



**CANNAROYALTY CORP.
D/B/A
ORIGIN HOUSE**

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON SEPTEMBER 11, 2019**

AND

MANAGEMENT INFORMATION CIRCULAR

DATED AUGUST 12, 2019

**CANNAROYALTY CORP.
D/B/A
ORIGIN HOUSE**

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TAKE NOTICE THAT an annual meeting (the “**Meeting**”) of the holders of shares (“**Shareholders**”) of CannaRoyalty Corp., doing business as Origin House (the “**Corporation**” or “**Origin House**”) will be held at the offices of **Cassels Brock & Blackwell LLP, Suite 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2** on September 11, 2019 at 10:00 a.m. for the following purposes:

1. to receive and consider the Corporation’s audited consolidated financial statements for the fiscal year ended December 31, 2018 together with the report of the auditor thereon;
2. to appoint MNP LLP as auditor of the Corporation for the ensuing year and to authorize the directors to fix their remuneration;
3. to pass, with or without variation, an ordinary resolution to fix the number of directors to be elected at the Meeting at six (6) members;
4. to elect the directors of the Corporation to serve from the close of the Meeting until the close of the next annual meeting of the Shareholders or until their successors are duly elected or appointed, as more particularly set forth in the accompanying management information circular (the “**Circular**”);
5. to consider and, if deemed appropriate, to pass, with or without variation, a special resolution approving an amendment to the articles of the Corporation to change the name of the Corporation to “Origin House Inc.”, or such other name as the board of directors of the Corporation, in its sole discretion deems appropriate, as more fully described in the Circular;
6. to consider, and if deemed appropriate, to pass, with or without variation, an ordinary resolution to confirm an amendment to the Corporation’s By-Law No. 1 to add an advance notice requirement for nominations of directors by Shareholders in certain circumstances, as more fully described in the attached Circular; and
7. to transact such other business as may be properly brought before the Meeting or any adjournment(s) or postponement(s) thereof.

This Notice of Meeting is accompanied by the Circular, either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders (collectively, the “**Meeting Materials**”). The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Circular. The Circular is deemed to form part of this Notice of Meeting. Please read the Circular carefully before you vote on the matters presented at the Meeting.

The Board has fixed August 7, 2019 as the record date for determining Shareholders who are entitled to receive notice of and to vote at the Meeting. Only Shareholders whose names have been entered in the register of holders of common shares, Class A compressed shares and subordinate voting shares on the close of business on that date are entitled to notice of the Meeting and to vote at the Meeting or at any adjournment(s) or postponement(s) thereof.

IMPORTANT

Registered Shareholders may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed or faxed so as to reach or be deposited with the Corporation’s transfer agent, TSX Trust Company, 100 Adelaide Street West, Ste 301, Toronto, ON, M5H 4H1, or internet at www.voteproxyonline.com using your 12 digit control number. To vote by internet, please access the website listed on your proxy and follow the online voting

instructions. Proxies must be received no later than 10:00 a.m. (Toronto time) on September 9, 2019, or 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the time set for any adjournment of the Meeting. 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. If you hold shares through a broker, investment dealer, bank, trust company or other intermediary, you should follow the instructions provided by your intermediary to ensure your vote is counted at the Meeting (see the section in the accompanying Circular entitled "Advice to Beneficial Holders" for further information on how to vote your shares).

DATED at Ottawa, Ontario this 12th day of August, 2019.

By Order of the Board of Directors of Origin House.

(signed) "Marc Lustig"

Marc Lustig
Director and Chief Executive Officer

CANNAROYALTY CORP.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES

This management information circular (this “Circular”) is provided in connection with the solicitation of proxies by management of CannaRoyalty Corp. doing business as Origin House (the “Corporation” or “Origin House”) for use at an annual meeting (the “Meeting”) of the holders of shares (“Shareholders”) in the capital of the Corporation. The Meeting will be held on September 11, 2019 at 10:00 a.m. at the offices of **Cassels Brock & Blackwell LLP, Suite 2100 Scotia Plaza, 40 King Street West, Toronto, Ontario, M5H 3C2**, or at such other time or place to which the Meeting may be adjourned, for the purposes set forth in the notice of annual meeting accompanying this Circular (the “Notice”).

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of electronic communication. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators (“**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 owners of shares held of record by such persons and the Corporation may reimburse such persons for reasonable fees and disbursements incurred by them in doing so. The costs thereof will be borne by the Corporation.

These securityholder materials are being sent to both registered and non-registered owners of shares. If you are a non-registered owner of shares, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding shares on your behalf.

Accompanying this Circular (and filed with applicable securities regulatory authorities) is a form of proxy for use at the Meeting (an “**Instrument of Proxy**”). Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and all Shareholders are urged to vote on matters to be considered in person or by proxy.

Unless otherwise stated, the information contained in this Circular is given as of August 7, 2019 (the “**Effective Date**”).

All time references in this Circular are references to Toronto time.

VOTING INFORMATION

The following information provides guidance on how to vote your common shares of the Corporation (the “**Common Shares**”), Class A Compressed shares of the Corporation (the “**Compressed Shares**”) and/or Subordinate Voting Shares of the Corporation (the “**Subordinate Voting Shares**”). The Common Shares, the Compressed Shares and the Subordinate Voting Shares are sometimes collectively referred to in this Circular as the “shares”.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of a Proxy

Those Shareholders who wish to be represented at the Meeting by proxy must complete and deliver a proper form of proxy, by the filing deadline, to TSX Trust Company. Proxies can be delivered by fax 416-595-9593, mail or hand to: TSX Trust Company, 100 Adelaide Street West, Ste 301, Toronto, ON, M5H 4H1, or internet at www.voteproxyonline.com and enter your 12 digit control number.

The persons named in the Instrument of Proxy accompanying this Circular are directors or officers of the Corporation, or persons designated by management of the Corporation, and are

representatives of the Corporation's management for the Meeting. A Shareholder who wishes to appoint some other person (who need not be a Shareholder) to attend and act for him, her or it and on his, her or its behalf at the Meeting, other than the management nominee designated in the Instrument of Proxy, may do so by either: (i) crossing out the names of the management nominees AND legibly printing the other person's name in the blank space provided in the accompanying Instrument of Proxy; or (ii) completing another valid form of proxy. In either case, the completed form of proxy must be delivered to the Transfer Agent, at the place and within the time specified herein for the deposit of proxies. A Shareholder who appoints a proxy who is someone other than the management representatives named in the Instrument of Proxy should notify such alternative nominee of the appointment, obtain the nominee's consent to act as proxy, and provide instructions on how the shares are to be voted. The nominee should bring personal identification 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).

In order to validly appoint a proxy, Instruments of Proxy must be received by the Transfer Agent, at TSX Trust Company, 100 Adelaide Street West, Ste 301, Toronto, ON, M5H 4H1, or internet at www.voteproxyonline.com and using your 12-digit control number, at least 48 hours, excluding Saturdays, Sundays and holidays, prior to the Meeting or any adjournment or postponement thereof. After such time, the Chairman of the Meeting may accept or reject a form of proxy delivered to him in his discretion, but is under no obligation to accept or reject any particular late form of proxy.

Revoking a Proxy

A Shareholder who has validly given a proxy may revoke it for any matter upon which a vote has not already been cast by the proxyholder appointed therein. In addition to revocation in any other manner permitted by law, a proxy may be revoked with an instrument in writing signed and delivered to either the registered office of the Corporation or the Transfer Agent, TSX Trust Company, 100 Adelaide Street West, Ste 301, Toronto, ON, M5H 4H1, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the proxy is to be used, or deposited with the Chairman of such Meeting on the day of the Meeting, or any postponement or adjournment thereof. The document used to revoke a proxy must be in writing and completed and signed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

Also, a Shareholder who has given a proxy may attend the Meeting in person (or where the Shareholder is a corporation, its authorized representative may attend), revoke the proxy (by indicating such intention to the Chairman before the proxy is exercised) and vote in person (or withhold from voting).

Signature on Proxies

The form of proxy must be executed by the Shareholder or his or her duly appointed attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer whose title must be indicated. A form of proxy signed by a person acting as attorney or in some other representative capacity should indicate that person's capacity (following his signature) and should be accompanied by the appropriate instrument evidencing qualification and authority to act (unless such instrument has been previously filed with the Corporation).

Voting of Proxies

Each Shareholder may instruct his, her or its proxy how to vote his, her or its shares by completing the blanks on the Instrument of Proxy.

The shares represented by the enclosed Instrument of Proxy will be voted or withheld from voting on any motion, by ballot or otherwise, in accordance with any indicated instructions. If a Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. In the absence of such direction, such shares will be voted FOR THE RESOLUTIONS DESCRIBED IN THE INSTRUMENT OF PROXY AND BELOW. If any amendment or variation to the matters identified in the Notice is proposed at the Meeting or any adjournment or postponement thereof, or

if any other matters properly come before the Meeting or any adjournment or postponement thereof, the accompanying Instrument of Proxy confers discretionary authority to vote on such amendments or variations or such other matters according to the best judgment of the appointed proxyholder. Unless otherwise stated, the shares represented by a valid Instrument of Proxy will be voted in favour of (i) the appointment of MNP LLP as auditor of the Corporation for the ensuing year and authorizing the directors to fix their remuneration, (ii) the election of nominees set forth in this Circular, except where a vacancy among such nominees occurs prior to the Meeting, in which case, such shares may be voted in favour of another nominee in the proxyholder's discretion, (iii) the approval for the Corporation to amend its articles to legally change its name from "CannaRoyalty Corp." to "Origin House Inc.", and (iv) to approve the amendment to the Corporation's By-Law No. 1 to include an advanced notice provision. As at the Effective Date, management of the Corporation knows of no amendments or variations to these items of business or other matters to come before the Meeting.

Advice to Beneficial Shareholders

The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold shares in their own name. Shareholders who hold their shares through brokers, intermediaries, trustees or other persons, or who otherwise do not hold their shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who are "registered" Shareholders (that is, Shareholders whose names appear on the records maintained by the registrar and transfer agent for the shares as registered holders of shares) will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those shares will, in all likelihood, not be registered in the Shareholder's name. Such 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 Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a Beneficial Shareholder can only be voted by such broker (or their agent or nominee) at the direction of the Beneficial Shareholder. Without specific instructions, brokers (or their agents and nominees) are prohibited from voting shares which they hold on behalf of Beneficial Shareholders. Subject to the following discussion in relation to NOBOs (as defined below), the Corporation does not know for whose benefit the shares registered in the name of CDS & Co., a broker or another nominee, are held.

For purposes of applicable securities regulatory policy relating to the dissemination of proxy-related materials and other securityholder materials and the request for voting instructions from Beneficial Shareholders, there are two categories of Beneficial Shareholders. Non-objecting beneficial owners ("**NOBOs**") are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Corporation, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. **Securities legislation restricts the use of that information to matters strictly relating to the affairs of the Corporation.** Objecting beneficial owners ("**OBOs**") are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Corporation. The Corporation intends to send meeting materials directly to NOBOs and to pay for delivery of the meeting materials to OBOs.

Beneficial Shareholders will receive a notice of meeting and a voting instruction form from the intermediary who holds their shares. The intermediary is responsible for properly effecting the voting instructions received from Beneficial Shareholders.

Applicable securities regulatory policy requires intermediaries, on receipt of meeting materials that seek voting instructions from Beneficial Shareholders indirectly, to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings using Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* (a "**voting instruction form**"). Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting or any adjournment(s) or postponement(s) thereof. Often, the voting instruction form supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided to registered Shareholders; however, its purpose is limited

to instructing the registered Shareholder how to vote on behalf of the Beneficial Shareholder. Beneficial Shareholders who wish to appear in person and vote at the Meeting should be appointed as their own representatives at the Meeting in accordance with the directions of their intermediaries and as set forth in the voting instruction form. Beneficial Shareholders can also write the name of someone else whom they wish to attend at the Meeting and vote on their behalf. Unless prohibited by law, the person whose name is written in the space provided in the voting instruction form will have full authority to present matters to the Meeting and vote on all matters that are presented at the Meeting, even if those matters are not set out in the voting instruction form or this Circular. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a voting instruction form in lieu of the form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to Broadridge by mail or facsimile. Broadridge will then provide aggregate voting instructions to the Transfer Agent, which tabulates the results and provides appropriate instructions respecting the voting of shares to be represented at the Meeting or any adjournment or postponement thereof.

All references to Shareholders in this Circular and the accompanying Instrument of Proxy and Notice are to registered Shareholders unless specifically stated otherwise. The Corporation will be sending proxy-related materials to registered Shareholders using Notice and Access.

INTEREST OF DIRECTORS AND OFFICERS IN MATTERS TO BE ACTED UPON

Other than as disclosed below, no director or senior officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors of the Corporation.

PARTICULARS OF MATTERS TO BE CONSIDERED AT THE MEETING

To the knowledge of the Board, the only matters to be brought before the Meeting are set forth in the accompanying Notice of Meeting. These matters are described in more detail under the headings below.

1. Financial Statements

Shareholders will receive and consider the Corporation's audited financial statements for the fiscal year ended December 31, 2018 together with the report of the auditor thereon. No vote of the Shareholders is required with respect to this item of business.

2. Re-appointment of Auditor

MNP LLP ("**MNP**"), 800-1600 Carling Ave., Ottawa, Ontario K1Z 1G3, has been the auditor of the Corporation since February 12, 2018. The Board and management of the Corporation have assessed the performance and independence of MNP and recommend that MNP be reappointed as auditor of the Corporation until the close of the next annual shareholders' meeting.

Shareholders will be asked at the Meeting to consider, and if thought appropriate, to pass, an ordinary resolution, the text of which is as follows:

"BE IT HEREBY RESOLVED that:

- (1) the re-appointment of MNP LLP as auditor of the Corporation to hold office until the close of the next annual meeting of the Shareholders is hereby approved; and
- (2) the Board is hereby authorized to fix the remuneration of the auditors so appointed."

To be effective, the appointment of MNP LLP requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the re-appointment of the auditors and the authorization of the Board to fix the remuneration of the auditors as set forth above and herein.**

3. Fix Number of Directors

At the Meeting, it will be proposed that six (6) directors be elected to hold office for the next ensuing year. Management therefore intends to place before the Meeting for approval, with or without modification, a resolution setting the number of directors to be elected until the next annual meeting of Shareholders, subject to the articles and by-laws of the Corporation relating to subsequent appointments by the Board and the Board Size Resolution (as defined herein), at six (6) members.

The text of the ordinary resolution which management intends to place before the Meeting for the approval of the fixing of the number of directors is as follows:

“BE IT THEREFORE RESOLVED as an ordinary resolution of the Corporation that:

- (1) the number of directors to be elected at the Meeting for the ensuing year or otherwise as authorized by the Shareholders be and is hereby fixed at six (6); and
- (2) any one director or officer of the Corporation is authorized and directed, on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this ordinary resolution.”

To be effective, the foregoing resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. **Unless otherwise indicated, the persons designated as proxyholders in the accompanying form of proxy will vote the shares represented by such form of proxy, properly executed, FOR the resolution fixing the number of directors at six (6).**

4. Election of Directors

At the Meeting, Shareholders are required to elect the directors of the Corporation to hold office until the close of the next annual meeting of Shareholders or until their successors are elected or appointed. It is desirable to elect directors of the Corporation to serve from the close of the Meeting until the close of the next annual meeting of Shareholders or until their successors are elected or appointed.

To be effective, the election of the directors set forth below requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the election of the directors as set forth below and herein. The Corporation does not contemplate that any of such nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies held by the persons designated as proxyholders in the accompanying Instrument of Proxy will be voted FOR another nominee in their discretion unless the Shareholder has specified in his, her or its form of proxy that his, her or its shares are to be withheld from voting in the election of directors.**

Each Director elected will hold office from the close of the Meeting until the next annual general meeting of the Shareholders or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Corporation, or with the provisions of the OBCA.

Shareholders will be asked at the Meeting to consider, and if thought appropriate, to pass an ordinary resolution, the text of which is as follows:

“BE IT HEREBY RESOLVED that:

The election of each of Marc Lustig, Rob Harris, Dr. Jim Young, Oskar Lewnowski, Dan O’Neill, and Ted Simpkins as directors of the Corporation to hold office until the close of the next annual meeting of Shareholders or until their successors are elected or appointed,

is hereby approved.”

The following table sets forth the name of each of the persons proposed to be nominated for election as a director of the Corporation, all positions and offices in the Corporation presently held by such nominees, the nominees’ municipality and country of residence, current principal occupation, the period during which the nominees have served as directors, and the number and percentage of shares beneficially owned by the nominees, directly or indirectly, or over which control or direction is exercised.

Name, Municipality of Residence ⁽¹⁾ , Proposed Position with the Corporation	Term ⁽²⁾	Principal Occupation or Employment	Number ⁽³⁾ and Percentage of Held ⁽⁴⁾
<p>Marc Lustig West Vancouver, British Columbia, Canada</p> <p>Director, Executive Chairman of the Board and Chief Executive Officer</p>	<p>December 5, 2016 to Current</p>	<p>Chief Executive Officer of Origin House since inception; Director of National Access Cannabis Corp. (TSXV: META); Director of Planet 13 Holdings, Inc. (PLTH:CNX); Director of 22 Capital Corp. (TSXV: LFC.P); Head of Capital Markets, Dundee Capital Markets (2012 – 2014).</p>	<p>3,371,085⁽⁵⁾ 4.64%</p>
<p>Rob Harris Milton, Ontario, Canada</p> <p>Director</p> <p>Also a member of the the Audit Committee and the Compensation and Governance Committee</p>	<p>December 5, 2016 to Current</p>	<p>Currently Retired; Director of Nuvo Pharmaceuticals since May 2017; Director of Aralez Pharmaceuticals Inc. (Feb. 2016 – July 2018); President and CEO of Tribute Pharmaceuticals Inc. (Dec. 2011 – Feb. 2016).</p>	<p>22,867⁽⁶⁾ 0.03%</p>
<p>Dr. Jim Young Potomac, Maryland, U.S.</p> <p>Director</p> <p>Also Chair of the Compensation and Governance Committee and a member of the Audit Committee</p>	<p>December 5, 2016 to Current</p>	<p>Currently Retired; Chairman at Novavax, Inc.; Chairman at Targeted Microwave Solutions, Inc.; Director at 3-V Biosciences, Inc.</p>	<p>150,000⁽⁷⁾ 0.21%</p>
<p>Daniel O’Neill⁽⁹⁾⁽¹⁰⁾ Calabogie, Ontario, Canada</p> <p>Director</p> <p>Also Chair of the Audit Committee and a member of the Compensation and Governance Committee.</p>	<p>June 13, 2018 to Current</p>	<p>Currently Retired; Director of BRP Inc. since 2004; Director and CEO of Electronic Cigarettes International Group (Mar. 2015 – Mar. 2017); CEO of Winsport Canada (Jan. 2011 – Apr. 2014).</p>	<p>9,200⁽⁸⁾ 0.01%</p>

Name, Municipality of Residence ⁽¹⁾ , Proposed Position with the Corporation	Term ⁽²⁾	Principal Occupation or Employment	Number ⁽³⁾ and Percentage of Held ⁽⁴⁾
Oskar Lewnowski Rye, New York, U.S. Director	December 27, 2017 to Current	Founder and Chief Investment Officer of Orion Resource Partners.	Nil ⁽⁹⁾
Ted Simpkins California, U.S. Director	October 18, 2018 to Current	Currently Retired. CEO of River Distributing (2015 – 2018); Executive VP and General Manager of Young's Market Company (2010 – 2014); Executive VP and General Manager of Southern Wine and Spirits (1975 – 2015).	10,000 ⁽¹⁰⁾ 0.01%
TOTAL:			3,563,152 4.91%

Notes:

- (1) The information as to municipality of residence and principal occupation, not being within the knowledge of Origin House, has been furnished by the respective directors and officers individually.
- (2) The term of each director of Origin House will expire on the date of the next annual meeting of shareholders of the Corporation.
- (3) The information as to shares beneficially owned or over which a director or officer exercises control or direction, not being within the knowledge of Origin House, has been furnished by the respective directors and officers individually.
- (4) Based on an issued, unconverted and undiluted basis (i.e., 72,632,774 Common Shares).
- (5) This does not include vested and deferred RSUs (as hereinafter defined) or unvested RSUs currently held but does include 171,335 Common Shares held by Mr. Lustig's holding company AJKNJ Corp. Mr. Lustig also holds: (a) 1,416,500 RSUs, of which 1,291,500 have vested; and (b) 50,000,000 Subordinate Voting Shares.
- (6) Mr. Harris also holds: (a) 100,000 RSUs, all of which have vested; and (b) 200,000 Options (as hereinafter defined), of which 100,000 have vested.
- (7) Dr. Young also holds: (a) 100,000 RSUs, all of which have vested; and (b) 200,000 Options, of which 100,000 have vested.
- (8) Mr. O'Neill also holds 200,000 Options, of which 100,000 have vested.
- (9) Mr. Lewnowski holds 200,000 Options, of which 100,000 have vested.
- (10) Mr. Simpkins also holds 15,182 Compressed Shares and is currently scheduled to receive an additional estimated 13,600 convertible shares of RPE, Inc., Origin House's wholly owned subsidiary, in 3 further instalments ending in October 2020, as part of the consideration for the Corporation's acquisition of RVR in October 2018. Each convertible share of RPE, Inc. is convertible into 1 Compressed Share.

The following are brief biographical descriptions of the persons proposed to be elected as directors of the Corporation.

Marc Lustig: Mr. Lustig holds MSc and MBA degrees from McGill University. He began his professional career in the pharmaceutical industry at Merck & Co. In 2000, he started his capital markets career in institutional equity research in the Life Sciences sector at Orion Securities. For the next 14 years, Mr. Lustig worked as a top producer at GMP Securities L.P. and as Head of Capital Markets at Dundee Capital Markets before becoming Principal at KES 7 Capital. Mr. Lustig founded Cannabis Royalties & Holdings Corp. in early 2015.

Rob Harris: Mr. Harris served as a director of Aralez Pharmaceuticals Inc. (NASDAQ: ARLZ (TSX: ARZ)) from February 5, 2016 until July 2018. Mr. Harris is also a member of the Board of Directors of Nuvo Pharmaceuticals Inc. (TSX:NRI) (OTCQX:NRIF) since May 2017. Mr. Harris has over 35 years of pharmaceutical industry experience in both Canada and the United States in sales, marketing, business development and general management. Mr. Harris most recently served as President and CEO of Tribute Pharmaceuticals. Prior to co-founding Tribute Pharmaceuticals, Mr. Harris was the President & CEO of Legacy Pharmaceuticals Inc. Mr. Harris also has previous experience at Biovail Corporation where as VP of Business Development he was involved, led and successfully concluded numerous business development transactions, including the licensing of new chemical entities, the acquisition of mature products, the completion of co-promotion deals, distribution agreements, product development and reformulation transactions. Mr. Harris joined Biovail in 1997 as the GM of Biovail Pharmaceuticals Canada at a time when the company experienced rapid growth in the Canadian division. Before Biovail, Mr. Harris worked in various senior commercial management positions during his twenty-year tenure at Wyeth (Ayerst) including its animal health group and has been involved in numerous product launches during his career.

Dr. Jim Young: Dr. Young is the Chairman at Novavax, Inc., Chairman at Targeted Microwave Solutions, Inc. and sits on the board of directors at 3-V Biosciences, Inc. Dr. Young has over 30 years of experience in the fields of molecular genetics, microbiology, immunology and pharmaceutical development. Prior to being acquired by Astra Zeneca, Dr. Young was MedImmune’s President of Research and Development. Dr. Young received his doctorate in microbiology and immunology from Baylor College of Medicine in Houston, Texas, and in 2005 was awarded the Albert B. Sabin Humanitarian Award.

Oskar Lewnowski: Mr. Lewnowski is the founder and Chief Investment Officer of Orion Resource Partners. Prior to Orion, Mr. Lewnowski was a founding partner of the Red Kite Group and Chief Investment Officer of the mine finance business. Before this, Mr. Lewnowski was Director for Corporate Development at Varomet Ltd, a metals processor and merchant firm in excess of \$1 billion in revenues formed to purchase certain of Enron’s metals and mining assets. While at Varomet, he was responsible for seven acquisitions and divestitures totaling over \$130 million and business operations (offtake agreements, mining and processing) with annual revenues exceeding \$1 billion. He was also responsible for structuring metal offtake agreements and other physical market transactions. Until 1993, he held various positions in trading as well as mergers and acquisitions at Deutsche Bank both in New York and Frankfurt culminating in his founding membership of the Deutsche Capital Markets Division. Lewnowski earned a BS/BA in Business Administration from Georgetown University and an MBA from the Leonard Stern School of Business (New York University).

Daniel O’Neill: Mr. O’Neill graduated with a Masters in Business Administration from Queens University after obtaining his Bachelors Degree from Carleton University. He also completed the Program for Management Development at Harvard Business School. Post-graduation, he began a very successful career in consumer products beginning with Colgate Palmolive in Toronto, Canada. He went on to work with S C Johnson managing major divisions on 3 continents. He resigned from SCJ after 13 years to join Campbell soup company as President. He later became EVP of H J Heinz Company and then from 1999 to 2005 he was President and CEO of Molson Inc., initiating and leading the merger with the Adolph Coors Co. After the merger he served as a director and Vice-Chairman, Synergies and Integration, of the Molson Coors Brewing Company. More recently, Mr. O’Neill served as the President and CEO of Winsport Canada, a not for profit organization that owns and operates Canada Olympic Park training centre, and he was the Executive Chairman of Electronics Cigarettes International Group (ECIG) from 2014 to 2017. In 2019, he was appointed the Chairman of the Board of Urban Canna Group Inc.

Ted Simpkins: Mr. Simpkins was the founder and CEO of River Distribution, a leading cannabis distributor and market leader in California, that was acquired by Origin House in October 2018. Prior to entering the cannabis business, Mr. Simpkins was a highly regarded career distribution executive in California, with over 40 years of experience in the distribution of wine and spirits. In 1971, Mr. Simpkins became Executive Vice President, General Manager for Southern Wine & Spirits of Florida, successfully managing companies in Orlando, Pensacola and Tampa. He was sent in 1983 to run Southern Wine & Spirits of California, and over a span of more than 27 years led the largest, and most successful SWS division taking sales from approximately \$100 million to over \$2.5 billion. From 2010 to 2014 Mr. Simpkins was Corporate Executive Vice President, General Manager for Young’s Market Company, another leading wine and spirits wholesaler in the US. Mr. Simpkins is an army veteran, married and the father of five children. He founded and operated a renowned winery in Sonoma Valley, where he resides.

Other Reporting Issuer Experience

The following table sets out the members of the persons proposed to be elected as directors that are directors of other issuers that are reporting issuers (or the equivalent) in Canada or a foreign jurisdiction, the name of such reporting issuers and the name of the exchange or market applicable to such reporting issuers:

Name	Name of Reporting Issuer	Name of Exchange or Market (if applicable)
Marc Lustig	National Access Cannabis Corp. Planet 13 Holdings, Inc.	TSXV CNX

	22 Capital Corp.	TSXV
Oskar Lewnowski	Osisko Gold Royalties Ltd.	TSX
Jim Young	Novavax, Inc. Targeted Microwave Solutions, Inc.	NASDAQ TSXV
Daniel O'Neill	Bombardier Recreational Products Inc.	TSX, NYSE
Rob Harris	Nuvo Pharmaceuticals Inc.	TSX, OTCQX

Cease Trade Orders, Bankruptcies and Penalties

To the knowledge of the Corporation, no proposed director of the Corporation is, as of the Effective Date, or has been within the 10 years prior to the Effective Date, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:

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

Other than as set forth below, to the knowledge of the Corporation, no proposed director of the Corporation

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

Mr. O'Neill was the Chief Executive Officer and a Director of Electronic Cigarettes International Group ("ECIG") from March 2015 until March 2017. On March 16, 2017, ECIG voluntarily filed for bankruptcy in the United States. Mr. O'Neill resigned from ECIG on the same day.

Mr. Harris was a Director of Aralez Pharmaceutical Inc. from February 2016 until July 2018. Aralez voluntarily filed for bankruptcy in Canada and the United States in August 2018.

To the knowledge 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.

5. Approval of Name Change

On October 22, 2018, the Corporation registered a trade name to conduct business as “Origin House”. The Corporation now seeks approval of its Shareholders to change its name to “Origin House Inc.”, or such other name as the Board, in its sole discretion, deems appropriate, at such time as management may deem advisable (the “**Name Change**”).

At the Meeting, Shareholders will be asked to consider and, if thought appropriate, to pass, with or without variation, a special resolution (the “**Name Change Resolution**”) authorizing the Name Change as follows:

“**BE IT HEREBY RESOLVED** as a special resolution of the Corporation that:

- (1) the name of the Corporation be changed to “Origin House Inc.” or such other name as the Board, in its sole discretion, deems appropriate and the Director appointed under the *Business Corporations Act* (Ontario) may permit, at such time as management may deem advisable;
- (2) any one director or any one officer be and is hereby authorized and directed to execute on behalf of the Corporation, and to deliver or cause to be delivered all such documents, agreements and instruments and to do and to cause to be done all such other acts or things as he shall determine to be necessary or desirable to carry out the intent of this special resolution; and
- (3) the directors of the Corporation, in their sole and complete discretion, may act upon this resolution to effect the Name Change, or if deemed appropriate and without any further approval from the Shareholders of the Corporation, may choose not to act upon this resolution notwithstanding Shareholder approval of the Name Change and are authorized to revoke this resolution in their sole discretion at any time prior to the endorsement of a certificate of amendment of articles in respect of the Name Change.”

To be effective, the Name Change Resolution requires the affirmative vote of not less than two-thirds of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the Name Change Resolution as set forth above and herein.**

Even if the Name Change Resolution is approved, the Board retains the power to revoke it at all times without any further approval by the Shareholders. The Board will only exercise such power in the event that it is, in its opinion, in the best interest of the Corporation.

6. Advance Notice By-Law

On August 1, 2019, the Board approved certain amendments to the Corporation’s By-Law No. 1 (the “**By-Law Amendments**”) to require advance notice be given to the Corporation if Shareholders make nominations for persons to be elected to the Board unless the nomination is made by way of a requisition for meeting or a shareholder proposal made as provided for in the OBCA. Among other things, the advance notice provision sets a deadline prior to any annual or special meeting of Shareholders by which director nominations must be submitted to the Corporation. It also sets out the information that a Shareholder must include in the notice to the Corporation. The full text of the By-Law Amendments is set forth in Appendix “A” attached hereto.

At the Meeting, Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution in the form set out below (the “**By-Law Resolution**”), subject to such amendments, variations or additions as may be approved at the Meeting, confirming the By-Law Amendments.

The text of the By-Law Resolution to be submitted to shareholders at the Meeting is set forth below:

“BE IT HEREBY RESOLVED that:

- (1) the amendment to By-Law No. 1 of the Corporation, all as approved by the Board on August 1, 2019, is hereby confirmed without amendment;
- (2) any other director or officer of the Corporation be and is hereby authorized and directed to execute and deliver for and in name of and on behalf of the Corporation, whether under its corporate seal or not, all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person’s opinion as may be necessary or desirable for the purpose of giving effect to this resolution.”

To be effective, the By-Law Resolution requires the affirmative vote of not less than a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting. **The persons designated as proxyholders in the accompanying Instrument of Proxy (absent contrary directions) intend to vote FOR the By-Law Resolution as set forth above and herein.**

7. Other Matters

The Corporation will consider and transact such other business as may properly come before the Meeting or any adjournment. Management of the Corporation knows of no other matters to come before the Meeting other than those referenced in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the proxies solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

EXECUTIVE COMPENSATION

When used in this section, Named Executive Officers (the “**NEOs**” and each, an “**NEO**”) means the Chief Executive Officer, the Chief Financial Officer and the most highly compensated executive officer (other than the Chief Executive Officer and Chief Financial Officer) of the Corporation (including any of its subsidiaries) at December 31, 2018 whose total compensation was more than \$150,000 for that financial year.

The NEOs for the fiscal year ended on December 31, 2018 include: Marc Lustig, Francois Perrault, and Afzal Hasan.

Afzal Hasan was appointed President of the Corporation, effective May 7, 2018.

The following table provides information regarding the compensation earned by the NEOs for the financial year ended December 31, 2018.

Summary Compensation Table

Name and Principal Position	Year Ended December 31,	Salary ⁽¹⁾ (\$)	Share-based awards (\$)	Option-based awards	Non-equity incentive plan compensation (\$)			All other compensation (\$)	Total compensation (\$)
					Annual Incentive Plans	Long-term incentive plans	Pension value (\$)		
Marc Lustig, Chief Executive Officer	2018	250,577	795,063	Nil	130,000	Nil	Nil	1,763	1,177,403
	2017	225,000	561,938	Nil	112,500	Nil	Nil	33,750 ⁽²⁾	933,188
François Perrault, Chief Financial Officer	2018	200,577	336,500	Nil	67,200	Nil	11,833	17,515	633,625
	2017	175,000	150,000	Nil	70,000	Nil	Nil	26,250 ⁽³⁾	421,250
Afzal Hasan, President	2018	207,885	437,813	Nil	88,000	Nil	Nil	3,086	736,784

Notes:

- (1) The salaries for Marc Lustig, Francois Perrault, and Afzal Hasan at December 31, 2018 are \$260,000, \$210,000 and \$220,000 respectively. The salaries for these individuals came into effect in April 2018.
- (2) For the year ended December 31, 2017, this includes compensation of 15% of base salary totalling \$33,750 received in lieu of benefits and matching RRSP contributions.
- (3) For the year ended December 31, 2017, this includes compensation of 15% of base salary totalling \$26,250 received in lieu of benefits and matching RRSP contributions.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and Option-based awards held by each of the NEOs outstanding as of December 31, 2018.

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	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards, not paid out or distributed(\$) ⁽¹⁾
Marc Lustig	Nil	N/A	N/A	N/A	187,500	1,209,375	7,927,050
François Perrault	Nil	N/A	N/A	N/A	150,000	967,500	1,508,655
Afzal Hasan	Nil	N/A	N/A	N/A	243,750	1,572,188	1,065,863

Notes:

- (1) Based on the closing price of Origin House shares of \$6.45 at December 29, 2018.

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2018 in respect of all Option-based and share-based awards and non-equity incentive plan compensation granted to the NEOs.

Name	Option-based awards – value vested during the year (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Marc Lustig	Nil	795,063 ⁽¹⁾	130,000 ⁽⁵⁾
François Perrault	Nil	336,500 ⁽²⁾	67,200 ⁽⁶⁾
Afzal Hasan	Nil	437,813 ⁽³⁾	88,000 ⁽⁷⁾

Notes:

- (1) On April 29, 2016, Marc Lustig was granted 250,000 RSUs, of which 83,250 vested during the period. These RSUs had a grant date fair value of \$0.75 which was the share price at that date. On September 1, 2016, Mr. Lustig was granted 1,000,000 RSUs, of which 333,000 vested during the current period. These RSUs had a grant date value of \$1.50 which was the share price at that date. On December 29, 2017, the officer was granted 250,000 RSUs, of which 62,500 vested during the current period. These RSUs had a grant date value of \$3.73 which was the share price at that date.
- (2) On November 1, 2016, Francois Perrault was granted 225,000 RSUs, of which 75,000 vested during the current period. These RSUs had a grant date value of \$2.00 which was the share price at that date. On December 29, 2017, Mr. Perrault was granted 200,000 RSUs, of which 50,000 vested during the current period. These RSUs had a grant date value of \$3.73 which was the share price at that date.
- (3) On January 03, 2017, Afzal Hasan was granted 225,000 RSUs, of which 75,000 vested during the current period. These RSUs had a grant date value of \$3.04 which was the share price at that date. On December 29, 2017, Mr. Hasan was granted 225,000 RSUs, of which 56,250 vested during the current period. These RSUs had a grant date value of \$3.73 which was the share price at that date.
- (5) For the year ended December 31, 2018, Mr. Lustig received an incentive bonus of \$130,000 which represents 50% of his base salary at December 31, 2018. This bonus was paid in May 2019.
- (6) For the year ended December 31, 2018, Mr. Perrault received an incentive bonus of \$67,200 which represents 32% of his base salary at December 31, 2018. This bonus was paid in May 2019.
- (7) For the year ended December 31, 2018, Mr. Hasan received an incentive bonus of \$88,000 which represents 40% of his base salary at December 31, 2018. This bonus was paid in May 2019.

Compensation Discussion and Analysis

Overview

The Compensation and Governance Committee is responsible for setting the overall compensation strategy of the Corporation and for evaluating and approving the compensation of directors and executive officers. The Compensation and Governance Committee annually reviews the base salary, incentive compensation and long-term compensation for the Corporation's executive officers to determine if the compensation package for executive officers continues to be appropriate, given the status and activities of the business, or if any modifications are required. Factors considered by the committee in establishing suitable compensation packages for its executive officers include, the early stage of development of the Corporation, activity level, the small number of executive officers, financial resources available to the Corporation, competitive factors and the time committed by the executive officer to the affairs of the Corporation.

Objectives of the Compensation Program

It is the objective of the Corporation's compensation program to attract and retain highly qualified executives and to tie incentive compensation to performance and Shareholder value. It is the goal of the Board to endeavour to ensure that the compensation of executive officers is sufficiently competitive to achieve the objectives of the executive compensation program. The Board gives consideration to the Corporation's contractual obligations, performance, quantitative financial objectives including relative Shareholder return as well as to the qualitative aspects of the individual's performance and achievements.

Role of Executive Officers in Compensation Decisions

The Board will receive and review any recommendations of the Chief Executive Officer relating to the general compensation structure and policies and programs for the Corporation and the salary and benefit levels for executive officers.

Elements of the Compensation Program

The Corporation's compensation program comprises (i) base salary, (ii) eligibility to participate in the share unit plan of the Corporation (the "**RSU Plan**"), (iii) eligibility to participate in the stock option plan of the Corporation (the "**Option Plan**"), and (iv) annual incentive and discretionary bonuses. Each component of the executive compensation program is addressed below.

1. Base Salaries and Benefits

Salaries for executive officers, if any, are reviewed annually based on the nature and extent of the current activities of the Corporation, corporate and personal performance and on individual levels of responsibility. Salaries of the executive officers are not determined based on a specific formula. The Board considers and, if thought appropriate, approves salaries recommended by the Chief Executive Officer for the other executive officers of the Corporation. As stated above, base salaries are established to be competitive in order to attract and retain highly qualified executives.

On January 1, 2018 the Corporation enacted its benefit and pension plan. No material additional benefits or perquisites will be provided to members of management that are not available to employees of the Corporation generally, with the exception of the matching RRSP benefit of 6% which exceeds those offered to non-executive employees. Benefits extended to all employees will include health, long-term disability, dental and group life insurance.

Prior to 2018, the Corporation did not have an employee benefit and pension plan for its employees or executive officers. Prior to the implementation of the benefit and pension plans on January 1, 2018, NEOs received 15% of base salary in lieu of benefits.

2. Annual Incentive and Discretionary Bonuses

NEOs are eligible for an annual incentive award between 40% or 50% of their base salary based on their roles, experience and responsibilities in the Corporation. The award is also based on the personal business objectives of the NEO and those of the Corporation achieved during the Corporation's fiscal year. The primary corporate objective for the year ended December 31, 2018, was the continued expansion and commercialization of the Corporation's asset portfolio.

For the year ended December 31, 2018, since these corporate objectives were met, the Board deemed it appropriate to grant discretionary bonuses to the NEOs.

3. Long Term Incentives – RSU Plan and Option Plan

The Board administers the RSU Plan and the Option Plan, both of which are designed to provide a long-term incentive that is linked to shareholder value. The Board determines the number of RSUs and/or Options (collectively, the "**Stock-Based Compensation**") to be granted to each executive officer based on the level of responsibility and experience required for the position. The Board regularly reviews and where appropriate adjusts the quantity of Stock Based Compensation granted to individuals and determines the vesting provisions of such Stock-Based Compensation. The Board sets the quantity of Stock-Based Compensation as appropriate in order to attract and retain qualified and talented personnel. The Board also takes into account the Corporation's contractual obligations and the award history for all participants under the RSU Plan and/or the Option Plan.

Moving forward, the Board anticipates that long-term incentives issued to management may be given through a combination of the Option Plan and the RSU Plan.

4. Stock-Based Compensation

A description of the process that the Corporation uses to grant Stock-Based Compensation to executive officers, including the role of the Board and executive officers, is included under the heading “*Compensation Discussion and Analysis – Elements of Compensation Program – Long Term Incentives – RSU Plan and Option Plan*” above.

The Corporation granted 550,000 RSUs to executive officers during the year ended December 31, 2017. These RSUs began to vest in January 31, 2018 and will continue to vest until January 31, 2021. The Corporation did not grant any new RSUs to executive officers during the year ended December 31, 2018.

Compensation Governance

The Board delegates the administration of the Corporation’s executive compensation program to the Compensation and Governance Committee. The Compensation and Governance Committee discusses and approves the executive compensation in order to attract, motivate and retain highly skilled and experienced executive officers, to provide fair and competitive compensation, to align the interest of management with those of Shareholders and to reward corporate and individual performance.

The Compensation and Governance Committee reviews, from time to time, the cash compensation, and any bonus, RSU and Option grants to each executive officer, including the NEOs. It is the intention of the Corporation that cash compensation to NEOs shall remain more or less constant, while the granting of any RSUs, Options or bonuses may fluctuate from year to year.

The Compensation and Governance Committee is made up of three Board members: Messrs. Young (Chair), Harris and O’Neill, each of which the Corporation considers independent. Collectively, the Compensation and Governance Committee members have extensive compensation-related experience as senior executives and as members of the boards of directors and committees of other public and private corporations. Each member draws on his respective management and governance experience to provide relevant governance and compensation-related expertise to the Corporation’s executive compensation policies and practices. The Board is confident that the collective experience of the Compensation Committee members ensures that the Committee has the knowledge and experience to execute its mandate effectively and to make executive compensation decisions in the best interests of the Corporation.

TERMINATION OF EMPLOYMENT, CHANGE IN RESPONSIBILITIES AND EMPLOYMENT CONTRACTS

Pursuant to the terms of each of their respective employment agreements, each of the NEOs are entitled to:

- an annual base salary of (i) \$260,000 for Mr. Lustig, (ii) \$210,000 for Mr. Perrault, and (iii) \$220,000 for Mr. Hasan;
- a cash incentive award of up to (i) 50% of base salary for Mr. Lustig, and (ii) 40% of base salary for Mr. Perrault and Mr. Hasan, in all instances based on the achievement of specified performance objectives by the relevant individual during a financial period;
- an annual RSU award, in such amount, and subject to such vesting conditions, as determined in the discretion of the Board;
- reimbursement for travel and other expenses, as well as a comprehensive benefits package;
- a 6% matching contribution to the NEO’s registered retirement savings plan; and
- on termination without cause, a lump sum payment equal to one year of base salary, automatic vesting of any unvested incentive awards, pro rata bonus payment (without consideration of the achievement of performance objectives), and continuation of all benefits for one year.

Other than as set out in this section, there are no compensatory plans, contracts or arrangements with any NEO (including payments to be received from the Corporation or any subsidiary), which result or will result from the resignation, retirement or any other termination of employment of such NEO or from a change of control of the Corporation or any subsidiary thereof or any change in such NEO's responsibilities, where the NEO is entitled to payment or other benefits.

Employment, Consulting and Management Agreements

The material terms of each agreement under which compensation was provided during the year ended December 31, 2018, or is payable in respect of services provided to the Corporation by each NEO or director, is set out below.

Marc Lustig – Chief Executive Officer and Director

The Corporation is party to an employment agreement with Marc Lustig pursuant to which Mr. Lustig provides his services as Chief Executive Officer of the Corporation in consideration of a gross annual salary, which was at the time that Mr. Lustig began employment with the Corporation, in the amount of \$225,000 as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the Corporation for reasonable costs and expenses in accordance with the Corporation's expense reimbursement policy. The Board authorized the increase of Mr. Lustig's gross annual salary to \$260,000, effective in April 2018.

Mr. Lustig's employment may be terminated for cause without notice or payment in lieu of notice. Mr. Lustig's employment may also be terminated without cause, in which case he would be entitled to a severance package that consists of the following:

- a lump sum payment equivalent to one year (52 weeks) of base salary;
- automatic vesting of all outstanding, non-vested RSU's and Options;
- the continuance of all benefits – to the extent permitted by the Corporation's insurer –for one year or payment in lieu of; and
- the payment of pro-rata portion of 100% of the annual bonus without consideration for the achievement of personal or corporate objectives.

Mr. Lustig is eligible for an incentive award of up to 50% of his base salary. The award is based on the personal business objectives of Mr. Lustig and those of the Corporation achieved during the Corporation's fiscal year.

Marc Lustig is party to an employment agreement with an Origin House subsidiary that contains a "double trigger" change of control provision: if Mr. Lustig is terminated within 12 months of a change of control or resigns from the Origin House subsidiary that he is currently employed with for "good reason" (as defined in the applicable employment agreement) within 18 months from the change of control (provided the good reason occurs within 12 months of the change of control), then he will be entitled to a change of control severance payment (the "**Change of Control Benefit**"). Pursuant to an agreement amending the terms of this employment agreement dated May 8, 2019, Mr. Lustig has agreed that if Cresco Labs Inc. ("**Cresco**") consummates the arrangement transaction whereby they would acquire all of the issued and outstanding Origin House shares by way of a plan of arrangement pursuant to the arrangement agreement between Cresco and the Corporation dated April 1, 2019 (the "**Arrangement**"), he will waive the Change of Control Benefit in respect of the Arrangement.

François Perrault – Chief Financial Officer

The Corporation is party to an employment agreement with François Perrault pursuant to which Mr. Perrault provides his services as Chief Financial Officer of the Corporation in consideration of a gross annual salary, which at the time that Mr. Perrault was hired was in the amount of \$175,000, as well as participation in any employee benefit plans maintained by the Corporation and entitlement to reimbursement from the

Corporation for reasonable costs and expenses in accordance with the Corporation's expense reimbursement policy. The Board authorized the increase of Mr. Perrault's gross annual salary to \$210,000, effective April 2018. Upon entering into the employment agreement, Mr. Perrault was also awarded 225,000 RSUs, of which 75,000 vested immediately and 75,000 would vest at the end of each his first and second years of service.

Mr. Perrault's employment may be terminated for cause without notice or payment in lieu of notice. Mr. Perrault's employment may also be terminated without cause, in which case he would be entitled to a severance package that consists of the following:

- a lump sum payment equivalent to one year (52 weeks) of base salary;
- automatic vesting of all outstanding, non-vested RSU's and Options;
- the continuance of all benefits – to the extent permitted by the Corporation's insurer –for one year or payment in lieu of; and
- the payment of pro-rata portion of 100% of the annual bonus without consideration for the achievement of personal or corporate objectives.

Mr. Perrault is eligible for an incentive award of up to 40% of his base salary. The award is based on the personal business objectives of Mr. Perrault and those of the Corporation achieved during the Corporation's fiscal year.

Afzal Hasan – President and General Counsel

Afzal Hasan has been the General Counsel of the Corporation since January 2017. On May 7, 2018, Mr. Hasan was given the additional title of President of the Corporation. When Mr. Hasan was hired, the Corporation entered into an employment agreement with him pursuant to which he would be entitled to: (i) a gross annual salary in the amount of \$175,000; (ii) an annual bonus of up to 40% of his base salary; (iii) 225,000 RSUs of which 75,000 vested immediately and 75,000 would vest at the end of each his first and second years of service, and (iv) eligibility to participate in the Corporation's benefit plans; among other things. The Board authorized the increase of Mr. Hasan's gross annual salary to \$220,000, effective April 1, 2018.

Mr. Hasan's employment may be terminated for cause without notice or payment in lieu of notice. Mr. Hasan's employment may also be terminated without cause, in which case he would be entitled to a severance package that consists of the following:

- a lump sum payment equivalent to one year (52 weeks) of base salary;
- automatic vesting of all outstanding, non-vested RSU's and Options;
- the continuance of all benefits – to the extent permitted by the Corporation's insurer – for one year or payment in lieu of; and
- the payment of pro-rata portion of 100% of the annual bonus without consideration for the achievement of personal or corporate objectives.

COMPENSATION OF DIRECTORS

Prior to 2018, directors of the Corporation were not paid any fees for their services as directors of the Corporation other than reimbursement for travel and other out-of-pocket expenses incurred in attending directors' and shareholders' meetings.

In 2018, independent directors of the Corporation were paid fees for their services according to the following schedule:

Directors' annual fee: \$20,000

Committee members' annual fees: \$2,500 per committee
 Committee chairpersons' additional annual fees: \$4,000

Directors are also entitled to participate in the Corporation's RSU Plan and Option Plan.

Director Compensation

The following table provides a summary of all annual and long-term compensation for services rendered in all capacities to the Corporation for the fiscal year ended December 31, 2018, in respect of the individuals who were, during the fiscal year ended December 31, 2018, directors of the Corporation, other than Marc Lustig, CEO who also served as a director of the Corporation and did not receive any additional compensation in his capacity as a director.

Name	Fees Earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Rob Harris	25,000	66,666	120,000	Nil	Nil	Nil	211,666
Dr. Jim Young	29,000	66,666	120,000	Nil	Nil	Nil	215,666
Peter Kampian ⁽¹⁾	13,066	Nil	Nil	Nil	Nil	Nil	13,066
Oskar Lewnowski	20,000	Nil	120,000	Nil	Nil	Nil	140,000
Dan O'Neill ⁽²⁾	15,934	Nil	146,905	Nil	Nil	Nil	162,839
Ted Simpkins ⁽³⁾	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Notes:

- (1) Mr. Kampian resigned as a director of the Corporation effective June 13, 2018. Therefore, the unvested portion of the Options granted to him were cancelled.
- (2) Mr. O'Neill was appointed as a director on June 13, 2018.
- (3) Mr. Simpkins was appointed as a director on October 18, 2018.

Outstanding Share-Based Awards and Option-Based Awards

Set forth in the table below is a summary of all share-based and Option-based awards held by each of the directors of the Corporation, other than Marc Lustig, CEO who also served as a director of the Corporation and did not receive any additional compensation in his capacity as a director, as of December 31, 2018.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised Options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money Options (\$) ⁽¹⁾	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$) ⁽¹⁾	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽¹⁾
Rob Harris	200,000	3.73	December 29, 2027	544,000 ⁽¹⁾	Nil	Nil	645,000 ⁽¹⁾
Dr. Jim Young	200,000	3.73	December 29, 2027	544,000 ⁽¹⁾	Nil	Nil	645,000 ⁽¹⁾
Peter Kampian	Nil	N/A	December 29, 2027	Nil	N/A	N/A	N/A
Oskar Lewnowski	200,000	3.73	December 29, 2027	544,000 ⁽¹⁾	N/A	N/A	N/A

Dan O'Neill	200,000	5.65	August 7, 2028	160,000 ⁽¹⁾	N/A	N/A	N/A
Ted Simpkins	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

(1) Based on the closing price of Origin House shares of \$6.45 at December 31, 2018.

Incentive Plan Awards – Value Vested During the Year

Set forth below is a summary of the value vested during the financial year of the Corporation ended December 31, 2018 in respect of all Option-based and share-based awards and non-equity incentive plan compensation granted to the directors of the Corporation, other than Marc Lustig, CEO who also served as a director of the Corporation and did not receive any additional compensation in his capacity as a director.

Name	Option-based awards – value vested during the year (\$)	Share-based awards – value vested during the year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Rob Harris	120,000 ⁽¹⁾	66,666 ⁽³⁾	Nil
Dr. Jim Young	120,000 ⁽¹⁾	66,666 ⁽³⁾	Nil
Peter Kampian	Nil	Nil	Nil
Oskar Lewnowski	120,000 ⁽¹⁾	Nil	Nil
Dan O'Neill	146,905 ⁽²⁾	Nil	Nil
Ted Simpkins	N/A	N/A	N/A

Notes:

- (1) On December 29, 2017, each current independent board member was granted 200,000 Options, of which 50,000 vested immediately, and an additional 50,000 would vest in each of the following three anniversary periods up to and including December 29, 2020. The fair value of these Options on the date of grant was \$2.40 as calculated via the Black Scholes Model.
- (2) On August 7, 2018, Mr. O'Neill was granted 200,000 Options, of which 50,000 vested immediately, and an additional 50,000 would vest in each of the following three anniversary periods up to and including August 7, 2021. The fair value of these Options on the date of grant was \$2.94 as calculated via the Black Scholes Model.
- (3) On December 5, 2016, each board member at that time was granted 100,000 RSU's, of which 33,334 vested in December 2016, 33,333 vested in December 2017 and 33,333 vested in December 2018. The grant date value of these vested shares was \$2.00 which was the share price at the date of the grant.

Equity Compensation Plan Information as of the Fiscal Year-Ended December 31, 2018

Plan category	Number of shares issuable upon exercise of outstanding RSUs, Options, warrant and rights	Weighted-average exercise price of outstanding RSUs, Options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column)
RSU Plan	3,431,210	\$0.00	1,634,859
Option Plan	929,000	\$4.19	5,097,377

Pursuant to the Option Plan and the RSU Plan, the maximum aggregate number of Common Shares which may be subject to Options is 10% of the Common Shares outstanding from time to time.

Stock Option Plan

The Corporation's existing Option Plan provides long term incentives to eligible directors, officers, employees and consultants of the Corporation.

2018 Amendments to the Option Plan

As the Option Plan provides that the Board may, from time to time and in its sole discretion, and without shareholder approval, amend, modify and change certain provisions of the Option Plan to the extent that such amendments, modifications or changes are of a housekeeping nature, during 2018, the Board approved an amendment allowing for the Corporation's use of an electronic option register to evidence the details of all outstanding Options, as an alternative to individual grant letters.

Summary of the Option Plan

The purpose of the Option Plan is to provide the Corporation with a share-based mechanism to attract, retain and motivate qualified directors, officers, consultants and employees, to reward such of those directors, officers, consultants and employees as may be awarded Options under the Option Plan by the Board from time to time for their contributions toward the long term goals of the Corporation and to enable and encourage such directors, officers, consultants and employees to acquire Common Shares as long term investments.

The following is a summary of the key terms of the Option Plan:

The Option Plan provides for options to purchase a Common Share issued pursuant thereto (each, an "**Option**"). The number of Common Shares issuable pursuant to Options granted under the Option Plan is limited to 10% of the number of Common Shares outstanding from time to time. There were an aggregate of 72,632,774 Common Shares issued and outstanding as of the Record Date. There are currently 901,500 Options outstanding under the Option Plan. Accordingly, the Corporation may grant further Options under the Option Plan. As at the Record Date, the number of Common Shares remaining available for issuance under the Option Plan is 6,361,777 (as calculated based upon 10% of the aggregate number of issued and outstanding Common Shares, less the number of Options outstanding under the Option Plan). The total number of Common Shares which may be reserved for issuance to any one individual under the Option Plan may not exceed 5% of the outstanding Common Shares. The maximum number of Options which may be granted to any one consultant under the Option Plan, any other employer Options plans or Options for services, within any 12 month period, must not exceed 2% of the Common Shares issued and outstanding at the time of the grant (on a non-diluted basis).

The Options granted under the Option Plan are non-assignable and may be granted for a term not exceeding 10 years from the date of grant. Notwithstanding, if the date on which an Option expires occurs during any period imposed by the Corporation, pursuant to its insider trading policies or otherwise, during which an optionee may be restricted from trading in securities of the Corporation (a "**Blackout Period**") or within two business days after the last day of a Blackout Period, the date of the expiry of such Option will become the tenth business day following the end of the Blackout Period.

Options may be granted under the Option Plan only to directors, officers, employees and consultants of the Corporation or any related entity of the Corporation, subject to the rules and regulations of applicable regulatory authorities. In the event that any optionee ceases to be an eligible person under the Option Plan (i.e. ceases to be an officer, director, employee or consultant for any reason other than death or termination with cause), the optionee will be entitled to exercise his or her Options which have vested as of such date of cessation only within a period of one year, in the case of optionees that are directors or officers, or 90 days, in the case of employees or consultants, following the date of such cessation or such other date as may be determined by the Board subject to regulatory approval, but in no event may any Options be exercised following the expiry date thereof. In the event an optionee is terminated with cause, the Options held by such optionee will expire on the date of such termination. In the event of the death of an optionee, any Options held by such optionee which have vested as of the date of death may only be exercised within a period of one year succeeding the optionee's death, but in no event may any options be exercised following the expiry date thereof.

In the event of a change of control of the Corporation (or an impending change of control), the Board will have the discretion to deal with outstanding Options in the manner it deems fair and reasonable in the circumstances, which may include accelerated vesting or expiry of the Options. Under the Option Plan, a change of control is deemed to occur if one of the following events has taken place:

- the sale, transfer or other disposition of all or substantially all of the Corporation's assets in complete liquidation or dissolution of the Corporation;
- a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity, as a result of which the holders of Common Shares immediately prior to the completion of the transaction hold less than 50% of the outstanding voting securities of the successor corporation immediately after completion of the transaction;
- any person or combination of persons at arm's length to the Corporation and its affiliates acquires or becomes the beneficial owner of, directly or indirectly, more than 50% of the voting securities of the Corporation, whether through the acquisition of previously issued and outstanding voting securities, or of voting securities that have not been previously issued, or any combination thereof, or any other transaction having a similar effect;
- a resolution is adopted to wind-up, dissolve or liquidate the Corporation; or
- as a result of or in connection with: (A) a contested election of directors of the Corporation; or (B) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Corporation or any of its affiliates and another corporation or other entity (a "**Transaction**"), fewer than 50% of the Corporation's directors following the Transaction are persons who were directors of the Corporation immediately prior to such Transaction

The exercise price of Options granted under the Option Plan are determined by the Board and may not be lower than the market price of the Common Shares at the time the Option is granted. If the Common Shares are not listed on a stock exchange, the maximum permissible discount is 25%.

Options issued under the Option Plan vest at the discretion of the Board, subject to certain specified limitations.

The Board may at any time amend the Option Plan or any Options granted thereunder, subject to the receipt of all applicable regulatory approvals, provided that no such amendment may, without the consent of affected optionees, materially decrease the rights or benefits accruing to such optionees or materially increase the obligations of such optionees. For greater certainty, the Option Plan provides that the Board may amend or terminate the Option Plan or any Options granted thereunder without obtaining shareholder approval of such amendments or termination, other than the following amendments which shall be subject to the approval of shareholders (together with all applicable regulatory approvals): (i) amendments to the definition of categories of persons eligible to participate in the New Plan; (ii) amendments to the maximum number or percentage of Common Shares (or other securities) issuable under the Option Plan; (iii) the limitations under the Option Plan on the number of Options that may be granted to any one person or any category of persons; (iv) the method for determining the exercise price of Options; (v) the maximum term of Options; (vi) the expiry and termination provisions applicable to Options; and (vii) any other provision that is required to be approved by shareholders under applicable law.

RSU Plan

2018 Amendments to the RSU Plan

As the RSU Plan provides that the Board may, from time to time and in its sole discretion, and without shareholder approval, amend, modify and change certain provisions of the RSU Plan to the extent that such amendments, modifications or changes are of a housekeeping nature, during 2018, the Board approved an amendment allowing for the Corporation's use of an electronic share unit register to evidence the details of all outstanding RSUs, as an alternative to individual grant letters.

Summary of the RSU Plan

The purpose of the RSU Plan is to assist the Corporation in attracting, incentivizing and retaining those key Directors, officers, employees and consultants of the Corporation who are considered by the Board to be

key to the growth and success of the Corporation, and to align the interests of key Directors, officers, employees and consultants with those of the Corporation's Shareholders through longer term equity ownership in the Corporation.

The following is a summary of the key terms of the RSU Plan:

- The RSU Plan is established for employees, directors and officers of the Corporation and its affiliates, and for individuals retained as a consultant for the Corporation or companies providing management services to the Corporation, as may be determined by the Board or any other committee of the directors authorized by the Board to administer the RSU Plan;
- The RSU Plan provides that RSUs may be granted by the Board or a compensation committee of the Board or any other committee of the Directors authorized by the Board to administer the RSU Plan. RSUs are units created by means of an entry on the books of the Corporation representing the right to receive one Common Share (subject to adjustments) issued from treasury per RSU.
- The maximum number of Common Shares that may be granted pursuant to the RSU Plan shall not exceed 10% of the then issued and outstanding Common Shares (including Shares underlying outstanding RSUs). Any Common Shares subject to an RSU which has been cancelled or terminated in accordance with the terms of the RSU Plan without settlement will again be available for grant of an RSU under the RSU Plan.
- The number of RSUs granted and any applicable vesting conditions are determined in the discretion of the Board or a compensation committee of the Board, with the number of RSUs granted being determined based on the closing market price of the Common Shares on the grant date. In granting RSUs, the Board or a compensation committee of the Board may include any other terms, conditions and/or vesting criteria which are not inconsistent with the RSU Plan.
- RSUs are settled by way of the issuance of Common Shares from treasury as soon as practicable following the maturity date determined by the Board or a compensation committee of the Board in accordance with the terms of the RSU Plan. Individuals granted RSUs who are Canadian residents or as otherwise may be designated in the RSU grant letter (with the exception of U.S. taxpayers) are permitted to elect to defer issuance of all or any part of the Common Shares issuable to them, provided proper notice is provided to the Board or a compensation committee of the Board in accordance with the terms of the RSU Plan.
- In the event a cash dividend is paid to shareholders on the Common Shares while an RSU is outstanding, each participant will be credited with additional RSUs in lieu of any cash dividends paid to shareholders, equal to the aggregate amount of any cash dividends that would have been paid to the individual if the RSUs had been Common Shares, divided by the market price of the Common Shares on the date on which dividends were paid by the Corporation. If the foregoing shall result in a fractional RSU, the fraction shall be disregarded.
- The termination provisions under the RSU Plan are as follows subject to any determination otherwise by the Board:
 - in the event of retirement, any unvested RSUs will automatically vest on the date of retirement and the Common Shares underlying such RSUs will be issued as soon as reasonably practical thereafter;
 - in the event of the death, any unvested RSUs will automatically vest on the date of death and the Common Shares underlying all RSUs will be issued to the estate of the deceased as soon as reasonably practical thereafter;
 - in the event of disability (as may be determined in accordance with the policies, if any, or general practices of the Corporation or any subsidiary), any unvested RSUs will automatically vest on the date on which the participant is determined to be totally disabled

and the Common Shares underlying the RSUs will be issued as soon as reasonably practical thereafter;

- o in the event of termination without cause of an RSU holder, (i) any unvested RSUs that are not subject to performance vesting criteria will continue to vest in accordance with the ordinary vesting schedule of such RSUs, and (ii) any unvested RSUs that are subject to performance vesting criteria will vest in accordance with their normal vesting schedule, except, in either case, as may otherwise be stipulated in the applicable RSU grant letter or as may otherwise be determined by the Board; and
- In the event of termination with cause or resignation, all of the RSUs shall become void and the holder shall have no entitlement and will forfeit any rights to any issuance of Common Shares under the RSU Plan, except as may otherwise be stipulated in the register to be kept by the Corporation or any applicable RSU grant letter or as may otherwise be determined by the Board or a compensation committee of the Board in its sole and absolute discretion. RSUs that have vested but that are subject to an election to set a deferred payment date shall be issued forthwith following the termination with cause or the resignation of the holder.
- In the event of a change of control, all unvested RSUs issued and outstanding shall automatically and immediately vest on the date of such change of control.
- The grant of RSUs under the RSU Plan is subject to a restriction such that the number of Common Shares: (i) issued to insiders of the Corporation, within any one year period, and (ii) issuable to insiders of the Corporation, at any time, under the RSU Plan, or when combined with all of the Corporation's other security based compensation arrangements, shall not exceed 10% of the Corporation's total issued and outstanding Common Shares, respectively.
- The amendment provisions of the RSU Plan provide the Board or a compensation committee of the Board with the power, subject to the requisite regulatory approval, to make the following amendments to the provisions of the RSU Plan and any RSU grant letter without shareholder approval (without limitation):
 - o amendments of a housekeeping nature;
 - o the addition or a change to any vesting provisions of an RSU;
 - o changes to the termination provisions of an RSU or the RSU Plan; and
 - o amendments to reflect changes to applicable securities or tax laws. However, any of the following amendments require shareholder approval:
 - o materially increasing the benefits to the holder of any RSUs who is an insider to the material detriment of the Corporation and the Corporation's shareholders;
 - o increasing the number of Common Shares or maximum percentage of Common Shares which may be issued pursuant to the RSU Plan (other than by virtue of adjustments permitted under the RSU Plan);
 - o permitting RSUs to be transferred other than for normal estate settlement purposes;
 - o removal or exceeding of the insider participation limits;
 - o materially modifying the eligibility requirements for participation in the RSU Plan; or
 - o modifying the amending provisions of the RSU Plan.

Directors' and Officers' Liability Insurance

The Corporation maintains directors' and officers' liability insurance (“**D&O Insurance**”) for its directors and officers. The D&O Insurance insures its directors and officers against liability arising from wrongful acts of the Corporation's directors and officers in their capacity as directors and officers of the Corporation, subject to limitation, if any, contained in the *Business Corporations Act* (Ontario). For the 2018 fiscal year, the Corporation's D&O Insurance policy had an aggregate policy limit of \$15,000,000. The insurance premiums paid for the policy for the year ending December 31, 2018 was \$152,050. No portion of the D&O Insurance is directly paid by any director or officer of the Corporation.

AUDIT COMMITTEE

National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators (“**NI 52-110**”) requires that the Corporation, if management solicits proxies from the securityholders of the Corporation for the purposes of electing directors to its Board, disclose in its information circular certain specified information, including the constitution of its audit committee and its relationship with its independent auditor, as set forth below.

Audit Committee Charter

The Corporation's audit committee (the “**Audit Committee**”) has adopted a written charter setting out its mandate and responsibilities. The Audit Committee is responsible for assisting the Board in fulfilling its oversight responsibilities relating to financial accounting and reporting processes and internal controls. The Audit Committee's primary duties and responsibilities are to: (i) conduct reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Audit Committee; (ii) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures; (iii) ensure appropriate standards of corporate conduct for senior financial personnel and employees and, if necessary, adopt a corporate code of ethics; (iv) review the quarterly and annual Financial Statements and MD&A of the Corporation's consolidated financial position and operating results and report thereon to the Board for approval; (v) select and monitor the independence and performance of the Corporation's external auditors and approve their remuneration; (vi) provide oversight to related party transactions entered into by the Corporation; and (vii) provide oversight of all disclosure relating to financial statements, MD&A and information derived therefrom. The Audit Committee is responsible for inquiring of management and the external auditors about significant risks or exposures, both internal and external to which the Corporation may be subject and assessing the steps management has taken to minimize such risks. The Audit Committee is also responsible for establishing and implementing procedures in respect of complaints and submissions relating to accounting matters and the approval of non-audit services by the external auditors.

The Charter of the Corporation's Audit Committee is set forth in Appendix “B” hereto.

Composition of the Audit Committee

The Audit Committee has been constituted to oversee the financial reporting processes of the Corporation and is comprised of three independent directors; namely Messrs. O'Neill (Chair), Harris, and Young. Each member of the Audit Committee is financially literate and possesses extensive financial knowledge, experience and comprehension of financial statements.

Relevant Education and Experience

Each member of the Audit Committee has experience relevant to his responsibilities as an Audit Committee member.

Daniel O'Neill

Mr. O'Neill graduated with a Masters in Business Administration from Queens University after obtaining his Bachelors Degree from Carleton University. He also completed the Program for Management Development at Harvard Business School. Post-graduation, he began a very successful career in consumer products

beginning with Colgate Palmolive in Toronto, Canada. He went on to work with S C Johnson managing major divisions on 3 continents. He resigned from SCJ after 13 years to join Campbell soup company as President. He later became EVP of H J Heinz Company and then from 1999 to 2005 he was President and CEO of Molson Inc., initiating and leading the merger with the Adolph Coors Co. Post the merger he served as a director and Vice-Chairman, Synergies and Integration, of the Molson Coors Brewing Company. More recently, Mr. O'Neill served as the President and CEO of Winsport Canada, a not for profit organization that owns and operates Canada Olympic Park training centre, and he was the Executive Chairman of Electronics Cigarettes International Group (ECIG) from 2014 to 2017. In 2019, he was appointed the Chairman of the Board of Urban Canna Group Inc.

Rob Harris

Mr. Harris served as a director of Aralez Pharmaceuticals Inc. (NASDAQ: ARLZ (TSX: ARZ) from February 5, 2016 until July 2018. Mr. Harris is also a member of the Board of Directors of Nuvo Pharmaceuticals Inc. (TSX:NRI) (OTCQX:NRIF) since May 2017. Mr. Harris has over 35 years of pharmaceutical industry experience in both Canada and the United States in sales, marketing, business development and general management. Mr. Harris most recently served as President and CEO of Tribute Pharmaceuticals. Prior to co-founding Tribute Pharmaceuticals, Mr. Harris was the President & CEO of Legacy Pharmaceuticals Inc. Mr. Harris also has previous experience at Biovail Corporation where as VP of Business Development he was involved, led and successfully concluded numerous business development transactions, including the licensing of new chemical entities, the acquisition of mature products, the completion of co-promotion deals, distribution agreements, product development and reformulation transactions. Mr. Harris joined Biovail in 1997 as the GM of Biovail Pharmaceuticals Canada at a time when the company experienced rapid growth in the Canadian division. Before Biovail, Mr. Harris worked in various senior commercial management positions during his twenty-year tenure at Wyeth (Ayerst) including its animal health group and has been involved in numerous product launches during his career.

Dr. Jim Young

Dr. Young is the Chairman at Novavax, Inc. and Chairman at Targeted Microwave Solutions, Inc. Dr. Young has over 30 years of experience in the fields of molecular genetics, microbiology, immunology and pharmaceutical development. Prior to being acquired by Astra Zeneca, Dr. Young was MedImmune's President of Research and Development. Dr. Young received his doctorate in microbiology and immunology from Baylor College of Medicine in Houston, Texas, in 2005 was awarded the Albert B. Sabin Humanitarian Award and has completed a corporate finance course at Tuck Business School, Dartmouth.

Reliance on Certain Exemptions

The Corporation is relying on the exemption in Section 6.1 of NI 52-110 (*Venture Issuers*). The Corporation is not relying on any additional exemptions with respect to NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee charter sets out procedures regarding the provision of non-audit services by the Corporation's independent chartered professional accountants. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre-approval of permitted non-audit and non-audit-related services.

External Auditor Service Fees

The following table sets forth, by category, the fees billed during the period for all services rendered by the Corporation's external auditors, MNP LLP, located at 1600 Carling Ave #800, Ottawa, ON K1Z 1G3, for the financial period ended December 31, 2017 and 2018.

	December 31, 2017 (\$)	December 31, 2018 (\$)
Audit Fees ⁽¹⁾	39,113	349,829

Audit Related Fees ⁽²⁾	8,925	23,730
Tax Fees ⁽³⁾	1,575	Nil
All Other Fees ⁽⁴⁾	Nil	Nil

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Corporation's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include 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. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) Includes 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.

CORPORATE GOVERNANCE

National Policy 58-201 - *Corporate Governance Guidelines* of the Canadian Securities Administrators has set out best practice guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 - *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators ("**NI 58-101**") requires that if management solicits proxies from its securityholders for the purposes of electing directors, specified disclosure of the corporate governance practices must be included in its management information circular.

Set out below is a description of the Corporation's corporate governance practices in accordance with NI 58-101, based on the Guidelines.

The Board of Directors

For the purposes of NI 58-101, a director is considered to be independent if he or she does not have any direct or indirect material relationship with the Corporation. A material relationship is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member's independent judgement. The Board has determined that a majority of the directors of the Corporation are "independent" within the meaning of NI 58-101.

Pursuant to National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**"), a director is considered independent if he or she has no direct or indirect material relationship with the Corporation that the Board believes could reasonably be perceived to materially interfere with his or her ability to exercise independent judgment. NI 52-110 sets out certain situations where a director is deemed to have a material relationship with the Corporation.

The Board is currently comprised of six directors, five of whom are independent within the meaning of NI 52-110. Messrs. Young, O'Neill, Lewnowski, Simpkins and Harris are independent directors. Mr. Lustig is the Chief Executive Officer of the Corporation and is not considered to be independent.

Directorships

Certain of the directors of the Corporation are also directors of other reporting issuers (or equivalent) in a jurisdiction or a foreign jurisdiction as follows:

Name of Director	Other Reporting Issuer (or equivalent in a foreign jurisdiction)
Marc Lustig	National Access Cannabis Corp. Planet 13 Holdings, Inc. 22 Capital Corp.

Name of Director	Other Reporting Issuer (or equivalent in a foreign jurisdiction)
Oskar Lewnowski	Osisko Gold Royalties Ltd.
Jim Young	Novavax, Inc. Targeted Microwave Solutions, Inc.
Rob Harris	Aralez Pharmaceuticals Inc. Nuvo Pharmaceuticals Inc.
Daniel O'Neill	Bombardier Recreational Products Inc.
Ted Simpkins	None

Orientation and Continuing Education

While the Corporation currently has no formal orientation and education program for new Board members, sufficient information is provided to any new Board member to ensure that new directors are familiarized with the Corporation's business and the procedures of the Board. In addition, new directors are encouraged to visit and meet with management on a regular basis.

Ethical Business Conduct

The Board monitors the ethical conduct of the Corporation and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Corporation has adopted a formalized written Code of Business Conduct and Ethics (the "**Code**"). The Code has been filed with regulators, in accordance with applicable legislation, and is available under the Corporation's profile on SEDAR at www.sedar.com. The following are the guiding principles contained in the Corporation's Code:

- (a) act ethically, honestly and with integrity;
- (b) accept responsibility and be accountable for our actions;
- (c) make decisions which are in the best interests of the Corporation;
- (d) honour the agreements and commitments of the Corporation;
- (e) conduct our business in a socially responsible manner;
- (f) communicate with all of the stakeholders of the Corporation in an honest and straight-forward manner;
- (g) select and treat the employees of the Corporation in a respectful, fair and equitable manner and foster a work environment that is safe and healthy and free from discrimination, harassment, intimidation and hostility of any kind; and
- (h) obey all laws governing the conduct of the business and affairs of the Corporation.

Nomination of Directors

The Board performs the functions of a nominating committee with responsibility for the appointment and assessment of directors. The Board believes that this is a practical approach at this stage of the Corporation's development. While there are no specific criteria for Board membership, the Corporation attempts to attract and maintain directors with a wealth of business knowledge and a particular knowledge of the Corporation's industry or other industries, which provide knowledge, which would assist in guiding the officers of the Corporation. As such, nominations tend to be the result of recruitment efforts by management of the Corporation and discussions among the directors prior to the consideration of the Board as a whole.

Compensation

The Compensation and Governance Committee is responsible for determining the compensation of directors and the Chief Executive Officer, and for reviewing the Chief Executive Officer's recommendations regarding compensation of the other executive officers of the Corporation. The committee generally reviews compensation paid to directors and determines appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and executive officers of the Corporation while taking into account the financial and other resources of the Corporation. No formal compensation program or benchmarking has been established given the size and stage of the Corporation.

Assessments

The Board assesses, on an annual basis, the contributions of the Board as a whole, any committees of the Board and each of the directors, in order to determine whether each is functioning effectively.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Corporation's authorized share capital consists of an unlimited number of Common Shares, an unlimited number of Compressed Shares, an unlimited number of Subordinate Voting Shares and 2,000,000 special redeemable, voting, non-participating preference shares. Holders of Compressed Shares are entitled to 100 votes per Compressed Share, holders of Common Shares are entitled to one vote per Common Share and holders of Subordinate Voting Shares are entitled to 0.000001 vote per Subordinate Voting Share on all matters that may come before the Meeting.

As at the date of this Circular, there are 72,632,774 Common Shares issued and outstanding, 20,651.6 Compressed Shares issued and outstanding, 50,000,000 Subordinate Voting Shares issued and outstanding, and no preferred shares issued and outstanding. The Common Shares represent approximately 58% of the Corporation's total issued and outstanding shares and approximately 97% of the voting power attached to all of the Corporation's shares.

This summary is qualified by reference to, and is subject to, the detailed provisions of the Corporation's Articles.

The Common Shares and the Subordinate Voting Shares are "restricted securities" within the meaning of National Instrument 51-102.

Compressed Shares

The Compressed Shares rank *pari passu* with the Common Shares as to dividends and upon liquidation, as described herein. The holders of Compressed Shares are entitled to receive notice of and to attend and vote at all meetings of the shareholders of Common Shares and each Compressed Shares shareholder shall have the right to one vote for each Common Share into which such Class A Compressed Share could then be converted (i.e., one hundred (100) Common Shares) in person or by proxy at all meetings of the shareholders of Origin House. The holders of the Compressed Shares are entitled to receive dividends as may be granted to holders of the Common Shares, on an as-converted basis. In the event of the liquidation, dissolution or winding-up of Origin House, whether voluntary or involuntary, the holders of the Compressed Shares are entitled to receive the remaining property and assets of Origin House together with the holders of Common Shares, on an as-converted basis. The Compressed Shares each have a restricted right to convert into one hundred (100) Common Shares at the option of the holder. The ability to convert the Compressed Shares is subject to a restriction that the aggregate number of Common Shares and Compressed Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 under the *Securities Exchange Act of 1934*, as amended), may not exceed forty percent (40%) of the aggregate number of Common Shares and Compressed Shares issued and outstanding after giving effect to such conversions. The Compressed Shares are subject to a further conversion restriction whereby the Corporation shall not effect a conversion of Compressed Shares to the extent that after giving effect to any such conversion, a holder thereof would beneficially own greater than 9.99% of the issued and outstanding Common Shares. In addition, the Compressed Shares will be

automatically converted into Common Shares in certain circumstances, including upon the registration of the Common Shares under the *United States Securities Act of 1933*, as amended.

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, subject to prior rights of the holders of any outstanding special redeemable, voting, non-participating preference shares of the Corporation, the holders of the Common Shares are entitled to receive the remaining property and assets of the Corporation. **In the event that a take-over bid is made for the Compressed Shares, the holders of Common Shares shall not be entitled to participate in such offer and may not tender their shares into any such offer, whether under the terms of the Compressed Shares or under any coattail trust or similar agreement.**

The Subordinate Voting Shares rank *pari passu* with the Common Shares and the Class A Compressed Shares as to dividends and upon liquidation, as described herein. The holders of Subordinate Voting Shares are entitled to receive notice of an to attend and vote at all meetings of Shareholders (except meetings of holders of a specified class of shares, other than the Subordinate Voting Shares), and each holder of a Subordinate Voting Share has the right to one vote for each Common Share into which such holder's Subordinate Voting Shares could then be converted (i.e., 0.000001 of one Common Share for each Subordinate Voting Share, or 0.000001 vote per Subordinate Voting Share) in person or by proxy at all meetings of Shareholders. The holders of the Common Shares are entitled to receive dividends as may be granted to holders of the Common Shares or Compressed Shares, on an as-converted into Common Share basis. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, the holders of the Common Shares are entitled to receive the remaining property and assets of the Corporation together with the holders of the Common Shares and Compressed Shares, on an as-converted into Common Shares basis. Subject to certain restrictions, each Subordinate Voting Share may be converted into 0.000001 of one Common Share at the option of the holder. The ability to convert the Subordinate Voting Shares without the prior approval of the Corporation is subject to a restriction that the aggregate number of Common Shares, Compressed Shares and Subordinate Voting Shares held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 under the *Securities Exchange Act of 1934*, as amended) may not exceed 40% of the aggregate number of Common Shares, Compressed Shares and Subordinate Voting Shares issued and outstanding after giving effect to such conversion. The Subordinate Voting Shares are subject to a further conversion restriction whereby the Corporation shall not effect a conversion of the Common Shares to the extent that the holder thereof would beneficially own greater than 19.99% of the issued and outstanding Common Shares after giving effect to such conversion. In addition, the Subordinate Voting Shares will be automatically converted into Common Shares in certain circumstances. In the event that a take-over bid is made for the Common Shares or the Compressed Shares, the holders of the Subordinate Voting Shares shall not be entitled to participate in such offer and may not tender their shares into any such offer, whether under the terms of the Subordinate Voting Shares or under any coattail trust or similar agreement.

To the knowledge of the directors and officers of the Corporation, as at the Effective Date, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding shares.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

No directors or officers of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any associate or affiliate of any one of them, is or was indebted, directly or indirectly, to the Corporation or its subsidiaries at any time since the beginning of the financial year ended December 31, 2018.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as disclosed in this Circular, no informed person of the Corporation, nor any director or officer of the Corporation, nor any proposed nominee for election as a director of the Corporation, nor any other insider of the Corporation, nor any associate or affiliate of any one of them, has or has had, at any time since the beginning of the financial year ended December 31, 2018, any material interest, direct or indirect, in any transaction or proposed transaction that has materially affected or would materially affect the Corporation.

ADDITIONAL INFORMATION

Financial information pertaining to the Corporation is provided in the Corporation's financial statements and accompanying MD&A for the financial year ended December 31, 2018. Copies of the Corporation's financial statements and related MD&A can be obtained by contacting François Perrault, Chief Financial Officer of the Corporation, 333 Preston St., Tower 1, Suite 610, Ottawa, ON K1S 5N4, Telephone: (613) 694-4418. Additional Information relating to the Corporation is available on its SEDAR profile at www.sedar.com.

DIRECTOR APPROVAL

The contents of this Circular and the sending thereof to the Shareholders of the Corporation have been approved by the board of directors of the Corporation.

DATED August 12, 2019

(signed) "Marc Lustig"

Chief Executive Officer

APPENDIX "A"

BE IT ENACTED AND IT IS HEREBY ENACTED as a by-law of CannaRoyalty Corp. d/b/a Origin House (hereinafter called the "**Corporation**") as follows:

ADVANCE NOTICE OF NOMINATIONS OF DIRECTORS

1. By-Law No. 1 of the by-laws of the Corporation is hereby amended by adding the following thereto as section 3.3A, following section 3.3 and preceding section 3.4:

3.3A Nomination of Directors

Subject only to the Act and the articles of the Corporation, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the Board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called was the election of directors, (a) by or at the direction of the Board or an authorized officer of the Corporation, including pursuant to a notice of meeting, (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of the shareholders made in accordance with the provisions of the Act, or (c) by any person (a "**Nominating Shareholder**") (i) who, at the close of business on the date of the giving of the notice provided for below in this section 3.3A and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting and (ii) who complies with the notice procedures set forth below in this section 3.3A:

- (a) In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation in accordance with this section 3.3A.
- (b) To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made (i) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is called for a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (ii) in the case of a special meeting of shareholders (which is not also an annual meeting of shareholders) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made. Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this paragraph (b). In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.
- (c) To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth (i) as to each person whom the Nominating Shareholder proposes to nominate for election as a director (A) the name, age, business address and residential address of the person, (B) the principal occupation(s) or employment(s) of the person, (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice, and (D) any other information relating to the

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

- (d) No person shall be eligible for election as a director unless nominated in accordance with the provisions of this section 3.3A; provided, however, that nothing in this section 3.3A shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.
- (e) For purposes of this section 3.3A, (i) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and (ii) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.
- (f) Notwithstanding any other provision of By-Law No. 1, notice given to the Secretary of the Corporation pursuant to this section 3.3A may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.
- (g) Notwithstanding the foregoing, the Board may, in its sole discretion, waive any requirement in this section 3.3A.

2. By-Law No. 1, as amended from time to time, of the by-laws of the Corporation and this by-law shall be read together and shall have effect, so far as practicable, as though all the provisions thereof were contained in one by-law of the Corporation. All terms contained in this by-law which are defined in By-Law No. 1, as amended from time to time, of the by-laws of the Corporation shall, for all purposes hereof, have the meanings given to such terms in the said By-Law No. 1 unless expressly stated otherwise or the context otherwise requires.

This amendment to By-Law No. 1 of the Corporation shall come into force upon being passed by the directors in accordance with the Act.

MADE by the board this 1st day of August, 2019.

WITNESS the seal of the Corporation.

(signed) "Marc Lustig" _____
Marc Lustig
Chief Executive Officer

(signed) "Francois Perrault" _____
Francois Perrault
Chief Financial Officer

APPENDIX "B"

CANNAROYALTY CORP.

CHARTER OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

1. PURPOSE OF THIS CHARTER

The Audit Committee (the "**Committee**") is appointed by the Board of Directors (the "**Board**") of CannaRoyalty Corp. (the "**Corporation**") to assist the Board in fulfilling its oversight responsibilities relating to financial accounting, reporting and internal controls for the Corporation. The Committee's primary duties and responsibilities are to:

- (a) conduct such reviews and discussions with management and the external auditors relating to the audit and financial reporting as are deemed appropriate by the Committee;
- (b) assess the integrity of internal controls and financial reporting procedures of the Corporation and ensure implementation of such controls and procedures;
- (c) review the quarterly and annual financial statements and management's discussion and analysis of the Corporation's financial position and operating results and in the case of the annual financial statements and related management's discussion and analysis, report thereon to the Board for approval of same;
- (d) select and monitor the independence and performance of the Corporation's external auditors, including attending at private meetings with the external auditors and reviewing and approving all renewals or dismissals of the external auditors and their remuneration; and
- (e) provide oversight of all disclosure relating to, and information derived from, financial statements, management's discussion and analysis and information.

The Committee has the authority to conduct any investigation appropriate to its responsibilities, and it may request the external auditors, as well as any officer of the Corporation, or outside counsel for the Corporation, to attend a meeting of the Committee or to meet with any members of, or advisors to, the Committee. The Committee shall have unrestricted access to the books and records of the Corporation and has the authority to retain, at the expense of the Corporation, special legal, accounting, or other consultants or experts to assist in the performance of the Committee's duties.

The Committee shall review and assess the adequacy of this Charter annually and submit any proposed revisions to the Board for approval.

In fulfilling its responsibilities, the Committee will carry out the specific duties set out in Part 4 of this Charter.

2. AUTHORITY OF THE AUDIT COMMITTEE

The Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for advisors employed by the Committee; and
- (c) communicate directly with the internal and external auditors.

3. COMPOSITION AND MEETINGS

The Committee and its membership shall meet all applicable legal, regulatory and listing requirements, including, without limitation, those of the Ontario Securities Commission ("**OSC**"), the Toronto Stock Exchange, the *Business Corporations Act* (Ontario) and all applicable securities regulatory authorities.

- (a) The Committee shall be composed of three or more directors as shall be designated by the Board from time to time. Unless a Chair is elected by the Board, the members of the Committee shall designate from amongst themselves by majority vote of the full Committee a member who shall serve as Chair. The position description and responsibilities of the Chair are set out in Schedule "A" attached hereto.
- (b) Each member of the Committee shall be "independent" and "financially literate". An "independent" director is a director who has no direct or indirect material relationship with the Corporation. A "material relationship" is a relationship which, in the view of the Board, could be reasonably expected to interfere with the exercise of the director's independent judgement or a relationship deemed to be a material relationship pursuant to Sections 1.4 and 1.5 of National Instrument 52-110 — Audit Committees, as set out in Schedule "B" hereto. A "financially literate" director is a director who 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 accounting issues that can be reasonably expected to be raised in the Corporation's financial statements.
- (c) Each member of the Committee shall sit at the pleasure of the Board, and in any event, only so long as he or she shall be independent. The Committee shall report to the Board.
- (d) The Committee shall meet at least quarterly, at the discretion of the Chair or a majority of its members, as circumstances dictate or as may be required by applicable legal or listing requirements. A minimum of two and at least 50% of the members of the Committee present, either in person or by telephone, shall constitute a quorum.
- (e) If within one hour of the time appointed for a meeting of the Committee, a quorum is not present, the meeting shall stand adjourned to the same hour on the next business day following the date of such meeting at the same place. If at the adjourned meeting a quorum as hereinbefore specified is not present within one hour of the time appointed for such adjourned meeting, such meeting shall stand adjourned to the same hour on the second business day following the date of such meeting at the same place. If at the second adjourned meeting a quorum as hereinbefore specified is not present, the quorum for the adjourned meeting shall consist of the members then present (a "Reduced Quorum").
- (f) If, and whenever a vacancy shall exist, the remaining members of the Committee may exercise all of its powers and responsibilities so long as a quorum remains in office or a Reduced Quorum is present in respect of a specific Committee meeting.
- (g) The time and place at which meetings of the Committee shall be held, and procedures at such meetings, shall be determined from time to time by the Committee. A meeting of the Committee may be called by letter, telephone, facsimile, email or other communication equipment, by giving at least 48 hours' notice, provided that no notice of a meeting shall be necessary if all of the members are present either in person or by means of conference telephone or if those absent have waived notice or otherwise signified their consent to the holding of such meeting.
- (h) Any member of the Committee may participate in the meeting of the Committee by means of conference telephone or other communication equipment, and the member participating in a meeting pursuant to this paragraph shall be deemed, for purposes hereof, to be present in person at the meeting.
- (i) The Committee shall keep minutes of its meetings which shall be submitted to the Board. The Committee may, from time to time, appoint any person who need not be a member, to act as a secretary at any meeting.

- (j) Any director of the Corporation may attend meetings of the Committee, and the Committee may invite such officers and employees of the Corporation and its subsidiaries as the Committee may see fit, from time to time, to attend at meetings of the Committee.
- (k) Any matters to be determined by the Committee shall be decided by a majority of votes cast at a meeting of the Committee called for such purpose. Actions of the Committee may be taken by an instrument or instruments in writing signed by all of the members of the Committee, and such actions shall be effective as though they had been decided by a majority of votes cast at a meeting of the Committee called for such purpose. The Committee shall report its determinations to the Board at the next scheduled meeting of the Board, or earlier as the Committee deems necessary. All decisions or recommendations of the Committee shall require the approval of the Board prior to implementation, other than those relating to non-audit services and annual audit fees which do not require the approval of the Board. The Board can delegate, as appropriate, the approval of the quarterly unaudited financial statements, management's discussion and analysis and news release to the Committee.
- (l) The Committee members will be elected annually at the first meeting of the Board following the annual general meeting of shareholders.
- (m) The Board may at any time amend or rescind any of the provisions hereof, or cancel them entirely, with or without substitution.

4. RESPONSIBILITIES

- (a) Financial Accounting and Reporting Process and Internal Controls
 - (i) The Committee shall review the annual audited and interim financial statements and related management's discussion and analysis before the Corporation publicly discloses this information to satisfy itself that the financial statements are presented in accordance with applicable accounting principles and in the case of the annual audited financial statements and related management's discussion and analysis, report thereon and recommend to the Board whether or not same should be approved prior to their being filed with the appropriate regulatory authorities. With respect to the annual audited financial statements, the Committee shall discuss significant issues regarding accounting principles, practices, and judgments of management with management and the external auditors as and when the Committee deems it appropriate to do so. The Committee shall consider whether the Corporation's financial disclosures are complete, accurate, prepared in accordance with International Financial Reporting Standards and fairly present the financial position of the Corporation. The Committee shall also satisfy itself that, in the case of the annual financial statements, the audit function has been effectively carried out by the auditors and, in the case of the interim financial statements, that the review function has been effectively carried out.
 - (ii) The Committee shall ensure internal control procedures are reviewed at least twice annually.
 - (iii) The Committee shall be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases, and periodically assess the adequacy of these procedures in consultation with any disclosure committee of the Corporation.
 - (iv) The Committee shall review any press releases containing disclosure regarding financial information that are required to be reviewed by the Committee under any

applicable laws or otherwise pursuant to the policies of the Corporation (including before the Corporation publicly discloses this information).

- (v) The Committee shall meet no less than annually with the external auditors and the Chief Financial Officer or, in the absence of a Chief Financial Officer, with the officer of the Corporation in charge of financial matters, to review accounting practices, internal controls and such other matters as the Committee, Chief Financial Officer or, in the absence of a Chief Financial Officer, the officer of the Corporation in charge of financial matters, deem appropriate.
 - (vi) The Committee shall inquire of management and the external auditors about significant financial and internal control risks or exposures and assess the steps management has taken to minimize such risks.
 - (vii) The Committee shall review the post-audit or management letter, if any, containing the recommendations of the external auditors and management's response and subsequent follow-up to any identified weaknesses.
 - (viii) The Committee shall periodically review and make recommendations regarding the Code of Business Conduct and Ethics adopted by the Board;
 - (ix) The Committee shall follow procedures established as set out in the Whistleblower Policy of the Corporation, for:
 - the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics; and
 - the submission by employees, consultants, contractors, directors or officers of the Corporation, on a confidential and anonymous basis, of concerns regarding questionable accounting, auditing matters or violations to the Corporation's Code of Business Conduct and Ethics.
 - (x) The Committee shall ensure that management establishes and maintains an appropriate budget process, which shall include the preparation and delivery of periodic reports from the Chief Financial Officer to the Committee comparing actual spending to the budget. The budget shall include assumptions regarding economic parameters that are well supported and shall take into account the risks facing the Corporation.
 - (xi) The Committee shall have the authority to adopt such policies and procedures as it deems appropriate to operate effectively.
- (b) Independent Auditors
- (i) The Committee shall recommend to the Board the external auditors to be nominated for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Corporation, shall set the compensation for the external auditors, provide oversight of the external auditors and shall ensure that the external auditors' report directly to the Committee.
 - (ii) The Committee shall ensure that procedures are in place to assess the audit activities of the independent auditors and the internal audit functions.
 - (iii) The pre-approval of the Committee shall be required as further set out in Schedule "C" prior to the undertaking of any non-audit services not prohibited by law to be provided by the external auditors in accordance with this Charter.

- (iv) The Committee shall monitor and assess the relationship between management and the external auditors and monitor, support and assure the independence and objectivity of the external auditors and attempt to resolve disagreements between management and the external auditors regarding financial reporting.
- (v) The Committee shall review the external auditors' audit plan, including the scope, procedures and timing of the audit.
- (vi) The Committee shall review the results of the annual audit with the external auditors, including matters related to the conduct of the audit.
- (vii) The Committee shall obtain timely reports from the external auditors describing critical accounting policies and practices, alternative treatments of information within International Financial Reporting Standards that were discussed with management, their ramifications, and the external auditors' preferred treatment and material written communications between the Corporation and the external auditors.
- (viii) The Committee shall review fees paid by the Corporation to the external auditors and other professionals in respect of audit and non-audit services on an annual basis.
- (ix) The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former auditors of the Corporation.
- (x) The Committee shall have the authority to engage the external auditors to perform a review of the interim financial statements.

(c) Other Responsibilities

The Committee shall perform any other activities consistent with this Charter and governing law, as the Committee or the Board deems necessary or appropriate.

SCHEDULE "A"

CANNAROYALTY CORP.

POSITION DESCRIPTION FOR THE CHAIRMAN OF THE AUDIT COMMITTEE

PURPOSE

The Chairman of the Committee shall be an independent director who is elected by the Board or designated by majority vote of the Committee to act as the leader of the Committee in assisting the Board in fulfilling its financial reporting and control responsibilities to the shareholders of the Corporation.

1. WHO MAY BE CHAIRMAN

The Chairman will be selected from amongst the independent directors of the Corporation who have a sufficient level of financial sophistication and experience in dealing with financial issues to ensure the leadership and effectiveness of the Committee.

The Chairman will be selected annually at the first meeting of the Board following the annual general meeting of shareholders or designated by majority vote of the Committee.

2. RESPONSIBILITIES

The following are the primary responsibilities of the Chairman:

- (a) chair all meetings of the Committee in a manner that promotes meaningful discussion;
- (b) ensure adherence to the Committee's Charter and that the adequacy of the Committee's Charter is reviewed annually;
- (c) provide leadership to the Committee to enhance the Committee's effectiveness, including:
 - (i) act as liaison and maintain communication with the Board to optimize and coordinate input from directors, and to optimize the effectiveness of the Committee. This includes ensuring that Committee materials are available to any director upon request and reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable;
 - (ii) ensure that the Committee works as a cohesive team with open communication, as well as to ensure open lines of communication among the independent auditors, financial and senior management and the Board for financial and control matters;
 - (iii) ensure that the resources available to the Committee are adequate to support its work and to resolve issues in a timely manner;
 - (iv) ensure that the Committee serves as an independent and objective party to monitor the Corporation's financial reporting process and internal control systems, as well as to monitor the relationship between the Corporation and the independent auditors to ensure independence;
 - (v) ensure that procedures as determined by the Committee are in place to assess the audit activities of the independent auditors and the internal audit functions; and
 - (vi) ensure that procedures as determined by the Committee are in place to review the Corporation's public disclosure of financial information and assess the adequacy of such procedures periodically, in consultation with any disclosure committee of the Corporation;

- (d) ensure that procedures as determined by the Committee are in place for dealing with complaints received by the Corporation regarding accounting, internal controls and auditing matters, and for employees to submit confidential anonymous concerns;
- (e) manage the Committee, including:
 - (i) adopt procedures to ensure that the Committee can conduct its work effectively and efficiently, including committee structure and composition, scheduling, and management of meetings;
 - (ii) prepare the agenda of the Committee meetings and ensuring pre-meeting material is distributed in a timely manner and is appropriate in terms of relevance, efficient format and detail;
 - (iii) ensure meetings are appropriate in terms of frequency, length and content;
 - (iv) obtain a report from the independent auditors on an annual basis, review the report with the Committee and arranging meetings with the auditors and financial management to review the scope of the proposed audit for the current year, its staffing and the audit procedures to be used;
 - (v) oversee the Committee's participation in the Corporation's accounting and financial reporting process and the audits of its financial statements;
 - (vi) ensure that the auditor's report directly to the Committee, as representatives of the Corporation's shareholders; and
 - (vii) annually review with the Committee its own performance, report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board; and
 - (viii) together with the Board, oversee the structure, composition and membership of, and activities delegated to, the Committee from time to time; and
- (f) perform such other duties as may be delegated from time to time to the Chairman by the Board.

SCHEDULE "B"

CANNAROYALTY CORP.

NATIONAL INSTRUMENT 52-110 AUDIT COMMITTEES ("NI 52-110")

Section 1.4 — Meaning of Independence

- (1) An audit committee member is independent if he or she has no direct or indirect material relationship with the issuer.
- (2) For the purposes of subsection (1), a "material relationship" is a relationship which could, in the view of the issuer's board of directors, be reasonably expected to interfere with the exercise of a member's independent judgment.
- (3) Despite subsection (2), the following individuals are considered to have a material relationship with an issuer:
 - (a) an individual who is, or has been within the last three years, an employee or executive officer of the issuer;
 - (b) an individual whose immediate family member is, or has been within the last three years, an executive officer of the issuer;
 - (c) an individual who:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (d) an individual whose spouse, minor child or stepchild, or child or stepchild who shares a home with the individual:
 - (i) is a partner of a firm that is the issuer's internal or external auditor,
 - (ii) is an employee of that firm and participates in its audit, assurance or tax compliance (but not tax planning) practice, or
 - (iii) was within the last three years a partner or employee of that firm and personally worked on the issuer's audit within that time;
 - (e) an individual who, or whose immediate family member, is or has been within the last three years, an executive officer of an entity if any of the issuer's current executive officers serves or served at that same time on the entity's compensation committee; and
 - (f) an individual who received, or whose immediate family member who is employed as an executive officer of the issuer received, more than \$75,000 in direct compensation from the issuer during any 12 month period within the last three years.
- (4) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because
 - (a) he or she had a relationship identified in subsection (3) if that relationship ended before March 30, 2004; or
 - (b) he or she had a relationship identified in subsection (3) by virtue of subsection (8) if that relationship ended before June 30, 2005.

- (5) For the purposes of clauses (3)(c) and (3)(d), a partner does not include a fixed income partner whose interest in the firm that is the internal or external auditor is limited to the receipt of fixed amounts of compensation (including deferred compensation) for prior service with that firm if the compensation is not contingent in any way on continued service.
- (6) For the purposes of clause (3)(f), direct compensation does not include:
 - (a) remuneration for acting as a member of the board of directors or of any board committee of the issuer, and
 - (b) the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.
- (7) Despite subsection (3), an individual will not be considered to have a material relationship with the issuer solely because the individual or his or her immediate family member
 - (a) has previously acted as an interim chief executive officer of the issuer, or
 - (b) acts, or has previously acted, as a chair or vice-chair of the board of directors or of any board committee of the issuer on a part-time basis.
- (8) For the purpose of section 1.4, an issuer includes a subsidiary entity of the issuer and a parent of the issuer.

Section 1.5 — Additional Independence Requirements for Audit Committee Members

- (1) Despite any determination made under section 1.4 of NI 52-110, an individual who
 - (a) accepts, directly or indirectly, any consulting, advisory or other compensatory fee from the issuer or any subsidiary entity of the issuer, other than as remuneration for acting in his or her capacity as a member of the board of directors or any board committee, or as a part-time chair or vice-chair of the board or any board committee; or
 - (b) is an affiliated entity of the issuer or any of its subsidiary entities, is considered to have a material relationship with the issuer.
- (2) For the purposes of subsection (1), the indirect acceptance by an individual of any consulting, advisory or other compensatory fee includes acceptance of a fee by
 - (a) an individual's spouse, minor child or stepchild, or a child or stepchild who shares the individual's home; or
 - (b) an entity in which such individual is a partner, member, an officer such as a managing director occupying a comparable position or executive officer, or occupies a similar position (except limited partners, non-managing members and those occupying similar positions who, in each case, have no active role in providing services to the entity) and which provides accounting, consulting, legal, investment banking or financial advisory services to the issuer or any subsidiary entity of the issuer.
- (3) For the purposes of subsection (1), compensatory fees do not include the receipt of fixed amounts of compensation under a retirement plan (including deferred compensation) for prior service with the issuer if the compensation is not contingent in any way on continued service.

SCHEDULE "C"

CANNAROYALTY CORP.

PROCEDURES FOR APPROVAL OF NON-AUDIT SERVICES

- (A) The Corporation's external auditors shall be prohibited from performing for the Corporation the following categories of non-audit services:
- (I) bookkeeping or other services related to the Corporation's accounting records or financial statements;
 - (II) appraisal or valuation services, fairness opinion or contributions-in-kind reports;
 - (III) actuarial services;
 - (IV) internal audit outsourcing services;
 - (V) management functions;
 - (VI) human resources;
 - (VII) broker or dealer, investment adviser or investment banking services;
 - (VIII) legal services; and
 - (IX) any other service that the Canadian Public Accountability Board or International Accounting Standards Board or other analogous board which may govern the Corporation's accounting standards, from time to time determines is impermissible.
- (B) In the event that the Corporation wishes to retain the services of the Corporation's external auditors for tax compliance, tax advice or tax planning, the Chief Financial Officer of the Corporation shall consult with the Chair of the Committee, who shall have the authority, subject to confirmation that such services will not compromise the independence of the Corporation's external auditors, to approve or disapprove on behalf of the Committee, such non-audit services. All other non-audit services shall be approved or disapproved by the Committee as a whole.

The Chief Financial Officer of the Corporation shall maintain a record of non-audit services approved by the Chair of the Committee or the Committee for each fiscal year and provide a report to the Committee no less frequently than on a quarterly basis