment Contracts

Decibel entered into an employment contract dated June 23, 2022 with Mr. Paul Wilson, in connection with his role as Chief Executive Officer. The employment contract provided for the payment of a base salary for Mr. Wilson together with benefits. The employment contract also provided that in the event of termination (whether voluntary, or involuntary or constructive) of Mr. Wilson for any reason other than termination for just cause, Decibel shall provide Mr. Wilson with a payment equal to (i) two (2) times base salary, and (ii) two (2) times annual average bonus amount. Pursuant to his employment contract, Mr. Wilson is subject to confidentiality, non-competition and non-solicitation obligations standard to this type of employment agreement. Mr. Wilson's right to receive such payment is not subject to any obligation to mitigate or affected by an actual mitigation. Mr. Wilson's salary is subject to periodic review, at least annually. Change of control events for purposes of Mr. Wilson's employment agreement include the occurrence of any transaction pursuant to which any person, or any associate or affiliate of such person, hereafter acquires the direct or indirect "beneficial ownership" (as such term is defined in the *Business Corporations Act* (British Columbia) ("BCCA")) of securities of the Corporation representing fifty percent (50%) or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities.

Decibel entered into an employment contract on December 31, 2020 with Mr. Stuart Boucher, in connection with his role as Chief Financial Officer. The employment contract provided for the payment of a base salary for Mr. Boucher together with benefits. The employment contract also provided that in the event of termination (whether voluntary, involuntary or constructive) of Mr. Boucher for any reason other than termination for just cause, Decibel shall provide Mr. Boucher with a payment equal to twelve (12) months' base salary, and Mr. Boucher would also be provided with a termination payment for one-twelfth (1/12) of his base salary multiplied by the number of full years plus partial years of service from April 4, 2018, (to a maximum of twelve (12)), less statutory deductions. Pursuant to his employment contract, Mr. Boucher is subject to confidentiality, non-competition and non-solicitation obligations standard to this type of employment agreement. Mr. Boucher's right to receive such payment is not subject to any obligation to mitigate or affected by an actual mitigation. Mr. Boucher's salary is subject to periodic review, at least annually. Change of control events for purposes of Mr. Boucher's employment agreement include the occurrence of any transaction pursuant to which any person, or any associate or affiliate of such person, hereafter acquires the direct or indirect "beneficial ownership" (as such term is defined in the BCCA) of securities of the Corporation representing fifty percent (50%) or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities.

Decibel entered into an employment contract on April 27, 2020 with Mr. Adam Coates, in connection with his role as Chief Revenue Officer. The employment contract provided for the payment of a base salary for Mr. Coates together with benefits. The employment contract also provided that in the event of termination (whether voluntary, involuntary or constructive) of Mr. Coates for any reason other than termination for just cause, Decibel shall provide Mr. Coates with a payment equal to twelve (12) months' base salary, and Mr. Coates would also be provided with a termination payment for one-twelfth (1/12) of his base salary multiplied by the number of full years plus partial years of service from August 27, 2019, (to a maximum of twelve (12)), less statutory deductions. Pursuant to his employment contract, Mr. Coates is subject to confidentiality, non-competition and non-solicitation obligations standard to this type of employment agreement. Mr. Coates' right to receive such payment is not subject to any obligation to mitigate or affected by an actual mitigation. Mr. Coates' salary is subject to periodic review, at least annually. Change of control events for purposes of Mr. Coates' employment agreement include the occurrence of any transaction pursuant to which any person, or any associate or affiliate of such person, hereafter acquires the direct or indirect "beneficial ownership" (as such term is defined in the BCCA) of securities of the Corporation representing fifty percent (50%) or more of the

aggregate voting power of all of the Corporation's then issued and outstanding securities.

Estimated Incremental Payments as of December 31, 2022

The following table sets forth the estimated incremental payments and benefits that would have been made under the employment agreements to each of the Named Executive Officers and the value of accelerated Options, RSUs and DSUs held by each of the Named Executive Officers assuming the occurrence of a termination without just cause or in association with a "change in control" of Decibel, had such event occurred on December 31, 2022. Named Executive Officers of Decibel have the right, for a period of ninety (90) days following any event following a "change of control", to elect to terminate their employment agreement and be entitled to receive the "change of control" payment as set out thereunder.

Name	Employment Agreements⁽¹⁾ (\$)	Stock Option Plan⁽²⁾ (\$)	RSU Plan⁽³⁾ (\$)	DSU Plan⁽⁶⁾ (\$)	Total (\$)
Paul Wilson, Director and Chief Executive Officer	890,000, less applicable statutory deductions ⁽⁴⁾⁽⁵⁾	7,634 ⁽⁴⁾⁽⁵⁾	Nil ⁽⁴⁾⁽⁵⁾⁽⁶⁾	39,507	937,141 ⁽⁴⁾⁽⁵⁾
Stuart Boucher, Chief Financial Officer	333,333 less applicable statutory deductions ⁽⁴⁾⁽⁵⁾	13,394 ⁽⁴⁾⁽⁵⁾	12,500 ⁽⁴⁾⁽⁵⁾	Nil	359,227 ⁽⁴⁾⁽⁵⁾
Adam Coates, Chief Growth Officer	266,666 less applicable statutory deductions ⁽⁴⁾⁽⁵⁾	8,328 ⁽⁴⁾⁽⁵⁾	Nil ⁽⁴⁾⁽⁵⁾	Nil	274,994 ⁽⁴⁾⁽⁵⁾

Notes:

- (1) As provided in the employment agreement with each of the relevant Named Executive Officers upon a change of control as further described above.
- (2) As provided for in the Stock Option Plan, assuming a change of control on December 31, 2022, all unvested Options held by the Named Executive Officers would vest and be immediately exercisable. Value is calculated based on the difference between the exercise of the Options and the closing price of the Common Shares on the Exchange on December 31, 2022, being \$0.10.
- (3) As provided for in the RSU Plans, in the event of a "Merger and Acquisition Transaction" (as defined therein) on December 31, 2022, all unvested RSUs held by the Named Executive Officers would vest immediately if such Named Executive Officer is either terminated without cause or resigns with good reason from their position with Decibel within the period ending twelve (12) months from the date of completion of the Merger and Acquisition Transaction. Value is calculated based on the closing price of the Common Shares on the Exchange on December 30, 2022, being \$0.10.
- (4) Amounts payable if Named Executive Officer is terminated due to "change in control" of Decibel.
- (5) Amounts payable if Named Executive Officer is terminated without just cause.
- (6) As provided for in the DSU Plan, in the event that such holder is terminated or resigns, the DSUs held by such individual would be immediately exercisable.

Pension Disclosure

The Corporation does not currently provide its Named Executive Officers with pension plan benefits or retiring allowances.

Directors Summary Compensation Table

During the year ended December 31, 2022, the Corporation had seven (7) directors, one (1) of which was also a Named Executive Officer (Paul Wilson, Chief Executive Officer). Three (3) of the directors, Messrs. Church, Kelly and Casselman resigned in connection with Decibel's annual general meeting held on December 9, 2022 at which time, Shawn Dym (Chairman), Nadia Vattovaz, Jakob Ripshtein and Manjit Minhas were appointed to the Board. For a

description of the compensation paid to the Named Executive Officer of the Corporation who also acted as a director of the Corporation, see "*Compensation Discussion and Analysis – Summary Compensation Table*". The following table sets forth for the year ended December 31, 2022, information concerning the compensation paid to the Corporation's directors other than the director who was also a Named Executive Officer during the year ended December 31, 2022.

Name and principal position	Fees Earned (\$)	Share-Based Awards (\$)⁽¹⁾	Option Based Awards (\$)⁽²⁾	Non-equity incentive plan compensation (\$)	Committee or Meeting Fees(\$)	All other compensation (\$)	Total compensation (\$)
Shawn Dym ⁽³⁾ Chairman and Director	2,946	Nil	Nil	Nil	500	Nil	3,446
Nadia Vattovaz ⁽³⁾ Director	1,883	Nil	Nil	Nil	500	Nil	2,383
Jakob Ripshtein ⁽³⁾ Director	1,883	Nil	Nil	Nil	500	Nil	2,383
Manjit Minhas ⁽³⁾ Director	1,646	Nil	Nil	Nil	500	Nil	2,146
Michael Kelly Former Director	27,992	95,437	Nil	Nil	22,000	Nil	145,429
Ivan Casselman Former Director	24,479	78,375	Nil	Nil	17,000	Nil	119,854
Cody Church Former Director	43,804	140,250	Nil	Nil	21,000	Nil	205,054

Notes:

- (1) "Share-Based Award" means an award under an equity incentive plan of equity-based instruments that do not have option-like features, including, for greater certainty, common shares, restricted shares, restricted share units, deferred share units, common share equivalent units and stock. Represents the fair value of DSUs determined at the closing price of the Common Shares on the date of grant. For the value of Share-Based Awards that vested in the current year, see "*Incentive Plan Awards – Value Vested or Earned During the Year*".
- (2) "Option-Based Award" means an award under an equity incentive plan of options, including, for greater certainty, share options, share appreciation rights and similar instruments that have option-like features.

- (3) Represents amounts paid following their appointment during the period from December 9, 2022 to December 31, 2022.

Directors' Outstanding Share-Based Awards and Option-Based Awards

The following table sets forth for each of the Corporation's directors, other than directors who are also Named Executive Officers, all share-based awards and option-based awards outstanding at the end of the year ended December 31, 2022.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-money Options ⁽¹⁾⁽²⁾ (\$)	Number of Shares or Units of Shares that have not vested (#)	Market or Payout Value of share-based awards that have not vested (\$)	Market or Payout Value of vested share-based awards not paid out or distributed ⁽³⁾ (\$)
Shawn Dym	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Nadia Vattovaz	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Jakob Ripshtein	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Manjit Minhas	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Cody Church	1,179,822	\$0.09	January 1, 2025	117,982	Nil	Nil	140,250
Michael Kelly	763,415	\$0.09	January 1, 2025	76,342	Nil	Nil	95,437
Ivan Casselman	302,183	\$0.09	January 1, 2025	30,218	Nil	Nil	78,375

Notes:

- (1) Unexercised "in-the-money" Options refer to the Options in respect of which the market value of the underlying securities as at the financial year end exceeds the exercise or base price of the Option.
- (2) The aggregate of the difference between the closing price of the Common Shares on the Exchange on December 30, 2022, being \$0.10 per Common Share, and the exercise price of the Options.
- (3) The value of Common Shares underlying the DSUs is determined using the closing price of the Common Shares on the Exchange at December 30, 2022, being \$0.10, per Common Share.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets forth for each of the Corporation's directors (other than the director that is a Named Executive Officer), the value of option-based awards and share-based awards which vested during the year ended December 31, 2022 and the value of non-equity incentive plan compensation earned during the year ended December 31, 2022.

Name	Option-based awards – Value vested during the year⁽¹⁾ (\$)	Share-based awards – Value vested during the year⁽²⁾⁽³⁾ (\$)	Non-equity incentive plan compensation – Value earned during the year⁽³⁾ (\$)
Shawn Dym	Nil	Nil	Nil
Nadia Vattovaz	Nil	Nil	Nil
Jakob Ripshtein	Nil	Nil	Nil
Manjit Minhas	Nil	Nil	Nil
Cody Church	57,025	95,170	Nil
Michael Kelly	36,898	64,761	Nil
Ivan Casselman	14,606	53,183	Nil

Notes:

- (1) Calculated based on the difference between the market price of the Common Shares on the vesting date and the exercise price of the Options.
- (2) Calculated based on the value of the Common Shares underlying the DSUs as at December 30, 2022, other than for Messrs. Church, Kelly and Casselman who's DSUs vested on December 9, 2022 concurrent with their resignation at a price per Common Share of \$0.095.
- (3) Calculated based on the value of the Common Shares underlying the RSUs as at December 30, 2022.

SCHEDULE "B"

AUDIT COMMITTEE CHARTER

**WESTLEAF INC.
(the "Corporation")**

AUDIT COMMITTEE CHARTER

This charter governs the operations of the audit committee (the "**Committee**") of the Corporation. The Committee shall report to the board of directors (the "**Board**") of the Corporation.

Purpose

1. The primary function of the Committee is to assist the Board in fulfilling its responsibilities regarding the integrity of the Corporation's financial statements including the financial reporting process and systems of internal controls, the compliance by the Corporation with legal and regulatory requirements and the qualifications, performance and independence of the Corporation's external auditor by reviewing:
 - (a) the financial information that will be provided to the shareholders, regulatory authorities and others;
 - (b) the systems of internal controls management has established;
 - (c) all audit processes; and
 - (d) all reporting from the external auditors.
2. Primary responsibility for the financial reporting, information systems, risk management and internal controls of the Corporation is vested in management and is overseen by the Board. While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate and are in accordance with generally accepted accounting principles. These are the responsibilities of management and the external auditor. Nor is it the duty of the Committee to conduct investigations, to resolve disagreements, if any, between management and the external auditor or to ensure compliance with laws and regulations.

Composition and Operations

3. The Committee shall be composed of not fewer than three directors, a majority of whom shall not be officers, employees, consultants or control persons of the Corporation or any of its related legal entities.
4. The Committee shall review and reassess this Charter annually.
5. All Committee members shall be financially literate or shall become financially literate within a reasonable period of time after appointment to the Committee.
6. The Corporation's auditors shall be advised of the names of the Committee members and when appropriate will receive notice of and be invited to attend meetings of the Committee and to be heard at those meetings on matters relating to the auditor's duties.
7. The Committee shall meet with the external auditors as it deems appropriate to consider any matter that the Committee or auditors determine should be brought to the attention of the Board or shareholders.
8. The Committee shall meet at least four times each year.

9. The Committee shall have access to the Corporation's senior management and documents as required to fulfill its responsibilities and is provided with the resources necessary to carry out its responsibilities.
10. The Committee shall provide open avenues of communication among management, employees, external auditors and the Board.
11. The secretary to the Committee shall be the Corporate Secretary or an appointee of the Corporate Secretary.
12. Notice of the time and place of every meeting shall be given to each Committee member at least 48 hours prior to the meeting.
13. A majority of the voting membership of the Committee present in person or by telephone or other electronic telecommunication device shall constitute a quorum.
14. The President, Chief Executive Officer, Vice President of Finance and Chief Financial Officer and external auditor are expected to be available to attend meetings or portions thereof. The external auditors will meet at least twice annually with the Committee. Others may or may not attend the meetings at the sole discretion of the Committee.
15. Minutes of Committee meetings shall be approved by the Committee and sent to all directors of the Board.

Duties and Responsibilities

16. Financial Statements and Other Financial Information

The Committee will review and recommend for approval to the Board financial information that will be made publicly available. This includes:

- (a) the Corporation's annual and quarterly financial statements;
- (b) the Corporation's press releases and reports as they relate to the finances of the Corporation;
- (c) the Management Discussion and Analysis;
- (d) the financial content of the Annual Report;
- (e) the annual information form and any prospectus or private placement memorandums; and
- (f) any reports required by regulatory or government authorities as they relate to the finances of the Corporation.

The Committee will review and discuss:

- (a) the appropriateness of accounting policies and financial reporting practices to be adopted by the Corporation;
- (b) any significant proposed changes in financial reporting and accounting policies and practices to be adopted by the Corporation;
- (c) any new or pending developments in accounting and reporting standards that may affect the Corporation;
- (d) ascertain compliance with the covenants under applicable loan agreements;
- (e) management's key estimates and judgments that may be material to financial reporting; and

- (f) any other matters required to be reviewed under applicable legal, regulatory or stock exchange requirements.

17. *Risk Management, Internal Control and Information Systems*

The Committee will review and obtain reasonable assurance that the risk management, internal control and information systems are operating effectively to produce accurate, appropriate and timely management and financial information. This includes:

- (a) review the Corporation's risk management controls and policies;
- (b) obtain reasonable assurance that the information systems are reliable and the systems of internal controls are properly designed and effectively implemented through discussions with and reports from management and the external auditor;
- (c) review management steps to implement and maintain appropriate internal control procedures including a review of policies;
- (d) review adequacy of security of information, information systems and recovery plans;
- (e) monitor compliance with statutory and regulatory obligations;
- (f) review the appointment of the Vice President of Finance and Chief Financial Officer; and
- (g) review the adequacy of accounting and finance resources.

18. *External Audit*

The Committee will review the planning and results of external audit activities and the ongoing relationship with the external auditor. This includes:

- (a) review and recommend to the Board, for shareholder approval, engagement of the external auditor including, as part of such review and recommendation, an evaluation of the external auditors qualifications, independence and performance;
- (b) review and recommend to the Board the compensation of the external auditor;
- (c) review and recommend to the Board the annual external audit plan, including but not limited to the following:
 - (i) engagement letter;
 - (ii) objectives and scope of the external audit work;
 - (iii) procedures for quarterly review of financial statements;
 - (iv) materiality limit;
 - (v) areas of audit risk;
 - (vi) staffing;
 - (vii) timetable; and

- (viii) proposed fees;
 - (d) meet with the external auditor to discuss the Corporation's quarterly and annual financial statements and the auditor's report including the appropriateness of accounting policies and underlying estimates;
 - (e) review and advise the Board with respect to the planning, conduct and reporting of the annual audit, including but not limited to:
 - (i) any difficulties encountered, or restrictions imposed by management during the annual audit;
 - (ii) any significant accounting or financial reporting issue including the resolution of any disagreement between management and the external auditors;
 - (iii) the auditor's evaluation of the Corporation's system of internal controls, procedures and documentation;
 - (iv) the post audit or management letter containing any findings or recommendation of the external auditor, including management's response thereto and the subsequent follow-up to any identified internal control weakness; and
 - (v) assess the performance and consider the annual appointment of external auditors for recommendation to the Board;
 - (f) review and receive assurances on the independence of the external auditor;
 - (g) review and pre-approve the non-audit services to be provided by the external auditor's firm and consider the impact on the independence of the external audit; and
 - (h) meet periodically with the external auditor without management present.
19. Other
- (a) review material litigation and its impact on financial reporting; and
 - (b) establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters and the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

Accountability

20. The committee shall report its discussions to the Board by distributing the minutes of its meetings and, where appropriate, by oral report at the next Board meeting.

Standard of Liability

21. Nothing contained in this Charter is intended to expand applicable standards of liability under statutory, regulatory or other legal requirements for the Board or members of the Committee. The purposes and responsibilities outlined in these terms of reference are meant to serve as guidelines rather than inflexible rules and the Committee may adopt such additional procedures and standards as it deems necessary from time to time to fulfill its responsibilities.

Adopted and approved by the Board: January 18, 2019.

SCHEDULE "C"
STOCK OPTION PLAN

(See attached)

**STOCK OPTION PLAN
OF
DECIBEL CANNABIS COMPANY INC.**

1. Purpose

The purpose of the Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the long-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. Definitions and Interpretation

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) “**Board of Directors**” means the Board of Directors of the Corporation;
- (b) “**Change in Control**” means the occurrence of any transaction pursuant to which any person, or any associate or affiliate of such person, hereafter acquires the direct or indirect “beneficial ownership” (as such term is defined in the *Business Corporations Act* (British Columbia)) of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities;
- (c) “**Common Shares**” means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (d) “**Consultant**” means a person or company, other than an employee, executive officer or director of the Corporation, that: (i) is engaged to provide services to the Corporation, other than services provided in relation to a distribution of securities; (ii) provides the services under a written agreement with the Corporation; and (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation, and includes, for an individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;
- (e) “**Corporation**” means Westleaf Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (f) “**Discounted Market Price**” has the meaning ascribed thereto in Exchange Policies;
- (g) “**Effective Date**” has the meaning ascribed thereto in Section 20;
- (h) “**Eligible Person**” means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan;

- (i) **“Employee”** means:
- (i) an individual who is considered an employee of the Corporation or its subsidiary under the *Income Tax Act* (Canada) (and for whom income tax, employment insurance and CPP deductions must be made at source);
 - (ii) an individual who works full-time for a Corporation or its subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source; or
 - (iii) an individual who works for a Corporation or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;
- (j) **“Exchange”** means the TSX Venture Exchange or any other stock exchange on which the Common Shares are listed;
- (k) **“Exchange Policies”** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (l) **“Exercise Notice”** means a notice of option exercise, substantially in the form attached hereto as Schedule “A”;
- (m) **“Expiry Date”** has the meaning ascribed thereto in Section 8;
- (n) **“Filing Statement”** has the meaning ascribed thereto in Section 6;
- (o) **“Insider”** has the meaning ascribed thereto in the Exchange Policies;
- (p) **“Investor Relations Activities”** has the meaning ascribed thereto in the Exchange Policies;
- (q) **“Management Corporation Employee”** means an individual employed by a Person providing management services to the Corporation, which are required for the ongoing successful operation of the business enterprise of the Corporation, but excluding a Person engaged in Investor Relations Activities;
- (r) **“Option”** means an option granted by the Corporation to an Eligible Person entitling such Eligible Person to acquire a designated number of Common Shares at a price determined by the Board of Directors;
- (s) **“Option Period”** means the period determined by the Board of Directors during which an Eligible Person may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is 10 years (subject to extension where the expiry date falls in a **“blackout period”**);
- (t) **“Plan”** shall mean the Corporation’s fixed stock option plan as embodied herein and as from time to time amended; and
- (u) **“Stock Option Agreement”** has the meaning ascribed thereto in Section 7.

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

3. Administration

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

4. Eligibility

The Board of Directors may at any time and from time to time designate those Eligible Persons who are to be granted an Option pursuant to the Plan and grant an Option to such Eligible Person. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Eligible Person is a bona fide Employee, Consultant or Management Corporation Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Eligible Persons.

5. Participation

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Person's relationship or employment with the Corporation. Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Eligible Person any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Eligible Person or by the Eligible Person ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Eligible Person at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Eligible Person shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

6. Shares Subject to Plan

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time shall not exceed in the aggregate, when combined with all of the Corporation's other security based compensation arrangements and including the Corporation's restricted share unit award plan, that amount of Common Shares which is equal to 20% of the issued and outstanding Common Shares (on a non-diluted basis) on the date that is the earlier of: (i) the date on which the arrangement (the "**WGBC Transaction**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) involving the Corporation, We Grow BC Ltd. ("**WGBC**") and certain securityholders of

WGBC is completed (the “**Closing Date**”); or (ii) the date on which the arrangement agreement between the Corporation and WGBC dated November 7, 2019 and entered into in connection with the WGBC Transaction (as may be amended from time to time) is terminated in accordance with its terms (the “**Termination Date**”). It is anticipated that the number of authorized, but unissued Common Shares available for issuance under the Plan will be 65,885,105 Common Shares (based on 334,092,193 Common Shares issued and outstanding on the Closing Date) on the Closing Date or such other number as may be equal to 20% of the issued and outstanding Common Shares on the Closing Date or the Termination Date, as the case may be.

The Options granted under the Plan together with all of the Corporation’s other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares;
- (b) the grant to Insiders within a 11-month period, of a number of Options exceeding 10% of the outstanding Common Shares; or
- (c) the grant to any one (1) Eligible Person within a twelve-month period, of a number of Options exceeding 5% of the issued and outstanding Common Shares.

Subject to Exchange Policies, the aggregate number of Common Shares reserved for issuance to any one Eligible Person under Options granted in any 12-month period shall not exceed 5% of the issued and outstanding Common Shares determined at the date of grant or (i) in the case of Consultants, 2% of the issued and outstanding Common Shares to each Consultant in any 12-month period; or (ii) 2% of the issued and outstanding Common Shares in the case of an Eligible Person conducting Investor Relations Activities in any 12-month period (as such terms are defined in Exchange Policies).

Appropriate adjustments shall be made as set forth in Section 14 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

7. Option Agreement

A written agreement will be entered into between the Corporation and each Eligible Person to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the “**Stock Option Agreement**”). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Eligible Person may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

8. Option Period and Exercise Price

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the “**Expiry Date**”), subject to earlier termination as provided in Sections 10 and 11 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

9. Exercise of Options

An Eligible Person shall be entitled to exercise an Option granted to him or her at any time prior to the expiry of the Option Period, subject to Sections 10 and 11 hereof and to vesting limitations as shall be described in the relevant Stock Option Agreement.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written Exercise Notice, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

10. Ceasing to be a Director, Officer, Employee or Consultant

If an Eligible Person ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Eligible Person may, but only within ninety (90) days after the Eligible Person’s ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Eligible Person engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Eligible Person, but only to the extent that the Eligible Person was entitled to exercise the Option at the date of such cessation. For greater certainty, any Eligible Person who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

11. Death of Eligible Person

In the event of the death of an Eligible Person, the Option previously granted to him or her shall be exercisable within one year following the date of the death of the Eligible Person or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Eligible Person’s rights under the Option shall pass by the Eligible Person’s will or the laws of descent and distribution, or by the Eligible Person’s legal personal representative; and
- (b) to the extent that the Eligible Person was entitled to exercise the Option at the date of the Eligible Person’s death.

12. Eligible Person's Rights Not Transferable

No right or interest of any Eligible Person in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Eligible Person and his or her heirs, executors, administrators and personal representatives.

13. Change of Control

Notwithstanding anything else in this Plan, the Board of Directors shall have the right to provide for the conversion or exchange of any outstanding Options into or for options, rights or other securities in any entity participating in or resulting from a Change in Control.

In the event that the Corporation or its shareholders receive and accept an offer in respect of a transaction that will result in a Change in Control, the Board of Directors may, in its sole discretion, deal with the Options issued under the Plan in the manner it deems fair and reasonable in light of the circumstances of the Change in Control. Without limiting the generality of the foregoing, in connection with a Change in Control, the Board of Directors may, without any action or consent required on the part of any Eligible Person: (i) deem any or all Options (vested or unvested) under the Plan to have been exercised and the common shares issuable on such exercise to have been tendered to the Change in Control, (ii) apply a portion of the Eligible Person's proceeds from the closing of the Change in Control to the exercise price payable by that Eligible Person for the exercise of his or her Options, (iii) cancel the Options and pay to an Eligible Person the amount that the Eligible Person would have received, after deducting the exercise price of the Options, had the Options been exercised, (iv) exchange vested or unvested Options, or any portion of them, for options to purchase shares in the capital of the acquiror or any corporation which results from an amalgamation, merger or similar transaction involving the Corporation made in connection with the Change in Control; or (v) take such other actions, and combinations of the foregoing actions, as it deems fair and reasonable under the circumstances.

Without limiting the generality of the above, the Board of Directors may, in its sole discretion, accelerate the vesting of any or all outstanding Options to provide that such outstanding Options shall be fully vested and conditionally exercisable upon (or prior to) the completion of the Change in Control and require that if any such accelerated Options are not exercised within ten (10) business days following the giving of the notice of such Change in Control to the Eligible Person, such unexercised Options shall terminate and expire upon the completion of the proposed Change in Control. If, for any reason, the Change in Control does not occur within the contemplated time period, the acceleration of the vesting of the Options shall be retracted and vesting shall instead revert to the manner provided herein.

14. Anti-Dilution of the Option

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number

of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change;

- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Eligible Person shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Eligible Person shall pay for the number of shares, other securities or property as aforesaid, the amount the Eligible Person would have paid if the Eligible Person had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

15. Hold Period

All Options and any Common Shares issued on the exercise of Options may be subject to and legended with a four (4) month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Common Shares issued on the exercise of Options may be subject to resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Common Shares.

16. Costs

The Corporation shall pay all costs of administering the Plan.

17. Termination and Amendment

The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Eligible Person whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.

The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth above in this Section 17, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Eligible Person is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Eligible Person, alter or impair any rights which have accrued to him or her prior to the effective date thereof.

The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

18. Applicable Law

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

19. Prior Plans

On the effective date (as set out in Section 20 hereof), subject to Exchange approval and, if required, shareholder approval:

- (a) the Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- (b) all outstanding options shall be deemed to be granted pursuant to the Plan.

20. Effective Date

This Plan became effective on December 28, 2018.

SCHEDULE "A"
NOTICE OF OPTION EXERCISE

WESTLEAF INC.
STOCK OPTION PLAN

To: Westleaf Inc. (the "Corporation")

Please be advised that in connection with stock options granted under the Corporation's Stock Option Plan and pursuant to the Stock Option Agreement of Stock Options dated _____ (the "**Stock Options**"), the undersigned hereby wishes to exercise his or her option to purchase _____ common voting shares in the capital of the Corporation (the "**Option Shares**") at a price of \$ _____ per share, for a total payment of \$ _____ (the "**Exercise Payment**").

The undersigned hereby agrees to file, on a timely basis, all reports that may be required to be filed under applicable securities laws. The undersigned understands that the fair market value assigned to the Option Shares for income tax purposes shall be determined by the board of directors of the Corporation on the date of this exercise and that this request to exercise my Stock Options is irrevocable.

Please find enclosed a bank draft or certified cheque in the amount of \$ _____, representing the aggregate Exercise Payment payable to the Corporation in full payment for the Option Shares.

The Option Shares issued on the exercise of my Stock Options specified above are to be registered as follows:

(Print Registrant's Name)

(Address)

(Telephone Number)

(Facsimile Number)

(E-Mail Address)

(Eligible Person's Signature)

SCHEDULE "D"

RSU PLAN

(See attached)

WESTLEAF INC.

**AMENDED AND RESTATED
RESTRICTED SHARE UNIT AWARD PLAN**

**AMENDED
DECEMBER 18, 2019**

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SCHEDULE “A” FORM OF AWARD AGREEMENTA-1

**ARTICLE 1
PURPOSE OF THIS PLAN**

1.1 Purpose of this Plan

The purpose of this Plan is to promote the interests and long-term success of the Corporation by:

- (a) furnishing certain directors, officers, and employees of the Corporation or its Affiliates with greater incentive to develop and promote the business and financial success of the Corporation;
- (b) aligning the interests of persons to whom Restricted Awards may be granted with those of the shareholders of the Corporation generally through a proprietary ownership interest in the Corporation; and
- (c) assisting the Corporation in attracting, retaining and motivating its directors, officers, and employees.

The Corporation believes that these purposes may best be effected by granting Restricted Awards and affording such persons an opportunity to acquire a proprietary interest in the Corporation.

**ARTICLE 2
DEFINITIONS**

2.1 Definitions

In this Plan, unless there is something in the subject matter or context inconsistent therewith, capitalized words and terms will have the following meanings:

- (a) “**Affiliate**” means an affiliate as defined in the Securities Act and includes issuers that are similarly related, whether or not any of the issuers are companies, partnerships, limited partnerships, trusts, income trusts or investment trusts or any other organized entity issuing securities;
- (b) “**Applicable Withholding Taxes**” means all taxes and other source deductions or other amounts which the Corporation or an Affiliate of the Corporation is or may be required by law to withhold in respect of the Plan or in respect of a Restricted Award, including in respect of the issuance transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder;
- (c) “**Associate**” means an associate as defined in the Securities Act;
- (d) “**Award Agreement**” means any written agreement, contract or other instrument or document evidencing any Restricted Award granted under this Plan. Each Award Agreement shall be subject to the applicable terms and conditions of this Plan and any other terms and conditions (not inconsistent with this Plan) determined by the Compensation Committee;
- (e) “**Blackout Period**” means an interval of time during which the Corporation has determined that one or more Participants may not trade any securities of the Corporation because they may be in possession of undisclosed material information pertaining to the Corporation;
- (f) “**Board**” means the board of directors of the Corporation as constituted from time to time;
- (g) “**Change in Control**” means:

- (i) any merger or amalgamation in which voting securities of the Corporation possessing more than fifty percent (50%) of the total combined voting power of the Corporation's outstanding securities are transferred to a person or persons different from the persons holding those securities immediately prior to such transaction;
- (ii) any acquisition, directly or indirectly, by a person or Related Group of Persons (other than a person that is a registered dealer as described in Section 2.1(u)(iii) and other than the Corporation or a person that directly or indirectly controls, is controlled by, or is under common control with, the Corporation) of beneficial ownership of voting securities of the Corporation possessing more than fifty percent (50%) of the total combined voting power of the Corporation's outstanding securities;
- (iii) any acquisition, directly or indirectly, by a person or Related Group of Persons of the right to appoint a majority of the directors of the Corporation or otherwise directly or indirectly control the management, affairs and business of the Corporation;
- (iv) any sale, transfer or other disposition of all or substantially all of the assets of the Corporation;
- (v) a complete liquidation or dissolution of the Corporation; or
- (vi) any transaction or series of transactions involving the Corporation or any of its Affiliates that the Board in its discretion deems to be a Change in Control;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results from:

- (vii) the issuance, in connection with a bona fide financing or series of financings by the Corporation or any of its Affiliates, of voting securities of the Corporation or any of its Affiliates or any rights to acquire voting securities of the Corporation or any of its Affiliates which are convertible into voting securities;
 - (viii) a transaction or series of transactions involving the Corporation or any of its Affiliates whereby the holders of the voting securities of the Corporation continue to hold voting securities in the capital of the surviving or successor entity in substantially the same proportion as such holders held voting securities in the Corporation immediately prior to the commencement of such transaction or series of transactions; or
 - (ix) a reverse take-over of the Corporation, so long as more than one-half of the members of the Board immediately prior to the reverse take-over constitute more than one-half of the members of the board of directors of the other company involved in the reverse take-over of the Corporation following the reverse take-over.
- (h) **“Compensation Committee”** means the Compensation Committee of the Board or such other committee of the Board to which the Board has delegated responsibility for administration of the Plan or, if the Board has not made such delegation, “Compensation Committee” shall mean the Board;
 - (i) **“Consultant”** means a person or company, other than an employee, executive officer or director of the Corporation, that: (i) is engaged to provide services to the Corporation, other than services provided in relation to a distribution of securities; (ii) provides the services under a written agreement with the Corporation; and (iii) spends or will spend a significant amount of time and attention on the affairs and business of the Corporation, and includes, for an

individual consultant, a corporation of which the individual consultant is an employee or shareholder, and a partnership of which the individual consultant is an employee or partner;

- (j) **“Corporation”** means Westleaf Inc. and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board or a duly empowered committee appointed by the Board;
- (k) **“Eligible Person”** means director, officer, or employee of the Corporation or its Affiliates;
- (l) **“Exchange”** means the TSX Venture Exchange, the Canadian Stock Exchange, or such stock exchanges or other organized markets on which the Shares are listed or posted for trading;
- (m) **“Insider”** in relation to the Corporation means:
 - (i) a director or senior officer of the Corporation;
 - (ii) a director or senior officer of a company that is an Insider or subsidiary of the Corporation; or
 - (iii) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all Outstanding Shares.
- (n) **“Investor Relations Activities”** has the meaning ascribed thereto in TSX Venture Exchange policies;
- (o) **“Merger and Acquisition Transaction”** means:
 - (i) any merger;
 - (ii) any acquisition;
 - (iii) any amalgamation;
 - (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Corporation; or
 - (v) any arrangement or other scheme of reorganization;that results in a Change in Control;
- (p) **“Outstanding Shares”** at the time of any issuance of Shares means the number of Shares that are outstanding immediately prior to the issue of the Shares in question, on a non-diluted basis, or such other number as may be determined under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the Exchange;
- (q) **“Participant”** means an Eligible Person designated to be granted a Restricted Award under this Plan;
- (r) **“Permitted Assign”** in respect of a Participant means:
 - (i) an executor or administrator for the estate of the Participant upon the death of the Participant, or

- (ii) a committee or duly appointed attorney of the Participant, upon the Participant becoming incapable, by reason of physical or mental infirmity, of managing his or her affairs.
- (s) “**Plan**” means this plan, as the same may from time to time be supplemented or amended and in effect;
- (t) “**Proposed Transaction**” has the meaning ascribed thereto by Section 3.1 of this Plan;
- (u) “**Related Group of Persons**” in respect of a person means:
 - (i) the person together with any one or more of the person’s Associates or Affiliates; and
 - (ii) any two or more persons who have an agreement, commitment or understanding, whether formal or informal, with respect to:
 - (A) the acquisition of or the intention to acquire, directly or indirectly, beneficial ownership of, or control and direction over, voting securities of the Corporation; or
 - (B) the exercise of voting rights attached to the securities of the Corporation beneficially owned by such persons, or over which such persons have control and direction, on matters regarding the appointment of directors or control of the management, affairs and business of the Corporation;
 - (iii) despite the above Section 2.1(u)(ii)(A), a registered dealer acting solely in an agency capacity for a person or Related Group of Persons in connection with the acquisition of beneficial ownership of, or control and direction over, securities of the Corporation, and not executing principal transactions for its own account or performing services beyond customary dealer’s functions, shall not be deemed solely by reason of such agency relationship to be a related person for the purposes of the definition of Related Group of Persons; and
- (v) “**Restricted Award**” means restricted share unit award granted pursuant to Section 8.1, for which the form of Award Agreement is attached hereto as Schedule “A”;
- (w) “**Securities Act**” means the *Securities Act* (British Columbia), as amended from time to time;
- (x) “**Shares**” means the common shares in the capital of the Corporation; and
- (y) “**Shareholder**” means a holder of Shares.

**ARTICLE 3
EFFECTIVE DATE OF PLAN**

3.1 This Plan became effective on December 28, 2018.

**ARTICLE 4
ADMINISTRATION OF PLAN**

4.1 The Board may at any time appoint a committee of the Board (the “**Compensation Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan (provided that if

at any such time such a committee has not been appointed by the Board, this Plan will be administered by the Board, and in such event references herein to the Compensation Committee shall be construed to be a reference to the Board). The Board will take such steps that in its opinion are required to ensure that the Compensation Committee has the necessary authority to fulfil its functions under this Plan.

- 4.2 The Compensation Committee is authorized, subject to the provisions of the Plan, to establish such rules and regulations as it deems necessary for the proper administration of the Plan, and to make determinations and take such other action in connection with or in relation to the Plan as it deems necessary or advisable. Each determination or action made or taken pursuant to the Plan, including interpretation of the Plan, shall be final and conclusive for all purposes and binding on all parties, absent manifest error.
- 4.3 The Corporation will be responsible for all costs relating to the administration of the Plan.
- 4.4 Unless otherwise determined by the Board, the Plan shall remain an unfunded obligation of the Corporation and the rights of Participants under the Plan shall be general unsecured obligations of the Corporation.
- 4.5 The Corporation is authorized to take such steps as may be necessary to ensure all Applicable Withholding Taxes are withheld, deducted and remitted as required by law.

ARTICLE 5 SHARES AVAILABLE FOR AWARDS

- 5.1 Subject to adjustment as provided in Article 16 of this Plan, the maximum number of Shares that may be issuable pursuant to this Plan shall not exceed in the aggregate, when combined with all of the Corporation's other security based compensation arrangements and including the Corporation's stock option plan, that amount of Shares which is equal to 20% of the issued and outstanding Shares on a non-diluted basis on the date that is the earlier of: (i) the date on which the arrangement (the "**WGBC Transaction**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) involving the Corporation, We Grow BC Ltd. ("**WGBC**") and certain securityholders of WGBC is completed (the "**Closing Date**"); or (ii) the date upon which the arrangement agreement between the Corporation and WGBC dated November 7, 2019 and entered into in connection with the WGBC Transaction (as may be amended from time to time) is terminated in accordance with its terms (the "**Termination Date**"). It is anticipated that the number of authorized, but unissued Shares available for issuance under the Plan will be 65,885,105 Shares (based on 334,092,193 Shares issued and outstanding on the Closing Date) on the Closing Date or such number equal to 20% of the issued and outstanding Shares on the Closing Date or the Termination Date, as the case may be.
- 5.2 For purposes of Section 5.1 and subject to Section 5.3, the number of Shares covered by a Restricted Award or to which a Restricted Award relates shall be counted on the date of grant of such Restricted Award against the aggregate number of Shares available for granting Restricted Awards under this Plan.
- 5.3 If an outstanding Restricted Award for any reason expires or is terminated or cancelled without having been settled in full, the Shares shall will only be available again for issuance under this Plan upon approval of the Exchange.
- 5.4 The Board will reserve for issuance from time to time out of the authorized but unissued Shares sufficient Shares to provide for issuance of all Shares which are issuable under all Restricted Awards.
- 5.5 Fractional Restricted Awards are permitted under this Plan.

**ARTICLE 6
GRANT OF AWARDS**

- 6.1 Subject to the provisions of this Plan, the Compensation Committee may from time to time grant to any Eligible Person one or more Restricted Awards as the Compensation Committee deems appropriate.
- 6.2 The date on which a Restricted Award will be deemed to have been granted under this Plan will be the date on which the Compensation Committee authorizes the grant of such Restricted Award or such other future date as may be specified by the Compensation Committee at the time of such authorization (including, but not limited to, the date the Award Agreement is entered into pursuant to Section 6.4).
- 6.3 The number of Shares that may be issued under any Restricted Award will be determined by the Compensation Committee, provided that:
- (a) subject to Section 6.3(b), the number of Shares reserved for issuance to any one Participant pursuant to this Plan combined with all of the Corporation's other security based arrangements, including the Corporation's stock option plan, within any one year period shall not, in aggregate, exceed 5% of the total number of Outstanding Shares, or (i) in the case of Consultants, 2% of the issued and outstanding Shares to each Consultant in any one year period; or (ii) 2% of the issued and outstanding Shares in the case of a Participant conducting Investor Relations Activities in any one year period, unless disinterested Shareholder approval is obtained for such issuances;
 - (b) the number of Shares reserved for issuance to any one Participant pursuant to this Plan within any one year period shall not, in aggregate, exceed 1% of the total number of Outstanding Shares, unless disinterested Shareholder approval is obtained for such issuance;
 - (c) the maximum number of Shares which may be reserved for issuance to a Related Group of Persons, together with any other security based compensation agreements, may not exceed 10% of the issued Shares
 - (d) subject to Section 6.3(e), the number of Shares:
 - (i) issuable, at any time, to Participants that are Insiders; and
 - (ii) issued to Participants that are Insiders within any one year period;pursuant to this Plan, or when combined with all of the Corporation's other security based compensation arrangements that provide for the issuance from treasury or potential issuance from treasury of Shares shall not, in aggregate, exceed 5% of the total number of Outstanding Shares;
 - (e) the number of Shares reserved for issuance to Participants that are Insiders pursuant to this Plan within any one year period shall not, in aggregate, exceed 2% of the total number of Outstanding Shares, unless disinterested Shareholder approval is obtained for such issuances,
- 6.4 Each Restricted Award will be evidenced by an Award Agreement which incorporates such terms and conditions (including all vesting conditions) as the Compensation Committee in its discretion deems appropriate and consistent with the provisions of this Plan (and the execution and delivery by the Corporation of an Award Agreement with a Participant shall be conclusive evidence that such Award Agreement incorporates terms and conditions determined by the Compensation Committee and is consistent with the provisions of this Plan). Each Award Agreement will be executed by the Participant to whom the Restricted Award is granted and on behalf of the Corporation by any member of the

Compensation Committee or any officer of the Corporation or such other person as the Compensation Committee may designate for such purpose.

- 6.5 Restricted Awards granted pursuant to this Plan shall vest no later than December 15 of the third year following the end of the Service Year in respect of each such Restricted Award. For the purposes of this paragraph: (i) where a Restricted Award is granted within the first half of a calendar year, the Service Year in respect of such Restricted award shall be the immediately preceding year; and (ii) where a Restricted Award is granted within the second half of a calendar year, the Service Year in respect of such Restricted award shall be the year of grant.

ARTICLE 7 ELIGIBILITY

- 7.1 Any Eligible Person shall be eligible to be designated a Participant. The Corporation and a Participant shall confirm that any Eligible Person that is an employee is a *bona fide* employee of the Corporation or its Affiliates. In determining whether an Eligible Person shall receive a Restricted Award and the terms of any Restricted Award, the Compensation Committee may take into account the nature of the services rendered by the Eligible Person, his or her present and potential contributions to the success of the Corporation, and such other factors as the Compensation Committee, in its discretion, shall deem relevant.

ARTICLE 8 RESTRICTED AWARD GRANTS

- 8.1 The Compensation Committee is hereby authorized to grant Restricted Awards to an Eligible Person subject to the terms of this Plan. Each vested, whole Restricted Award granted under this Plan shall be denominated or payable in Shares and shall confer on the holder thereof the right to receive one Share from treasury (subject to adjustment in accordance with this Plan), immediately upon the completion of certain conditions during such periods as the Compensation Committee shall establish. Subject to the terms of this Plan, the conditions to be completed during any period, the length of any period, the amount of any Restricted Award granted, the number of treasury Shares receivable pursuant to any Restricted Award and any other terms and conditions of the Restricted Award shall be determined by the Compensation Committee at the time of grant. A Restricted Award will be subject to an Award Agreement containing such terms and conditions, not inconsistent with the provisions of this Plan, as the Compensation Committee shall determine.
- 8.2 Except as otherwise determined by the Compensation Committee or as set forth in the applicable Award Agreement, upon the termination of a Participant's employment (as determined under criteria established by the Compensation Committee), including by way of death, retirement, disability, termination without cause and termination for cause during the term of a Restricted Award, all unvested Restricted Awards held by the Participant shall be forfeited and cancelled; provided, however, that the Compensation Committee may, if it determines that a waiver would be in the best interest of the Corporation, waive in whole or in part any or all remaining restrictions or conditions with respect to any such Award.

ARTICLE 9 GENERAL TERMS OF RESTRICTED AWARDS

- 9.1 Restricted Awards may be granted for no cash consideration.
- 9.2 Restricted Awards may, in the discretion of the Compensation Committee, be granted either alone or in addition to or in tandem with any award granted under any plan of the Corporation or any Affiliate. Restricted Awards granted in addition to or in tandem with awards granted under any such other plan

of the Corporation or any Affiliate may be granted either at the same time as or at a different time from the grant of such other awards.

- 9.3 All Shares delivered pursuant to a Restricted Award shall be subject to such stop transfer orders and other restrictions as the Compensation Committee may deem advisable, applicable Canadian provincial or foreign securities laws and regulatory requirements, applicable Exchange policies and rules, and applicable Canadian corporate laws, and the Compensation Committee may direct appropriate stop transfer orders and cause other legends to be placed on the certificates for such Shares to reflect such restrictions.

ARTICLE 10 CHANGE IN STATUS

- 10.1 A change in the status, office, position or duties of a Participant from the status, office, position or duties held by such Participant on the date on which the Restricted Award was granted to such Participant will not result in the termination of the Restricted Award granted to such Participant provided that such Participant remains an Eligible Person.

ARTICLE 11 NON-TRANSFERABILITY OF RESTRICTED AWARDS

- 11.1 Each Award Agreement will provide that the Restricted Award granted thereunder is not transferable or assignable to anyone other than a Permitted Assign.

ARTICLE 12 REPRESENTATIONS AND COVENANTS OF PARTICIPANTS

- 12.1 Each Award Agreement will contain representations and covenants of the Participant that:
- (a) the Participant is a director, officer or employee of the Corporation or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) the Participant has not been induced to enter into such Award Agreement by the expectation of employment or continued employment with the Corporation or its Affiliates;
 - (c) the Participant is aware that the grant of the Restricted Award and the issuance by the Corporation of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws.

ARTICLE 13 WITHHOLDING TAX

- 13.1 Each Participant shall be responsible for all taxes in respect of the Plan and in respect of the issuance, transfer, amendment or vesting of a Restricted Award or the issuance of Shares thereunder. The Corporation makes no guarantee to any person regarding the tax consequences of becoming a Participant in the Plan and none of the Corporation, its Affiliates or any of their respective employees or representatives shall have any liability to any Participant with respect thereto. The Corporation shall be entitled to take all reasonable and necessary steps and to obtain all reasonable or necessary indemnities, assurances, payments or undertakings to satisfy any obligation to pay or withhold an amount on account of Applicable Withholding Taxes. Without limiting the generality of the foregoing, the Corporation may for such purposes withhold or offset such amounts from any salary or other amounts otherwise due

or to become due from the Corporation to the Participant or may require that a Participant pay such amounts to the Corporation.

- 13.2 Participant will be solely responsible for paying any Applicable Withholding Taxes arising from the grant, vesting or issuance or payment of underlying Shares or cash of any Restricted Award and payment is to be made in a manner satisfactory to the Corporation. Notwithstanding the foregoing, the Corporation will have the right to withhold from any Restricted Award or any Shares issuable pursuant to a Restricted Award or from any cash amounts otherwise due or to become due from the Corporation to the Participant, an amount equal to any such taxes.

ARTICLE 14 CONDITIONS

- 14.1 Notwithstanding any provision in this Plan, other than pursuant to an Award Agreement, the Corporation's obligation to issue Shares to a Participant pursuant to the terms of any Restricted Award will be subject to, if applicable:
- (a) completion of such registration or other qualification of such Shares or obtaining approval of such governmental authority as the Corporation will determine to be necessary or advisable in connection with the authorization, issuance or sale thereof; and
 - (b) the receipt from the Participant of such representations, agreements and undertakings, including as to future dealings in such Shares, as the Corporation or its counsel determines to be necessary or advisable in order to safeguard against the violation of the securities laws of any jurisdiction.

ARTICLE 15 SUSPENSION, AMENDMENT OR TERMINATION OF PLAN

- 15.1 The Compensation Committee will have the right at any time and from time to time to suspend or terminate this Plan (including, without limitation, in the event that the termination of this Plan is required by the Exchange) and, subject to Section 15.2, may:
- (a) with the prior approval of Shareholders of the Corporation by ordinary resolution make any amendment to any Restricted Award Agreement or this Plan, including any amendment that would:
 - (i) increase the number of Shares, or rolling maximum, reserved for issuance under this Plan as set out in Section 5.1;
 - (ii) extend the term of a Restricted Award beyond its original expiry time;
 - (iii) result in any modification to this Section 15.1; or
 - (b) without the prior approval of Shareholders of the Corporation and without limiting the generality of the foregoing, the Compensation Committee may make any other amendments not listed in (a) above to any Award Agreement or this Plan, as follows:
 - (i) amendments of a clerical nature, including but not limited to the correction of grammatical or typographical errors or clarification of terms;
 - (ii) amendments to reflect any requirements of any regulatory authorities to which the Corporation is subject, including the Exchange;

- (iii) amendments to any vesting provisions of a Restricted Award; and
- (iv) amendments to the expiration date of a Restricted Award that does not extend the term of a Restricted Award past the original date of expiration for such Restricted Award.

Notwithstanding the foregoing, all procedures and necessary approvals required under the applicable rules and regulations of all regulatory authorities to which the Corporation is subject shall be complied with and obtained in connection with any such suspension, termination or amendment to this Plan or amendments to any Award Agreement.

- 15.2 In exercising its rights pursuant to Section 15.1, the Compensation Committee will not have the right to affect in a manner that is materially adverse to, or that materially impairs, the benefits and rights of any Participant under any Restricted Award previously granted under this Plan except: (a) with the consent of such Participant; (b) as permitted pursuant to Article 16; or (c) for the purpose of complying with the requirements of any regulatory authorities to which the Corporation is subject, including the Exchange.
- 15.3 The full powers of the Compensation Committee as provided for in this Plan will survive the termination of this Plan until all Restricted Awards have been vested in full (including the issuance of any underlying Shares) or have otherwise expired.

ARTICLE 16 ADJUSTMENTS

- 16.1 In the event of any Share distribution, Share split, combination or exchange of Shares, merger, consolidation, spin-off or other distribution of the Corporation's assets to the Shareholders, or any other change affecting the Shares, the Restricted Awards of each Participant and the Restricted Awards outstanding under the Plan shall be adjusted in such manner, if any, as the Compensation Committee may in its discretion deem appropriate to reflect the event. However, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Restricted Awards will be granted to such Participant to compensate for a downward fluctuation in the market price of the Shares, nor will any other form of benefit be conferred upon, or in respect of a Participant for such purpose.
- 16.2 In the event of a Merger and Acquisition Transaction or proposed Merger and Acquisition Transaction, the Compensation Committee shall determine in an appropriate and equitable manner:
 - (a) any adjustment to the number and type of Shares (or other securities) that thereafter shall be made the subject of Restricted Awards; and
 - (b) the number and type of Shares (or other securities) subject to outstanding Restricted Awards; and
 - (c) determine the manner in which all unvested Restricted Awards granted under this Plan will be treated including, without limitation, requiring the acceleration of the time for the vesting of such Restricted Awards by the Participants, the time for the fulfilment of any conditions or restrictions on such vesting, and the time for the expiry of such Restricted Awards.

Subsections (a) through (c) of this Section 16.2 may be utilized independently of, successively with, or in combination with each other and Section 16.1, and nothing therein contained shall be construed as limiting or affecting the ability of the Compensation Committee to deal with Restricted Awards in any other manner. All determinations by the Compensation Committee under this Article 16 will be final, binding and conclusive for all purposes.

- 16.3 Notwithstanding anything else in this Plan, any unvested Restricted Awards issued to a Participant at the time of a Merger and Acquisition Transaction shall immediately vest if either (i) the Participant is either terminated without cause or resigns with good reason (as such term has been defined under common law, including any reason that would be considered to amount to constructive dismissal by a court of competent jurisdiction) from their position with the Corporation within the period ending 12 months from the date of the completion of the Merger and Acquisition Transaction, or (ii) the Compensation Committee, acting reasonably, determines that an adjustment to the number and type of Shares (or other securities) resulting from a Merger and Acquisition Transaction is impractical or impossible. In the event this Section 16.3 is applicable, the Compensation Committee shall, acting reasonably, determine the extent to which the Participant met the conditions for vesting of Restricted Awards.
- 16.4 The grant of any Restricted Awards under this Plan will in no way affect the Corporation's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, amalgamate, reorganize, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets or engage in any like transaction.

ARTICLE 17 GENERAL

- 17.1 Nothing herein or otherwise shall be construed so as to confer on any Participant any rights as a Shareholder of the Corporation with respect to any Shares reserved for the purpose of any Restricted Award.
- 17.2 Except as required by law, the rights of a Participant hereunder are not capable of being assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant. The rights and obligations hereunder may be assigned by the Corporation to a successor in the business of the Corporation.
- 17.3 Nothing in this Plan or any Award Agreement will confer upon any Participant any right to continue in the employ of or under contract with the Corporation or its Affiliates or affect in any way the right of the Corporation or any such Affiliate to terminate his or her employment at any time or terminate his or her consulting contract, nor will anything in this Plan or any Award Agreement be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Corporation or any such Affiliate to extend the employment of any Participant beyond the time that he or she would normally be retired pursuant to the provisions of any present or future retirement plan of the Corporation or its Affiliates or any present or future retirement policy of the Corporation or its Affiliates, or beyond the time at which he or she would otherwise be retired pursuant to the provisions of any contract of employment with the Corporation or its Affiliates. Neither any period of notice nor any payment in lieu thereof upon termination of employment shall be considered as extending the period of employment for the purposes of this Plan.
- 17.4 Nothing contained in this Plan will restrict or limit or be deemed to restrict or limit the right or power of the Board in connection with any allotment and issuance of Shares which are not allotted and issued under this Plan including, without limitation, with respect to other compensation arrangements.
- 17.5 The Plan and any Award Agreement granted hereunder will be governed, construed and administered in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.
- 17.6 References herein to any gender include all genders and to the plural includes the singular and vice versa. The division of this Plan into Sections and Articles and the insertion of headings are for convenience of reference only and will not affect the construction or interpretation of this Plan.

**SCHEDULE “A”
FORM OF AWARD AGREEMENT**

**WESTLEAF INC.
(the “Corporation”)**

RESTRICTED SHARE UNIT AWARD PLAN

AWARD AGREEMENT

This Award Agreement is entered into between the Corporation and the Participant named below pursuant to the Corporation’s Restricted Share Unit Award Plan (the “Plan”). All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Plan.

This Agreement confirms that:

1. on _____, 20____ (the “Award Date”);
2. _____ (the “Participant”);
3. was granted _____ Restricted Awards in respect of employment services to be rendered by the Participant to the Corporation or its Affiliates each of which entitles the Participant to receive one Share upon vesting, provided the following conditions are met:
 - (a) **[conditions of vesting to be included at time of grant.]**
4. the vesting of the Restricted Awards shall occur on the following schedule:

<u>Vesting Date</u>	<u>Percentage Vested</u>
[Timing of vesting to be included at time of grant.]	
5. The Corporation shall issue to the Participant all amounts receivable by the Participant all Shares receivable by the Participant pursuant to this Agreement from treasury;
6. by execution of this Agreement and acceptance of the Restricted Awards hereby granted, the Participant hereby represents and warrants to the Corporation that the Participant:
 - (a) is director, officer or employee of the Corporation or its Affiliates or a person otherwise determined as an Eligible Person under this Plan by the Compensation Committee;
 - (b) has not been induced to enter into such Agreement by the expectation of employment or continued employment with the Corporation or its Affiliates;
 - (c) is aware that the grant of the Restricted Award and the issuance by the Corporation of Shares thereunder are exempt from the obligation under applicable securities laws to file a prospectus or other registration document qualifying the distribution of the Restricted Awards of the Shares to be distributed thereunder under any applicable securities laws;
7. without restricting the generality of Section 4.5 of the Plan, the Corporation is expressly authorized to withhold and remit all Applicable Withholding Taxes arising as a consequence of the issuance, transfer, amendment or vesting of a Restricted Award granted pursuant to this Agreement or the issuance of

Shares thereunder, (the “**Applicable Withholding Taxes Amount**”), in any of the following ways or any combination thereof:

- (a) by requiring the Participant, as a precondition to the Corporation’s obligation to issue Shares from treasury, to pay to the Corporation in cash the Applicable Withholding Taxes Amount, to be remitted by GSV to the appropriate government authorities for the Participant’s account;
- (b) by offset against any salary or other amounts otherwise due or to become due from the Corporation to the Participant and remitting such amounts to the appropriate government authorities for the Participant’s account; and
- (c) by selling, as the Participant’s agent, sufficient of the Shares issued to the Participant in payment and settlement of the Restricted Awards to raise, net of commissions and other related expenses, cash in an amount not less than the Applicable Withholding Taxes Amount and remitting the Applicable Withholding Taxes Amount to the appropriate government authorities for the Participant’s account, and the Participant hereby irrevocably appoints the Corporation as the Participant’s agent to effect such sale or sales and receive the proceeds therefrom;

otherwise all on the terms and subject to the conditions and restrictions set out in the Plan.

By signing this Agreement, the Participant acknowledges that the Participant has read and understands the Plan and agrees to the terms and conditions of the Plan and this Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the ____ day of _____, 20____.

WESTLEAF INC.

By: _____
Participant

By: _____
Authorized Signatory