SUBVERSIVE CAPITAL ACQUISITION CORP.

ANNUAL INFORMATION FORM

FISCAL YEAR ENDED DECEMBER 31, 2019

MARCH 27, 2020

Table of Contents

Page

INTRODUCTION 1
General 1
Forward-looking Statements 1
GLOSSARY OF TERMS 4
CORPORATE STRUCTURE 7
Name, Address and Incorporation 7
DESCRIPTION OF THE BUSINESS 7
GENERAL DEVELOPMENT OF THE BUSINESS 12
Initial Public Offering 12
CAPITAL STRUCTURE OF THE CORPORATION 13
General 13
Units 14
Class A Restricted Voting Shares and Class B Shares 14
Common Shares 17
Founders' Shares, Class B Units and Sponsor's Warrants 17
Proportionate Voting Shares 18
Warrants 23
Make Whole Covenants 24
DIVIDEND POLICY 26
MARKET FOR SECURITIES 26
Trading Price and Volume 26
Prior Sales 27
ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER 28
VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS 28
DIRECTORS AND OFFICERS 29
Name, Address, Occupation and Securities Holding 29
Directors and Officers 29
Indemnification and Insurance 31
Cease Trade Orders, Bankruptcies, Penalties or Sanctions 31
INDEBTEDNESS OF DIRECTORS AND OFFICERS 32
INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS 32
DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES 32
Board of Directors 32

Page

Board of Directors Mandate 33
Nomination, Orientation and Continuing Education, Assessments and Board Renewal 33
Ethical Business Conduct 33
Gender Diversity 33
Conflicts of Interest 33
Audit Committee 36
External Audit Service Fees 36

EXECUTIVE COMPENSATION AND OTHER PAYMENTS 36
Compensation Discussion and Analysis 36

RISK FACTORS 37

AUDITORS, TRANSFER AGENT, WARRANT AGENT AND ESCROW AGENT 61

PROMOTER 62

LEGAL PROCEEDINGS AND REGULATORY ACTIONS 62
Legal Proceedings 62
Regulatory Actions 62

MATERIAL CONTRACTS 62

EXEMPTIVE RELIEF 62

ADDITIONAL INFORMATION 63

INTRODUCTION

General

In this Annual Information Form ("**AIF**"), unless the context otherwise requires, the "Corporation", "SCAC", "us", "our" or "we" refers to Subversive Capital Acquisition Corp. Please refer to the "Glossary" in this AIF for the definitions of other defined terms. Except where otherwise indicated, all references to dollar amounts and "$" are to United States dollars.

Unless otherwise indicated, the information contained herein is given as at December 31, 2019.

Forward-looking Statements

Certain statements contained in this AIF constitute "forward-looking information" for the purpose of applicable Canadian securities legislation ("**forward-looking statements**"). These statements reflect our management's expectations with respect to future events, the Corporation's financial performance and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of the words "anticipate", "believe", "continue", "could", "estimate", "expect", "intends", "may", "might", "plan", "possible", "potential", "predict", "project", "should", "would", and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not a forward-looking statement. These statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated or implied in such forward-looking statements. No assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon. Unless otherwise indicated, these statements speak only as of the date of this AIF.

In particular, this AIF contains forward-looking statements pertaining to the following, among other things:

- our ability to complete our qualifying transaction and its potential success;
- our success in retaining or recruiting, or changes required in, our directors and officers or key employees, both before and following our qualifying transaction;
- our directors and officers allocating their time to other businesses and having conflicts of interest with our business or in approving our qualifying transaction;
- our potential ability to obtain additional financing to complete our qualifying transaction;
- our pool of prospective target businesses for our qualifying transaction;
- the ability of our directors, officers and management team to generate a number of potential acquisition opportunities;
- operation of the business acquired through the qualifying transaction;
- the potential liquidity and trading of our securities;
- the use of proceeds not held in the escrow account;
- potential regulatory changes;
- fluctuations in interest rates; and
- our financial performance.

With respect to forward-looking statements contained in the AIF, assumptions have been made regarding, among other things:

- the ability of the Corporation, our Founders and our management team to successfully consummate a qualifying transaction within the Permitted Timeline;
- projection for interest earned in the escrow account over the next 18 months; and
- projected operational and qualifying transaction-related expenses during the Permitted Timeline leading up to our qualifying transaction.

Actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and included elsewhere in this AIF, including:

- the Corporation's lack of operating history and revenues;
- the ability of our holders of Class A Restricted Voting Shares to redeem their Class A Restricted Voting Shares for cash may make our financial condition less attractive to potential qualifying transaction targets;
- the requirement that we complete our qualifying transaction within the Permitted Timeline (unless extended);
- our working capital may be insufficient to allow us to operate throughout the Permitted Timeline;
- third parties may bring claims against us where we are not indemnified by our Sponsor;
- the ability of our shareholders to exercise redemption rights with respect to a large number of our Class A Restricted Voting Shares, which may not allow us to complete the most desirable qualifying transaction or optimize our capital structure;
- the state of the global financial markets including low interest rate environment resulting from, among other things, the recent spread of the coronavirus disease (COVID-19);
- changes in laws or regulations, or a failure to comply with any laws and regulations;
- potential adverse tax consequences on holders of Class A Restricted Voting Shares and on the Corporation in the event the Corporation acquires a United States company or assets of a United States entity in an "inversion" transaction;
- the inability to ascertain the merits or risks of any particular target's business operations or sector including the cannabis industry in the United States;
- the target business(es) with which we enter into our qualifying transaction may not have attributes entirely consistent with our general criteria and guidelines;
- we may not be required to obtain an opinion from a qualified person confirming that the price we intend to pay for a target company or target business is fair to us or our shareholders from a financial point of view;
- resources could be wasted in pursuing acquisitions that are not consummated;
- the loss of our directors and officers;
- the loss of key personnel;
- a target's business management may not have the skills, qualifications or abilities to manage a public company;
- the Corporation may be subject to competition from other companies seeking to execute a business plan similar to that of the Corporation;
- the loss of an acquisition target's key personnel;
- our Sponsor, directors and officers may have conflicts of interest with the target company;
- our Sponsor, directors, officers and their respective affiliates and associates may have interests that conflict with our interests;
- our Founders will lose their investment in us if our qualifying transaction is not completed within the Permitted Timeline and their holdings of Founders' Shares may create financial incentives that differ compared to holders of Class A Restricted Voting Shares;
- multiple prospective targets may give rise to increased costs and risks that could negatively impact our operations and profitability;
- a qualifying transaction with a private company may result in a qualifying transaction with a company that is not as profitable as we suspected, if at all;
- the inability to maintain control of a target business after our qualifying transaction;
- the inability to obtain additional financing to complete our qualifying transaction or to fund the operations and/or growth of a target business;
- the lack of investment diversification and dependence on a single target business which may have a limited number of products or services if we are only able to complete one qualifying transaction;
- competition from other businesses;
- a market for our securities may not develop;

- the tax consequences of the qualifying transaction; and
- other factors discussed under “Risk Factors”.

Readers are cautioned that the foregoing list of risk factors should be construed as exhaustive.

Any forward-looking statement included in this AIF is expressly qualified by this cautionary statement, and except as otherwise indicated, is made as of the date of this AIF. The Corporation does not assume or undertake any obligation to update or revise any forward-looking statements or departures from them, except as required by applicable law. New factors emerge from time to time, and it is not possible for our management to predict all such factors and to assess in advance the impact of each such factor on the business of the Corporation or the extent which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

GLOSSARY OF TERMS

"**BCBCA**" means the *Business Corporations Act* (British Columbia), as it may be amended from time to time;

"**Cannabis Act**" means the *Cannabis Act,* S.C. 2018, c. 16, as it may be amended from time to time;

"**Cannabis Regulations**" means the *Cannabis Regulations* (Canada), as it may be amended from time to time;

"**Class A Restricted Voting Shares**" means the Class A restricted voting shares of the Corporation which formed part of the Class A Restricted Voting Units, and may be considered "restricted securities" within the meaning of such term under applicable Canadian securities laws, and each a "**Class A Restricted Voting Share**";

"**Class A Restricted Voting Units**" means the Class A restricted voting units of the Corporation distributed to the public by SCAC at an offering price of $10.00 per Class A Restricted Voting Unit under the IPO Prospectus, each comprised of one Class A Restricted Voting Share and one-half of a Warrant, and each a "**Class A Restricted Voting Unit**";

"**Class B Shares**" means the Class B shares of the Corporation forming part of the Class B Units, and where applicable, the Founders' Shares, and each a "**Class B Share**";

"**Class B Units**" means the Class B units of the Corporation sold to our Sponsor simultaneously with the public offering of Class A Restricted Voting Units, at an offering price of $10.00 per Class B Unit, each comprised of one Class B Share and one-half of a Warrant, and each a "**Class B Unit**";

"**Code**" means the *Internal Revenue Code of 1986,* as amended;

"**Common Shares**" means the common shares in the capital of the Corporation expected to be issued and outstanding at the time of the closing of the qualifying transaction;

"**Corporation**" means Subversive Capital Acquisition Corp., a corporation incorporated under the laws of the Province of British Columbia pursuant to the BCBCA;

"**Escrow Agent**" means Olympia Trust Company, in its capacity as escrow agent, under the Escrow Agreement, and its successors and permitted assigns;

"**Escrow Agreement**" means the escrow agreement among SCAC, the Escrow Agent, and the Underwriter;

"**Exchange**" means the Neo Exchange Inc.;

"**Exchange Agreement and Undertaking**" means the transfer restrictions agreement and undertaking dated July 16, 2019, entered into by our Founders in favour of the Exchange;

"**Extraordinary Dividend**" means any dividend, together with all other dividends payable in the same calendar year, that has an aggregate absolute dollar value which is greater than $0.25 per share, with the adjustment to the applicable price (as the context may require) being a reduction equal to the amount of the excess;

"**Founders**" means our Sponsor and our directors, Jay Tucker, Adam Rothstein, Ethan Devine and Mussadiq Lakhani as the holders of the Founders' Shares;

"**Founders' Post-Qualifying Transaction Shares**" means the Proportionate Voting Shares into which the Founders' Shares are convertible;

"**Founders' Shares**" means the 14,543,750 Class B Shares issued to our Founders prior to the closing of the IPO, and for greater certainty does not include the Class B Shares forming part of the Class B Units purchased by our Sponsor at $10.00 per Class B Unit;

"**IPO**" means SCAC's initial public offering of 57,500,000 Class A Restricted Voting Units offered to the public under the IPO Prospectus, including the exercise of the over-allotment option;

"**IPO Closing Date**" means July 16, 2019, the closing date of the IPO;

"**IPO Prospectus**" means the Corporation's final long form prospectus dated July 10, 2019;

"**Make Whole Agreement and Undertaking**" means the make whole agreement and undertaking dated July 16, 2019, entered into by our Sponsor in favour of the Corporation;

"**Permitted Timeline**" means the allowable time period within which the Corporation must consummate its qualifying transaction, being 18 months from the IPO Closing Date, as it may be extended or shortened as described in the IPO Prospectus;

"**person**" means any individual, partnership, association, body corporate, trust, trustee, executor, administrator, legal representative, government, regulatory authority or other entity;

"**Proportionate Voting Shares**" means the proportionate voting shares in the capital of the Corporation expected to be issued and outstanding at the time of the closing of the qualifying transaction;

"**qualifying transaction**" means the acquisition, directly or indirectly, of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation, which is intended to be consummated by the Corporation within the Permitted Timeline and in accordance with applicable law and as more fully described in this annual information form;

"**SCAC**" means Subversive Capital Acquisition Corp.;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval, accessible at www.sedar.com;

"**Shareholders' Meeting**" means the meeting of shareholders of the Corporation to be held, if required under applicable law, to vote on our qualifying transaction;

"**Sponsor's Warrants**" means the 6,750,000 share purchase warrants issued to our Sponsor at an offering price of $1.00 per Sponsor's Warrant at the closing of the IPO, with each whole Sponsor's Warrant entitling the holder thereof, commencing 65 days following the closing of a qualifying transaction, to purchase one Class A Restricted Voting Share (and following the closing of a qualifying transaction, one Common Share) at a price of $11.50 per share, subject to adjustment, and each, a "**Sponsor's Warrant**";

"**Subversive Capital**" means Subversive Capital LLC;

"**Tax Act**" means the *Income Tax Act* (Canada) including the regulations promulgated thereunder, as amended;

"**Tuscan Holdings**" means Tuscan Holdings Corp., a Delaware blank check company;

"**Tuscan II**" means Tuscan Holdings Corp. II, a Delaware blank check company;

"**Underwriter**" means Canaccord Genuity Corp.;

"**Underwriting Agreement**" means the underwriting agreement dated July 10, 2019, among the Corporation, our Sponsor and the Underwriter;

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

"**Units**" means the Class A Restricted Voting Units and Class B Units, collectively, and each a "**Unit**";

"**Warrant Agent**" means Odyssey Trust Company;

"**Warrant Agreement**" means the warrant agency agreement between SCAC and the Warrant Agent dated July 16, 2019, as it may be amended from time to time;

"**Warrants**" means the share purchase warrants of SCAC issued under the Warrant Agreement as a portion of the Class A Restricted Voting Units and the Class B Units, respectively, and the Sponsor's Warrants and each a "**Warrant**"; and

"**Winding-Up**" means the liquidation and cessation of the business of the Corporation, upon which the Corporation shall be permitted to use up to a maximum of $50,000 of any interest and other amounts earned from the proceeds in the escrow account to pay actual and expected costs and expenses in connection with applications to cease to be a reporting issuer and winding-up and dissolution expenses, as determined by the Corporation.

CORPORATE STRUCTURE

Name, Address and Incorporation

Subversive Capital Acquisition Corp. was incorporated under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") on June 17, 2019. Our head office is located at 135 Grand Street, 2nd Floor, New York, New York 10013 and our registered office is located at 595 Burrard Street, Suite 2600, Three Bentall Centre, Vancouver, BC, V7X 1L3, Canada.

On July 15, 2019, the Corporation's notice of articles were amended to create the Class A Restricted Voting Shares, the Common Shares and the Proportionate Voting Shares. On July 16, 2019, the Corporation's Class A Restricted Voting Units commenced trading on the Neo Exchange Inc. (the "**Exchange**") under the symbol "SVC.UN.U". Effective August 26, 2019, the Class A Restricted Voting Units, each consisting of one Class A Restricted Voting Share and one-half of a Warrant, separated. Upon separation, the Class A Restricted Voting Shares and Warrants underlying the Class A Restricted Voting Units commenced trading separately on the Exchange under the symbols "SVC.A.U" and "SVC.WT.U", respectively.

The Corporation's articles include, among other provisions, a provision providing for a forum for adjudication of certain disputes, whereby unless the Corporation approves or consents in writing to the selection of an alternative forum, the courts of the Province of British Columbia and appellate courts therefrom shall be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Corporation; (ii) any action asserting a claim for breach of a fiduciary duty owed by any director or officer of the Corporation to the Corporation; (iii) any action asserting a claim arising pursuant to any provision of the BCBCA or the articles of the Corporation (as they may be amended from time to time); or (iv) any action asserting a claim otherwise related to the relationships among the Corporation, its affiliates and their respective shareholders, directors and/or officers, but does not include claims related to the business carried on by the Corporation or such affiliates. Any person or entity owning, purchasing or otherwise acquiring any interest, including without limitation any registered or beneficial ownership thereof, in the securities of the Corporation shall be deemed to have notice of and consented to the provisions of the articles.

DESCRIPTION OF THE BUSINESS

Overview

Subversive Capital Acquisition Corp. is a special purpose acquisition corporation ("**SPAC**") incorporated under the laws of the Province of British Columbia for the purpose of effecting, directly or indirectly, an acquisition of one or more businesses or assets, by way of a merger, amalgamation, arrangement, share exchange, asset acquisition, share purchase, reorganization, or any other similar business combination involving the Corporation, which we refer to throughout this AIF as our "qualifying transaction". SCAC received $575,000,000 of proceeds from its IPO which was completed on July 16, 2019. The total proceeds of $575,000,000 were placed in an escrow account with Odyssey Trust Company immediately following the IPO and will be released upon consummation of the qualifying transaction in accordance with the terms and conditions of the Escrow Agreement. Effective November 12, 2019, Olympia Trust Company replaced Odyssey Trust Company as the Corporation's escrow agent.

SCAC's Sponsor, Subversive Capital Sponsor LLC, is a wholly-owned subsidiary of Subversive Capital (which is neither SCAC's sponsor nor a promoter), which was founded in 2013 and is focused on investing in "radical" companies whose core missions subvert the status quo and require sophisticated government and regulatory strategies for success. Over the past six years, Subversive Capital has invested in companies engaged in the cannabis, metallurgy, aerospace, gaming, and psychedelic medicine sectors. Following its successful investments in Privateer Holdings, Inc. and Tilray, Inc., Subversive Capital launched a cannabis focused investment vehicle in May 2019 focused on investing primarily in publicly listed securities of issuers in the cannabis industry, of which Mr. Hensch and Mr. Auerbach are general

partners. Given its stage and investment focus, the fund will not undermine the Corporation's ability to complete its qualifying transaction.

Qualifying Transaction

General

We are not presently engaged in, and we will not engage in, any operations for an indefinite period of time. Our initial qualifying transaction and value creation strategy will be to identify, acquire and, after our initial qualifying transaction, assist in the growth of a business in the cannabis industry. However, we are not limited to this industry and we may pursue a qualifying transaction opportunity in any business or industry we choose and we may pursue a company with operations or opportunities outside of Canada and the United States.

Our objective is to execute a qualifying transaction, the terms of which are determined by us to be favourable and provided that the target business or assets forming the qualifying transaction have a fair market value of at least 80% of the assets held in the escrow account at the time the agreement is entered into (excluding the deferred underwriting commission and applicable taxes payable on interest and other amounts earned in the escrow account). The fair market value of the target business will be determined by our board of directors based upon one or more valuation methods generally accepted by the financial community (including, without limitation, actual and potential sales, earnings, cash flow and book value).

We intend to continue our search for target businesses with a focus on the cannabis industry and for target businesses with an enterprise value between $750 million and $5 billion; however, we are not limited to a particular industry or geographic region for purposes of completing our qualifying transaction and it is possible that the enterprise value of the qualifying transaction will be higher or lower than intended.

We intend to effectuate our qualifying transaction using the cash proceeds from (i) the escrow account after redemptions, taxes and permitted expenses; (ii) the portion of the sales of the Sponsor's Warrants and Class B Units not placed in the escrow account; and (iii) the $25,000 of initial proceeds raised prior to the IPO Closing Date, or our shares, or debt, or a combination of these as the consideration to be paid in our qualifying transaction. A qualifying transaction may involve the acquisition of, or merger with, a company which does not need substantial additional capital but which desires to establish a public trading market for its shares, while avoiding what it may deem to be adverse consequences of undertaking a public offering itself. These include time delays, significant expense, loss of voting control and compliance with various applicable securities laws. We may also seek to effect simultaneous qualifying transactions with more than one target business.

If we complete more than one qualifying transaction, each such qualifying transaction is expected to occur concurrently and would be subject to the same shareholder vote at the Shareholders Meeting, if required under applicable law.

Significant Sources of Target Businesses

We believe based on our management's business knowledge and past experience that there are numerous qualifying transaction targets. We expect that our principal means of identifying potential target businesses will be through the extensive contacts and relationships of our Sponsor, Founders, officers and directors. While our officers and directors are not required to commit any specific amount of time in identifying or performing due diligence on potential target businesses, our officers and directors believe that the relationships they have developed over their careers and their access to our Sponsor's and its affiliates contacts and resources will generate a number of potential qualifying transactions opportunities that will warrant further investigation. We also anticipate that target business candidates will be brought to our attention from various unaffiliated sources, including investment bankers, venture capital funds, private equity funds, leveraged buyout funds, management buyout funds and other members of the financial community. Target businesses may be brought to our attention by such unaffiliated sources as a result of being solicited by us through calls or mailings. These sources may also introduce us to target businesses

they think we may be interested in on an unsolicited basis, since many of these sources will have read the IPO Prospectus and know what types of businesses we are targeting. Our Sponsor, Founders, officers and directors, as well as their affiliates, may also bring to our attention target business candidates that they become aware of through their business contacts as a result of formal or informal inquiries or discussions they may have, as well as attending trade shows or conventions. Our officers and directors must present to us all target business opportunities that have a fair market value of at least 80% of the assets held in the escrow account (excluding deferred underwriting commissions and applicable taxes payable on the income accrued in the escrow account) at the time of the agreement to enter into the initial qualifying transaction, subject to any pre-existing fiduciary or contractual obligations. While we do not presently anticipate engaging the services of professional firms or other individuals that specialize in business acquisitions on any formal basis, we may engage these firms or other individuals in the future, in which event we may pay a finder's fee, consulting fee or other compensation to be determined in an arm's length negotiation based on the terms of the transaction. In no event, however, will our Sponsor, Founders, officers, directors or their respective affiliates be paid any finder's fee, consulting fee or other compensation prior to, or for any services they render in order to effectuate, the consummation of an initial qualifying transaction (regardless of the type of transaction that it is) other than the reimbursement of any out-of-pocket expenses.

Business Strategy

Although the cannabis industry has evolved significantly and continues to mature, we believe the industry is still undercapitalized and companies operating across multiple verticals consistently have trouble accessing capital from traditional sources including during volatile market conditions. Historically, businesses that operate within the legal cannabis industry in the U.S. have relied largely on private money; friends and family, high net-worth individuals and small-to-medium-sized private investment firms, as institutional investors have shied away from companies in the cannabis industry, especially those that are directly involved in the production, distribution and sale of cannabis. Even businesses that do not touch the plant and instead provide ancillary services to the industry have found it extremely difficult to access large pools of institutional capital. As a result, we believe we have the opportunity to create a compelling structure that will enable a target company to go public, thereby accessing significant capital for both organic growth and for acquisitions of synergistic and often undercapitalized assets. Given the rapid growth of the legal cannabis market, we believe that the ability to move quickly to capitalize on new opportunities will be critical to success in creating stakeholder value. Potential areas of interest in the cannabis industry include but are not limited to Canadian, U.S. and international businesses that are ancillary to the production, distribution and sale of cannabis as well as businesses that legally cultivate, process and/or aid in the retail distribution of cannabis.

We believe our competitive strengths include the following:

- Our ability to identify opportunities and execute quickly in a rapidly developing industry;
- Our unique experience in the cannabis industry;
- A proven track record of executing blank check companies that create substantial shareholder value;
- Our significant senior level capital markets and operational expertise; and
- Our ability to leverage our management's extensive network across the cannabis industry.

Notwithstanding the foregoing, past performance of our management team is not a guarantee either (i) of success with respect to any qualifying transaction we may consummate; or (ii) that we will be able to identify a suitable candidate for our initial qualifying transaction. You should not rely on the historical performance record of our management as indicative of our future performance.

Additional Funding for General Ongoing Expenses

To the extent that we require additional funding for general ongoing expenses or in connection with our sourcing of a qualifying transaction, the Corporation may seek funding by way of unsecured loans from our Sponsor and/or its affiliates, which loans would bear interest at no more than the U.S. dollar prime rate plus 1.0%. The lender under the loans would not have recourse against the funds held in the escrow account, and thus the loans will not reduce the value thereof. Such loans will collectively be subject to a maximum aggregate principal amount equal to 10% of the escrowed funds and may only be repayable in cash no earlier than the closing of the qualifying transaction. Such loans may only be convertible into shares and/or Warrants in connection with the closing of the qualifying transaction. The Corporation will not obtain any form of debt financing except: (i) in the ordinary course for short term trade, accounts payable and general ongoing expenses; (ii) contemporaneous with, or after, the completion of a qualifying transaction; or (iii) through unsecured loans from our Sponsor and/or its affiliates in accordance with the foregoing.

The Corporation may also seek to raise additional funds through a rights offering in respect of shares available to its shareholders, in accordance with the requirements of applicable securities legislation and subject to the consent of the Underwriter, subject to placing the required funds raised in the escrow account in accordance with the Exchange's rules and also subject to fulfilling the condition that the Corporation would not undertake a rights offering unless the amount per share deposited into the escrow account in connection therewith would be at least equal to the per share amount of the escrow funds then on deposit in the escrow account, including any interest and other amounts earned thereon (net of any applicable taxes payable by the Corporation on such interest and other amounts earned in the escrow account), and provided that 100% of the gross proceeds raised in any subsequent rights offering from holders of Class A Restricted Voting Units are held in the escrow account.

Permitted Timeline Extension

We have 18 months from the IPO Closing Date to consummate a qualifying transaction, such date being January 16, 2021.

If our management believes that we need an extension of the Permitted Timeline in order to successfully execute a qualifying transaction, the Corporation will hold a meeting of holders of Class A Restricted Voting Shares and seek approval by ordinary resolution of only the holders of the Class A Restricted Voting Shares for an amendment to the articles to facilitate an extension to up to 36 months and an acceleration of such holders' redemption rights. Assuming a meeting of holders of Class A Restricted Voting Shares is called and the requisite Class A Restricted Voting Shares approval is obtained, holders of Class A Restricted Voting Shares would be permitted to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their shares for redemption prior to the second business day before the meeting, and, subject to applicable law, immediately prior to the date that an extension to the Permitted Timeline takes effect. See "Capital Structure of the Corporation – Class A Restricted Voting Shares and Class B Shares". Holders of Class A Restricted Voting Shares will be given not less than 21 days' notice of the meeting. Participants through CDS may have earlier deadlines for accepting deposits of Class A Restricted Voting Shares pursuant to the redemption right. If a CDS participant's deadline is not met by a holder of Class A Restricted Voting Shares, such holder's Class A Restricted Voting Shares may not be eligible for redemption.

Minimum Fair Market Value of Qualifying Transaction

Absent exemptive relief from the Exchange, the business or assets forming our qualifying transaction (or any number of qualifying transactions, all of which must be completed concurrently) must have a minimum fair market value equal to 80% of the assets held in the escrow account at the time the agreement is entered into (excluding the deferred underwriting commission and applicable taxes payable on interest and other amounts earned in the escrow account). The fair market value of the target business will be determined by our board of directors based upon one or more valuation methods generally accepted by the financial community (including, without limitation, actual and potential sales, earnings, cash flow and book value). Where the qualifying transaction is comprised of more than one acquisition, and multiple acquisitions are

required to satisfy the aggregate fair market value of a qualifying transaction, these acquisitions are expected to close concurrently and would be subject to the same shareholder vote at the Shareholders Meeting, if required under applicable law.

In the event that the amount required to be paid to holders of Class A Restricted Voting Shares to be redeemed in connection with a shareholder vote on the qualifying transaction would exceed the additional financing obtained by the Corporation to offset the redemption amount (especially where the proposed qualifying transaction contains a minimum cash balance condition as a condition to closing), the Corporation may consider offering additional shares to the vendor of the target company, such that the cash that would otherwise be payable to the vendor that is needed to redeem the shares is replaced with additional shares issued to the vendor. In addition, holders of Class A Restricted Voting Shares that would otherwise intend to redeem their shares may (including for tax reasons) prefer to sell their shares in the market, and the Corporation may also pursue debt financing, as further described in the IPO Prospectus, all of which may reduce the likelihood of any cash deficiencies at the time of the qualifying transaction. Accordingly, any such cash deficiencies, including as a result of redemptions, may result in the inability of the Corporation to complete a qualifying transaction despite shareholder approval thereof.

Lack of Business Diversification

For an indefinite period of time after the completion of our qualifying transaction, the prospects for our success may depend entirely on the future performance of a single business. Unlike other entities that have the resources to complete acquisitions with multiple entities in one or several industries, it is possible that we will not have the resources to diversify our operations and mitigate the risks of being in a single line of business. By completing our qualifying transaction with only a single entity, our lack of diversification may subject us to negative economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact on the particular industry in which we operate after our initial qualifying transaction, and cause us to depend on the marketing and sale of a single product or limited number of products or services.

Limited Ability to Evaluate the Target's Management Team

Although we intend to closely scrutinize the management of a prospective target business when evaluating the desirability of effecting our qualifying transaction with that business, our assessment of the target's management may not prove to be correct. The future role of members of our management team, if any, in the target business cannot presently be stated with any certainty. Consequently, members of our management team may not become a part of the target's management team, and the future management may not have the necessary skills, qualifications or abilities to manage a public company. Further, it is also not certain whether one or more of our directors will remain associated in some capacity with us following our qualifying transaction. Moreover, members of our management team may not have significant experience or knowledge relating to the operations of the particular target business. Our personnel may not remain in senior management or advisory positions with the combined company. The determination as to whether any of our key personnel will remain with the combined company will be made at the time of our qualifying transaction.

Following our qualifying transaction, we may seek to recruit additional managers to supplement the incumbent management of the target business. We may not have the ability to recruit additional managers, or such additional managers may not have the requisite skills, knowledge or experience necessary to enhance the incumbent management.

Completion of a Qualifying Transaction

As 100% of the gross proceeds of the IPO are being, and any additional equity raised pursuant to a rights offering will be, held by the Escrow Agent, in the escrow account, shareholder approval of our qualifying transaction is not required pursuant to the Exchange rules. As such, and unless shareholder approval is otherwise required under applicable law, we will: (i) prepare and file with applicable securities regulatory authorities a prospectus containing disclosure regarding the Corporation and its proposed qualifying

transaction; (ii) mail a notice of redemption to the holders of the Class A Restricted Voting Shares and make the final prospectus publicly available at least 21 days prior to the deadline for redemption; and (iii) send by prepaid mail or otherwise deliver the prospectus to the holders of the Class A Restricted Voting Shares no later than midnight (Toronto time) on the second business day prior to the deadline for redemption, which delivery may be effected electronically in compliance with National Policy 11-201 – *Electronic Delivery of Documents*.

The holders of the Class A Restricted Voting Shares are entitled to vote on and receive notice of meetings on all matters requiring shareholder approval (including any proposed extension to the Permitted Timeline and approval of the qualifying transaction if otherwise required under applicable law) other than the election and/or removal of directors and auditors prior to closing of a qualified transaction. With the inclusion of our Class B Shares forming part of the Class B Units that our Sponsor purchased, our Founders will hold approximately a 21% voting interest to vote at any such meeting (other than approval of any proposed extension to the Permitted Timeline where only holders of Class A Restricted Voting Shares are entitled to vote). Accordingly, our Founders may significantly influence the vote at any such meeting. See "Risk Factors". Prior to a qualifying transaction, holders of the Class A Restricted Voting Shares are not entitled to vote at (or receive notice of or meeting materials in connection with) meetings held only to consider the election and/or removal of directors and auditors.

Our Founders will have economic interests in the qualifying transaction that may differ as compared to those of holders of Class A Restricted Voting Shares, given that each of our Founders agreed to certain transfer restrictions in respect of their Founders' Shares, Sponsor's Warrants and Class B Units (or any of its Class B Shares or Warrants forming part of its Class B Units), as applicable, as further described under "Capital Structure of the Corporation – Founders' Shares, Class B Units and Sponsor's Warrants".

Information regarding the qualifying transaction and the resulting business following the completion of the qualifying transaction will be made available to shareholders in a prospectus prepared by our management. Such prospectus will contain disclosure of the resulting issuer assuming completion of the qualifying transaction and will be filed with applicable securities regulatory authorities and the Exchange and would be either a non-offering prospectus or provide for the issuance of securities required in connection with the completion of the qualifying transaction. Any such financing would not affect amounts held in the escrow account or amounts to be distributed to holders of the Class A Restricted Voting Shares therefrom. In the event that the Corporation proposes to acquire a target business that operates or has significant businesses in an emerging market jurisdiction, additional securities regulatory requirements may apply, and any such transaction may warrant additional review and scrutiny of the applicable securities regulatory authorities.

Initial Listing Requirements

Unless exempted by the Exchange, the reporting issuer resulting from our qualifying transaction must satisfy the initial listing requirements of the designated stock exchange (likely the Exchange), as prescribed under the applicable policies of the Exchange or such designated stock exchange.

GENERAL DEVELOPMENT OF THE BUSINESS

Initial Public Offering

On July 16, 2019 (the "**IPO Closing Date**"), the Corporation closed its initial public offering of 57,500,000 Class A Restricted Voting Units, including the exercise of the over-allotment option, at a price of $10.00 per Class A Restricted Voting Unit for gross proceeds of $575,000,000. Each Class A Restricted Voting Unit consisted of one Class A Restricted Voting Share and one-half of a share purchase warrant (each, a "**Warrant**"). The Class A Restricted Voting Units commenced trading on the Exchange on July 16, 2019 and traded until August 23, 2019. Effective August 26, 2019, the Class A Restricted Voting Units separated. Upon separation, the Class A Restricted Voting Shares and Warrants underlying the Class A Restricted Voting Units commenced trading separately on the Exchange. On or following completion of a qualifying transaction, each Class A Restricted Voting Share (unless previously redeemed) will be automatically converted into one common share of the Corporation (a "**Common Share**") and each Class B Share will

be automatically converted on a 100-for-1 basis into new proportionate voting shares of the Corporation ("**Proportionate Voting Shares**").

Prior to the IPO Closing Date, the Sponsor and four of the Corporation's directors, Jay Tucker, Adam Rothstein, Ethan Devine and Mussadiq Lakhani (collectively, the "**Founders**"), purchased 14,543,750 Class B Shares (the "**Founders' Shares**"), for an aggregate price of $25,000, or approximately $0.0017 per Founder's Share. In addition, concurrent with closing of the IPO, the Sponsor purchased 6,750,000 share purchase warrants (the "**Sponsor's Warrants**") at an offering price of $1.00 per Sponsor's Warrant (for an aggregate purchase price of $6,750,000) and 675,000 Class B Units of the Corporation (each consisting of one Class B Share and one-half of a Warrant) for a purchase price of $10.00 per Class B Unit (for an aggregate purchase price of $6,750,000), resulting in aggregate proceeds of approximately $13,500,000 to the Corporation.

The IPO was undertaken by the Corporation pursuant to the terms of an underwriting agreement (the "**Underwriting Agreement**") dated July 10, 2019 among the Corporation, our Sponsor and the Underwriter. Pursuant to the Underwriting Agreement, the Corporation paid $11,500,000 to the Underwriter on the closing of the IPO, being part of the Underwriter's fee. The balance of the Underwriter's fee, being $20,125,000, is deferred and will be paid to the Underwriter upon the closing of our qualifying transaction from the funds held in the escrow account (a portion of which may be satisfied, in the Corporation's sole discretion, through the issuance of Class B Shares).

Upon the closing of the IPO, the Corporation placed $10.00 per Class A Restricted Voting Unit (an aggregate of $575,000,000) in an escrow account with the Escrow Agent. The terms of the Escrow Agreement provide that, subject to applicable laws, none of the funds held in the escrow account will be released from the escrow account until the earliest of: (i) the closing of our qualifying transaction within the Permitted Timeline; (ii) a redemption (on the closing of a qualifying transaction or on an extension of the Permitted Timeline) of, or an automatic redemption of, Class A Restricted Voting Shares; and (iii) a Winding-Up. Proceeds held in the escrow account may also be used to satisfy the requirement of the Corporation to pay taxes on the interest or certain other amounts earned on the escrowed funds (including, if applicable, under Part VI.1 of the Tax Act arising in connection with the redemption of the Class A Restricted Voting Shares), and for payment of certain expenses.

The escrowed funds will also be used to pay the deferred underwriting commission in the amount of $20,125,000, which (subject to availability, failing which any shortfall shall be made up from other sources) will be payable by the Corporation to the Underwriter upon the closing of our qualifying transaction. The per share amount will be distributed to holders of Class A Restricted Voting Shares who properly redeem their shares, which will not be reduced by the deferred underwriting commission to be paid to the Underwriter and a portion of which may be satisfied through the issuance of Class B Shares provided that a portion may be used, at the complete discretion of the Corporation, to pay agents or advisers for services provided in connection with the qualifying transaction. The holders of Class B Shares (including holders of Class B Units), being our Founders do not have access to, and cannot benefit from, any proceeds held in the escrow account, and as such, do not have any redemption rights with respect to their Class B Shares and/or Class B Units. The qualifying transaction must occur within a Permitted Timeline, being no later than January 16, 2021 subject to an extension. The Permitted Timeline could be extended to up to 36 months with shareholder approval of only the holders of Class A Restricted Voting Shares, by ordinary resolution, with approval of the Corporation's board of directors. If we are unable to complete a qualifying transaction within the Permitted Timeline, we will redeem the Class A Restricted Voting Units using the cash held in the escrow account.

CAPITAL STRUCTURE OF THE CORPORATION

General

The Corporation is authorized to issue an unlimited number of Class A Restricted Voting Shares, an unlimited number of Class B Shares, an unlimited number of Common Shares, and an unlimited number of Proportionate Voting Shares, each without nominal or par value. Prior to the closing of the qualifying

transaction, the Corporation will not issue any Common Shares or Proportionate Voting Shares. Following the closing of the qualifying transaction, the Corporation will not issue any Class A Restricted Voting Shares or Class B Shares. Our Founders hold 14,543,750 Class B Shares (representing the Founders' Shares) and our Sponsor holds an additional 675,000 Class B Shares (which were initially part of the Class B Units) and 7,425,000 (including 6,750,000 Sponsor's Warrants and 675,000 Warrants which were initially part of the Class B Units). The Class A Restricted Voting Shares may be considered "restricted securities" within the meaning of such term under applicable Canadian securities laws.

The following description summarizes the material terms of our share capital. Because it is only a summary, it may not contain all the information that is important to you. For a complete description, please refer to our notice of articles, articles and the Warrant Agreement filed on SEDAR at www.sedar.com.

Units

Each Class A Restricted Voting Unit was comprised of one Class A Restricted Voting Share and one-half of a Warrant and each Class B Unit was comprised of one Class B Share and one-half of a Warrant. Each whole Warrant entitles the holder to purchase one Class A Restricted Voting Share (and on or following the closing of a qualifying transaction, each whole Warrant would represent the entitlement to purchase one Common Share). The Warrants will become exercisable commencing 65 days after the completion of our qualifying transaction. As the outstanding Class A Restricted Voting Shares are to be automatically converted into Common Shares on completion of our qualifying transaction, each whole Warrant outstanding will be exercisable for one Common Share, and at no time are the Warrants expected to be exercisable for Class A Restricted Voting Shares.

The Class A Restricted Voting Units began trading through the facilities of the Exchange under the symbol "SVC.UN.U" on July 16, 2019. Effective August 26, 2019, the Class A Restricted Voting Units separated. Upon separation, the Class A Restricted Voting Shares and Warrants underlying the Class A Restricted Voting Units commenced trading separately on the Exchange under the symbols "SVC.A.U" and "SVC.WT.U", respectively.

In addition to other resale restrictions, prior to the closing of the IPO, our Sponsor agreed, pursuant to the Exchange Agreement and Undertaking: (i) not to transfer any of its Founders' Shares or Sponsor's Warrants, as applicable, or Class B Units (or any Class B Shares or Warrants forming part of the Class B Units) until after the closing of the qualifying transaction, in each case other than transfers required due to the structuring of the qualifying transaction; and (ii) following the closing of the qualifying transaction, not to transfer the Proportionate Voting Shares underlying the Class B Shares forming part of the Class B Units (or the Common Shares into which such Proportionate Voting Shares are convertible) for a period of 12 months, subject to the closing price of the Common Shares equaling or exceeding $12.50 per Common Share (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) for any 20 trading days within a 30-trading day period.

Class A Restricted Voting Shares and Class B Shares

The following shares of the Corporation are outstanding:

- 57,500,000 Class A Restricted Voting Shares forming part of the Class A Restricted Voting Units (before the exercise of Warrants); and

- 15,218,750 Class B Shares (including the 14,543,750 Founders' Shares held by our Founders, and 675,000 Class B Shares which comprised part of the Class B Units purchased by our Sponsor).

On or following the closing of the qualifying transaction, each Class A Restricted Voting Share would, unless previously redeemed, be automatically converted into one Common Share, as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like.

The holders of the Class A Restricted Voting Shares are entitled to vote on and receive notice of meetings on all matters requiring shareholder approval (including any proposed extension to the Permitted Timeline and approval of the qualifying transaction if otherwise required under applicable law) other than the election and/or removal of directors and auditors prior to closing of a qualified transaction. The Corporation is not required to hold an annual meeting of shareholders prior to the closing of the qualifying transaction provided that an annual update is disseminated via press release and filed on SEDAR or otherwise made publicly available.

The holders of the Class B Shares are entitled to vote at all meetings of shareholders and on all matters requiring a shareholder vote, with the exception of an extension of the Permitted Timeline, which will only be voted upon by holders of Class A Restricted Voting Shares, as further described in the IPO Prospectus. Following the closing of the qualifying transaction, as applicable, the holders of the Common Shares (including those into which any remaining Class A Restricted Voting Shares have been converted) and the Proportionate Voting Shares will also be entitled to receive any dividends on an equal per share basis if, as and when declared by our board of directors. See “Dividend Policy”.

Only holders of Class A Restricted Voting Shares are entitled to have their shares redeemed, as further described below, and receive the escrow proceeds (net of applicable taxes and other permitted deductions) in the event a qualifying transaction does not occur within the Permitted Timeline, in the event of a qualifying transaction, and in the event of an extension to the Permitted Timeline. Holders of Class B Shares (including holders of Class B Units), being our Founders, do not have access to, and cannot benefit from, any proceeds held in the escrow account, and as such, do not have any redemption rights with respect to their Class B Shares. Our Founders (including our Sponsor) will, however, be entitled to such redemption rights using proceeds from the escrow account with respect to any Class A Restricted Voting Shares they may acquire. The holders of Class A Restricted Voting Shares and Class B Shares have no pre-emptive rights or other subscription rights and there are no sinking fund provisions applicable to these shares.

Consummation of the qualifying transaction will require approval by a majority of our directors unrelated to the qualifying transaction. In connection with seeking to complete a qualifying transaction, we will provide holders of our Class A Restricted Voting Shares with the opportunity to redeem all or a portion of their Class A Restricted Voting Shares, provided that they deposit their shares for redemption prior to the deadline specified by the Corporation, following public disclosure of the details of the qualifying transaction and prior to the closing of the qualifying transaction, of which prior notice had been provided to the holders of the Class A Restricted Voting Shares by any means permitted by the Exchange, not less than 21 days nor more than 60 days in advance of such deadline, in each case, with effect, subject to applicable law, immediately prior to the closing of our qualifying transaction, for an amount per share, payable in cash, equal to the pro-rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the escrow account at the time immediately prior to the redemption deposit deadline, including interest and other amounts earned thereon; less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the escrow account; and (ii) actual and expected expenses directly related to the redemption, each as reasonably determined by the Corporation, subject to the limitations described in the IPO Prospectus. For greater certainty, such amount will not be reduced by the amount of any tax of the Corporation under Part VI.1 of the Tax Act or the deferred underwriting commission per Class A Restricted Voting Share held in escrow. If approval of the qualifying transaction is otherwise required under applicable law, holders of Class A Restricted Voting Shares shall have the option to redeem their Class A Restricted Voting Shares irrespective of whether they vote for or against, or do not vote on, the qualifying transaction at any Shareholders Meeting, as further described under “Qualifying Transaction – Redemption Rights” in the IPO Prospectus. Holders of Class A Restricted Voting Shares will be given not less 21 days’ notice of the Shareholders Meeting (if such meeting is required under applicable law) and the corresponding redemption deposit deadline if such Shareholders Meeting is required. Participants through CDS may have earlier deadlines for accepting deposits of Class A Restricted Voting Shares for redemption. If a CDS participant’s deadline is not met by a holder of Class A Restricted Voting Shares, such holder’s Class A Restricted Voting Shares may not be eligible for redemption.

In connection with any shareholders meeting to vote on an extension to the Permitted Timeline, we will provide holders of our Class A Restricted Voting Shares with the opportunity to deposit for redemption all

or a portion of their Class A Restricted Voting Shares provided that they deposit their shares for redemption prior to the second business day before such meeting in respect of the extension. Upon the requisite approval of the extension of the Permitted Timeline, and subject to applicable law, we will be required to redeem such Class A Restricted Voting Shares so deposited for redemption at an amount per share, payable in cash, equal to the pro-rata portion (per Class A Restricted Voting Share) of: (A) the escrowed funds available in the escrow account at the time of the meeting in respect of the extension, including any interest and other amounts earned thereon, less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the escrow account; (ii) any taxes of the Corporation (including under Part VI.1 of the Tax Act) arising in connection with the redemption of the Class A Restricted Voting Shares; and (iii) actual and expected expenses directly related to the redemption, each as reasonably determined by the Corporation. For greater certainty, such amount will not be reduced by the deferred underwriting commission per Class A Restricted Voting Unit held in the escrow account.

Holders of Class A Restricted Voting Shares who redeem or sell their Class A Restricted Voting Shares will continue to have the right to exercise any Warrants they may hold if the qualifying transaction is consummated.

We are unable to estimate the amount per Class A Restricted Voting Share which we expect in the escrow account as at the end of the Permitted Timeline due to recent market conditions, the low interest rate environment and the expected uncertainty and volatility going forward. Due to recent rate cuts by central banks introduced as a result of the coronavirus epidemic, yields on instruments that are the obligation of, or guaranteed by, the federal government of the United States, which are instruments that the Corporation intends to invest in, have decreased significantly since the IPO Closing Date which will affect the interest the Corporation is expected to earn on the proceeds held in the escrow account.

The remaining unredeemed Class A Restricted Voting Shares would then be automatically converted on or following the closing of the qualifying transaction into one Common Share each (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like), and the residual escrow account balance would be available to the Corporation and the Underwriter, as applicable. Notwithstanding the foregoing redemption rights, each holder of Class A Restricted Voting Shares, together with any affiliate of such holder or any other person with whom such holder or affiliate is acting jointly or in concert, will not be permitted to redeem more than an aggregate of 15% of the number of Class A Restricted Voting Shares issued and outstanding following the IPO Closing Date. This limitation will not apply in the event a qualifying transaction does not occur within the Permitted Timeline, or in the event of an extension to the Permitted Timeline. By its election to redeem, each registered holder (other than CDS) and each beneficial holder of Class A Restricted Voting Shares shall be required to represent or shall be deemed to have represented to the Corporation that, together with any affiliate of such holder and any other person with whom such holder or affiliate is acting jointly or in concert, he, she or it is not redeeming Class A Restricted Voting Shares with respect to more than an aggregate of 15% of the number of Class A Restricted Voting Shares issued and outstanding following the IPO Closing Date.

If we are unable to consummate a qualifying transaction within the Permitted Timeline, we will be required to redeem, as promptly as reasonably possible, on an automatic redemption date specified by the Corporation (such date to be within 10 days following the last day of the Permitted Timeline), each of the outstanding Class A Restricted Voting Shares, for an amount per share, payable in cash, equal to the pro-rata portion (per Class A Restricted Voting Share) of: (A) the escrow funds available in the escrow account including any interest and other amounts earned thereon, less (B) an amount equal to the total of (i) any applicable taxes payable by the Corporation on such interest and other amounts earned in the escrow account; (ii) any taxes of the Corporation (including under Part VI.1 of the Tax Act) arising in connection with the redemption of the Class A Restricted Voting Shares; and (iii) up to a maximum of $50,000 of interest and other amounts earned from the proceeds in the escrow account to pay actual and expected Winding-Up expenses and certain other related costs (as described in the definition of the term “Winding-Up” in this AIF), each as reasonably determined by the Corporation. Holders of Class B Shares, being our Founders (and including our Sponsor), do not have any such redemption rights; however, the Founders will be entitled to such redemption payments from the escrow account with respect to any Class A Restricted Voting

Shares they may acquire if we fail to complete our qualifying transaction or seek an extension to the Permitted Timeline.

Upon such redemption, the rights of the holders of Class A Restricted Voting Shares as shareholders will be completely extinguished (including the right to receive further liquidation distributions, if any) and the Warrants will be cancelled. Subject to the prior rights of the holders of Class A Restricted Voting Shares, and whether prior to or following the Permitted Timeline, the Class B Shares would be entitled to receive the remaining property and assets of the Corporation available for distribution, after payment of liabilities, upon the Winding-Up of the Corporation, whether voluntary or involuntary, subject to applicable law.

Pursuant to the articles of the Corporation, no further Class B Shares or Class A Restricted Voting Shares may be issued commencing on the day following the closing of the qualifying transaction.

Common Shares

Pursuant to the articles of the Corporation, no Common Shares may be issued prior to the closing of the qualifying transaction, except in connection with such closing.

The holders of the Common Shares shall be entitled to receive notice of, and to attend and vote at all meetings of, the shareholders of the Corporation (except where solely the holders of one or more other specified classes of shares (other than the Common Shares) shall be entitled to vote at a meeting, in which case, only such holders shall be entitled to receive notice of, and attend and vote at, such meeting). Each Common Share shall confer the right to one vote.

Following the closing of the qualifying transaction, as applicable, the holders of the Common Shares (including those into which any remaining Class A Restricted Voting Shares and Class B Shares have been converted) will also be entitled to receive any dividends on an equal per share basis if, as and when declared by our board of directors. See “Dividend Policy”.

Subject to the prior rights of the holders of the Class A Restricted Voting Units (and the underlying Class A Restricted Voting Shares and Warrants) and applicable law, in the event of the Winding-Up or dissolution of the Corporation, whether voluntary or involuntary, and whether prior to or following the Permitted Timeline, the holders of the Common Shares (or the holders of the Class B Shares, as applicable) shall be entitled to receive the remaining property of the Corporation on a pro-rata basis.

A holder of Common Shares may at any time, at the option of the holder and with the consent of the Corporation, convert such Common Shares into Proportionate Voting Shares on the basis of 100 Common Shares for one Proportionate Voting Share.

Founders’ Shares, Class B Units and Sponsor’s Warrants

Our Founders own an aggregate of 14,543,750 Founders’ Shares (which are Class B Shares) that were obtained for an aggregate purchase price of $25,000, or approximately U.S.$0.0017 per Founders’ Share (before taking into account the Class B Shares forming part of the Class B Units purchased for $10.00 each pursuant to the IPO Prospectus).

The Founders’ Shares are subject to certain transfer restrictions, as described in more detail below, and our Founders (including our Sponsor) will not be entitled to access, or benefit from, the proceeds in the escrow account. Our Founders (including our Sponsor) will, however, be entitled to benefit from the proceeds in the escrow account for redemptions with respect to any Class A Restricted Voting Shares they may acquire if we fail to complete our qualifying transaction within the Permitted Timeline, or seek an extension to the Permitted Timeline.

The Founders’ Shares outstanding represent 20% of the shares issued and outstanding of the Corporation (including all Class A Restricted Voting Shares and Class B Shares).

Simultaneously with the closing of the IPO, our Sponsor purchased 6,750,000 Sponsor's Warrants at an offering price of $1.00 per Sponsor's Warrant (for an aggregate purchase price of U.S.$6,750,000) and 675,000 Class B Units (for an aggregate purchase price of $6,750,000) at an offering price of $10.00 per Class B Unit for aggregate proceeds equal to $13,500,000. While the Founders' Post-Qualifying Transaction Shares would likely be subject to escrow following the closing of the qualifying transaction pursuant to the Exchange's rules and applicable securities laws, the Proportionate Voting Shares into which the Class B Shares forming part of the Class B Units are convertible and Warrants issued to our Sponsor in connection with the sale of Class B Units will not, unless otherwise required by the Exchange or securities regulators, be subject to escrow following the closing of the qualifying transaction.

Our Founders agreed, pursuant to the Exchange Agreement and Undertaking: (i) not to transfer any of its Founders' Shares or Sponsor's Warrants, as applicable, or Class B Units (or any Class B Shares or Warrants forming part of the Class B Units) until after the closing of the qualifying transaction, in each case other than transfers required due to the structuring of the qualifying transaction; and (ii) following the closing of the qualifying transaction, not to transfer Proportionate Voting Shares underlying the Class B Shares forming part of the Class B Units (or the Common Shares into which such Proportionate Voting Shares are convertible) for a period of 12 months, subject to the closing price of the Common Shares equaling or exceeding $12.50 per Common Share (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) for any 20 trading days within a 30-trading day period.

Any Class A Restricted Voting Shares purchased by our Founders would not be subject to the restrictions set out in the Exchange Agreement and Undertaking.

Proportionate Voting Shares

Generally, the Common Shares and the Proportionate Voting Shares will have the same rights, will be equal in all respects and will be treated by the Corporation as if they were shares of one class only. No Common Shares or Proportionate Voting Shares will be issued prior to the closing of the qualifying transaction

Conversion Rights and Transfers

Issued and outstanding Proportionate Voting Shares, including fractions thereof, may at any time, subject to the FPI Condition, at the option of the holder, be converted into Common Shares at a ratio of 100 Common Shares per Proportionate Voting Share with fractional Proportionate Voting Shares convertible into Common Shares at the same ratio. Further, the board of directors may determine in the future that it is no longer advisable to maintain the Proportionate Voting Shares as a separate class of shares and may cause all of the issued and outstanding Proportionate Voting Shares to be converted into Common Shares at a ratio of 100 Common Shares per Proportionate Voting Share with fractional Proportionate Voting Shares convertible into Common Shares at the same ratio and the board of directors shall not be entitled to issue any more Proportionate Voting Shares under the articles of the Corporation thereafter.

The Proportionate Voting Shares are not transferrable without approval of the board of directors, except to Permitted Holders and in compliance with U.S. securities laws.

Conversion Conditions

The right of the Proportionate Voting Shares to convert into Common Shares is subject to certain conditions in order to maintain the Corporation's status as a "foreign private issuer" under U.S. securities laws. Unless otherwise waived by the board of directors of the Corporation, the right to convert the Proportionate Voting Shares is subject to the condition that the aggregate number of Common Shares and Proportionate Voting Shares (calculated as a single class) held of record, directly or indirectly, by residents of the United States (as determined in accordance with Rules 3b-4 and 12g3-2(a) under the *Securities Exchange Act of 1934*, as amended) may not exceed forty percent (40%) of the aggregate number of Common Shares and

Proportionate Voting Shares issued and outstanding after giving effect to such conversions (calculated as a single class) (the "**FPI Condition**").

A holder of Common Shares may at any time, at the option of the holder and with the consent of the Corporation, convert such Common Shares into Proportionate Voting Shares on the basis of 100 Common Shares for one Proportionate Voting Share.

No fractional Common Shares will be issued on any conversion of any Proportionate Voting Shares and any fractional Common Shares will be rounded down to the nearest whole number. For the purposes of the foregoing:

"**Affiliate**" means, with respect to any specified Person, any other Person which directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such specified Person.

"**Permitted Holders**" means (i) the initial holders of Proportionate Voting Shares, as applicable, on closing of the qualifying transaction; and (ii) any Affiliate or Person controlled, directly or indirectly, by one or more of the Persons referred to in clause (i) above.

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company. A Person is "controlled" by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and "controls", "controlling" and "under common control with" shall be interpreted accordingly.

Voting Rights

All holders of Proportionate Voting Shares and Common Shares will be entitled to receive notice of any meeting of shareholders of the Corporation, and to attend, vote and speak at such meetings, except those meetings at which only holders of a specific class of shares are entitled to vote separately as a class under the BCBCA. A quorum for the transaction of business at a meeting of shareholders is present if shareholders who, together, hold not fewer than 25% of the votes attaching to the outstanding voting shares entitled to vote at the meeting are present in person or represented by proxy.

On all matters upon which holders of Proportionate Voting Shares and Common Shares are entitled to vote:

- each Common Share is entitled to one vote per Common Share; and
- each Proportionate Voting Share is entitled to 100 votes per Proportionate Voting Share, and each fraction of a Proportionate Voting Share is entitled to the number of votes calculated by multiplying the fraction by 100.

The number of votes represented by fractional Proportionate Voting Shares will be rounded down to the nearest whole number. Unless a different majority is required by law or the articles of the Corporation, resolutions to be approved by holders of Common Share and Proportionate Voting Shares require approval by a simple majority of the total number of votes of all Common Share and Proportionate Voting Shares cast at a meeting of shareholders at which a quorum is present based on the voting entitlements of each class of shares described above.

Dividend Rights

Holders of Common Share and Proportionate Voting Shares are entitled to receive dividends out of the assets available for the payment or distribution of dividends at such times and in such amount and form as the board of directors may from time to time determine on the following basis, and otherwise without preference or distinction among or between the Common Share and Proportionate Voting Shares: each Proportionate Voting Share will be entitled to 100 times the amount paid or distributed per Common Share (including by way of share dividends, which holders of Proportionate Voting Shares will receive in Proportionate Voting Shares, unless otherwise determined by the board of directors) and each fraction of a Proportionate Voting Share will be entitled to the applicable fraction thereof. See "Conversion Rights and Transfers" above.

Liquidation Rights

In the event of the liquidation, dissolution or winding-up of the Corporation or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, whether voluntarily or involuntarily, the holders of Common Share and Proportionate Voting Shares will be entitled to receive all of the Corporation's assets remaining after payment of all debts and other liabilities on the basis that each Proportionate Voting Share will be entitled to 100 times the amount distributed per Common Share (and each fraction of a Proportionate Voting Share will be entitled to the amount calculated by multiplying the fraction by the amount otherwise payable in respect of a whole Proportionate Voting Share), and otherwise without preference or distinction among or between the shares. See "Conversion Rights and Transfers" above.

Pre-emptive and Redemption Rights

Holders of Common Share and Proportionate Voting Shares will not have any pre-emptive or redemption rights.

Subdivision or Consolidation

No subdivision or consolidation of any class of Common Shares or Proportionate Voting Shares may be carried out unless, at the same time, the Common Shares and Proportionate Voting Shares, as the case may be, are subdivided or consolidated in the same manner and on the same basis, so as to preserve the relative rights of the holders of each class of shares.

Certain Amendments

In addition to any other voting right or power to which the holders of Common Shares and Proportionate Voting Shares shall be entitled by law or regulation or other provisions of the articles of the Corporation from time to time in effect, but subject to the provisions of the articles of the Corporation, holders of Common Shares and Proportionate Voting Shares shall each be entitled to vote separately as a class, in addition to any other vote of shareholders that may be required, in respect of any alteration, repeal or amendment of our articles which would adversely affect the rights or special rights of the holders of Common Shares or Proportionate Voting Shares, or which would affect the rights of the holders of the Common Shares and the holders of Proportionate Voting Shares differently, on a per share basis, including an amendment to the terms of the articles that provide that any Proportionate Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Common Shares.

Pursuant to the articles of the Corporation, holders of Common Shares and Proportionate Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our shareholders under the BCBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of the Common Shares and Proportionate Voting Shares, each voting separately as a class.

Issuance of Additional Proportionate Voting Shares

The Corporation may issue additional Proportionate Voting Shares upon the approval of the board of directors. Approval is not required in connection with a subdivision or consolidation on a pro rata basis as between the Common Shares and the Proportionate Voting Shares.

Take-Over Bid Protection

If an offer is being made for Proportionate Voting Shares (a "**PVS Offer**") where: (i) by reason of applicable securities legislation or stock exchange requirements, the offer must be made to all holders of the class of Proportionate Voting Shares; and (ii) no equivalent offer is made for the Common Shares, the holders of Common Shares have the right, pursuant to the articles of the Corporation, at their option, to convert their Common Shares into Proportionate Voting Shares for the purpose of allowing the holders of the Common Shares to tender to such PVS Offer, provided that such conversion into Proportionate Voting Shares will be solely for the purpose of tendering the Proportionate Voting Shares to the PVS Offer in question and that any Proportionate Voting Shares that are tendered to the PVS Offer but that are not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

In the event that holders of Common Shares are entitled to convert their Common Shares into Proportionate Voting Shares in connection with a PVS Offer pursuant to (ii) above, holders of an aggregate of Common Shares of less than 100 (an "**Odd Lot**") will be entitled to convert all but not less than all of such Odd Lot of Common Shares into an applicable fraction of one Proportionate Voting Share, provided that such conversion into a fractional Proportionate Voting Share will be solely for the purpose of tendering the fractional Proportionate Voting Share to the PVS Offer in question and that any fraction of a Proportionate Voting Share that is tendered to the PVS Offer but that is not, for any reason, taken up and paid for by the offeror will automatically be reconverted into the Common Shares that existed prior to such conversion.

Compliance Provisions

The Corporation's notice of articles and articles, among other things, facilitate compliance with applicable regulatory and/or licensing regulations. In particular, the articles contain certain provisions (the "**Compliance Provisions**"), including a combination of certain remedies such as an automatic suspension of voting and/or dividend rights, a discretionary right to force a share transfer to a third party and/or a discretionary redemption right in favour of the Corporation, in each case to seek to ensure that the Corporation and its subsidiaries are able to comply with applicable regulatory and licensing regulations. The purpose of the Compliance Provisions is to provide the Corporation with a means of protecting itself from having a shareholder or a group of shareholders acting jointly or in concert, with an ownership interest of, whether of record or beneficially (or having the power to exercise control or direction over) ("**Owning or Controlling**"), five percent (5%) or more of the issued and outstanding shares of the Corporation, or such other number as is determined by the board of directors from time to time, and: (i) who a governmental authority granting licenses to, or otherwise governing the operations of, the Corporation or its subsidiaries has determined to be unsuitable to own Common Shares and/or Proportionate Voting Shares, as applicable; (ii) whose ownership of Common Shares and/or Proportionate Voting Shares, as applicable, may reasonably result in the loss, suspension or revocation (or similar action) with respect to any licenses or permits relating to the Corporation or its subsidiaries' conduct of business (being the conduct of any activities relating to the cultivation, manufacturing and dispensing of cannabis and cannabis-derived products in the United States, which include the owning and operating of cannabis licenses) or in the Corporation being unable to obtain any new licenses or permits in the normal course, all as determined by the board of directors; or (iii) who have not been determined by the applicable regulatory authority to be an acceptable person or otherwise have not received the requisite consent of such regulatory authority to own the Common Shares and/or Proportionate Voting Shares, as applicable, in each case within a reasonable time period acceptable to the board of directors or prior to acquiring any Common Shares and/or Proportionate Voting Shares, as applicable (in each case, an "**Unsuitable Person**"). The ownership restrictions in the Corporation's notice of articles and articles are also subject to an exemption for applicable

depositaries and clearing houses as well as underwriters (as defined in the *Securities Act* (Ontario)) in the course of a distribution of securities of the Corporation.

Notwithstanding the foregoing, the Compliance Provisions provide that any shareholder (or group of shareholders acting jointly or in concert) proposing to Own or Control five percent (5%) or more of the issued and outstanding shares of the Corporation (or such other number as is determined by the board of directors from time to time) will be required to provide not less than 30 days' advance written notice to the Corporation by mail sent to the Corporation's registered office to the attention of the Corporate Secretary and to obtain all necessary regulatory approvals. Upon any such shareholder(s) Owning or Controlling five percent (5%) or more of the issued and outstanding shares of the Corporation (or such other number as is determined by the board of directors from time to time), and having not received the requisite approval of any applicable regulatory authority to own the Common Shares and/or Proportionate Voting Shares, as applicable, the Compliance Provisions will provide: (i) that such shareholder(s) may, in the discretion of the board of directors, be prohibited from exercising any voting rights and/or receiving any dividends from the Corporation, unless and until all requisite regulatory approvals are obtained; and (ii) the Corporation with a right, but not the obligation, at its option, upon notice to the Unsuitable Person, to: (A) redeem any or all Common Shares and/or Proportionate Voting Shares, as applicable, directly or indirectly held by an Unsuitable Person; and/or (B) forcibly transfer any or all Common Shares and/or Proportionate Voting Shares, as applicable, held directly or indirectly by an Unsuitable Person to a third party. Such rights are required in order for the Corporation to comply with regulations in various jurisdictions where the Corporation or its subsidiaries may conduct business.

Upon receipt by the holder of a notice to redeem or to transfer any or all of its Common Shares and/or Proportionate Voting Shares, the holder will be entitled to receive, as consideration therefor, no less than 95% of the lesser of: (i) the closing price of the Common Shares on the Exchange (or the then principal exchange on which the Corporation's securities are quoted for trading) on the trading day immediately prior to the closing of the redemption or transfer (or the average of the last bid and last asking prices if there was no trading on the specified date); and (ii) the five-day volume weighted average price of the Common Shares on the Exchange (or the then principal exchange on which the Corporation's securities are quoted for trading) for the five trading days immediately prior to the closing of the redemption or transfer (or the average of the last bid and last asking prices if there was no trading on the specified dates).

Further, a holder of the Common Shares and/or Proportionate Voting Shares, as applicable, will be prohibited from acquiring five percent (5%) or more of the issued and outstanding shares of the Corporation, directly or indirectly, in one or more transactions, without providing 30 days' advance written notice to the Corporation by mail sent to the Corporation's registered office to the attention of the Corporate Secretary. The foregoing restriction will not apply to the ownership, acquisition or disposition of Common Shares and/or Proportionate Voting Shares, as applicable, as a result of: (i) transfer of Common Shares and/or Proportionate Voting Shares, as applicable, occurring by operation of law including, inter alia, the transfer of Common Shares and/or Proportionate Voting Shares, as applicable, to a trustee in bankruptcy; (ii) an acquisition or proposed acquisition by one or more underwriters who hold Common Shares and/or Proportionate Voting Shares, as applicable, for the purposes of distribution to the public or for the benefit of a third party provided that such third party is in compliance with the foregoing restriction; or (iii) conversion, exchange or exercise of securities issued by the Corporation or a subsidiary into or for Common Shares and/or Proportionate Voting Shares, as applicable, in accordance with their respective terms. If the board of directors reasonably believes that any such holder of the Common Shares may have failed to comply with the foregoing restrictions, the Corporation may apply to the Supreme Court of British Columbia, or any other court of competent jurisdiction, for an order directing that such shareholder disclose the number of Common Shares and/or Proportionate Voting Shares, as applicable, directly or indirectly held.

Notwithstanding the adoption of the Compliance Provisions, the Corporation may not be able to exercise such rights in full or at all, including its redemption rights. Under the BCBCA, a corporation may not make any payment to redeem shares if there are reasonable grounds for believing that the company is unable to pay its liabilities as they become due in the ordinary course of its business or if making the payment of the redemption price or providing the consideration would cause the company to be unable to pay its liabilities as they become due in the ordinary course of its business. Furthermore, the Corporation may become

subject to contractual restrictions on its ability to redeem its Common Shares and/or Proportionate Voting Shares, as applicable, by, for example, entering into a secured credit facility subject to such restrictions. In the event that restrictions prohibit the Corporation from exercising its redemption rights in part or in full, the Corporation will not be able to exercise its redemption rights absent a waiver of such restrictions, which the Corporation may not be able to obtain on acceptable terms or at all.

Advance Notice Provisions

The Corporation has included certain advance notice provisions with respect to the election of its directors in its articles (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all shareholders receive adequate notice of director nominations to the board of directors and sufficient information with respect to all nominees; and (iii) allow shareholders to register an informed vote. Only persons who are nominated by shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors 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.

Under the Advance Notice Provisions, a shareholder wishing to nominate a director would be required to provide the Corporation, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of shareholders (including annual and special meetings), not fewer than 30 days prior to the date of the annual meeting of shareholders; provided, that if the first public announcement of the date (the "**Notice Date**") of the annual meeting of shareholders is less than 50 days before the meeting date, not later than the close of business on the 15th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not fewer than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Warrants

There is an aggregate of 35,837,500 Warrants (28,750,000 Warrants forming part of the Class A Restricted Voting Units sold to the public and 337,500 Warrants forming part of the Class B Units and 6,750,000 Sponsor's Warrants sold to our Sponsor) outstanding. Each whole Warrant entitles the registered holder to purchase one Class A Restricted Voting Share (and on or following the closing of a qualifying transaction, each whole Warrant would represent the entitlement to purchase one Common Share). The Warrants will become exercisable commencing 65 days after the completion of our qualifying transaction. As the outstanding Class A Restricted Voting Shares will have been automatically converted into Common Shares, each whole Warrant outstanding will be exercisable for one Common Share, and at no time are the Warrants expected to be exercisable for Class A Restricted Voting Shares.

The Warrants will expire at 5:00 p.m. (Toronto time) on the day that is five years after the completion of our qualifying transaction or may expire earlier upon our Winding-Up or if the expiry date is accelerated.

Once the Warrants become exercisable, we may accelerate the expiry date of the outstanding Warrants (excluding the Sponsor's Warrants but only to the extent still held by our Sponsor at the date of public announcement of such acceleration and not transferred prior to the accelerated expiry date, due to the anticipated knowledge by our Sponsor of material undisclosed information which could limit their dealings in such securities) by providing 30 days' notice, if and only if, the closing price of the Common Shares equals or exceeds $18.00 per Common Share (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) for any 20 trading days within a 30-trading day period.

The right to exercise will be forfeited unless the Warrants are exercised prior to the date specified in the notice of acceleration of the expiry date. On and after the acceleration of the expiry date, a record holder of a Warrant will have no further rights.

The exercise price and number of shares issuable on exercise of the Warrants may be adjusted in certain circumstances, including in the event of a stock dividend, Extraordinary Dividend, or our recapitalization, reorganization, merger or consolidation. The Warrants will not, however, be adjusted for issuances of shares at a price below their exercise price.

Warrants may be exercised only for a whole number of shares. No fractional shares will be issued upon exercise of the Warrants. If, upon exercise of the Warrants, a holder would be entitled to receive a fractional interest in a share, we will, upon exercise, round down to the nearest whole number of shares to be issued to the Warrant holder.

The exercise of the Warrants by any holder in the United States, or that is a U.S. Person, may only be effected in compliance with an exemption from the registration requirements of the U.S. Securities Act and applicable State "blue sky" securities laws.

In no event would the Warrants be entitled to escrow account proceeds. The Warrant holders do not have the rights or privileges of holders of shares and any voting rights until they exercise their Warrants and receive corresponding shares. After the issuance of corresponding shares upon exercise of the Warrants, each holder will be entitled to one vote for each share held of record on all matters to be voted on by shareholders. On the exercise of any Warrant, the Warrant exercise price will be $11.50, subject to adjustments as described herein and in the IPO Prospectus.

The Warrant Agent shall, on receipt of a written request of the Corporation or holders of not less than 25% of the aggregate number of Warrants then outstanding, convene a meeting of holders of Warrants upon at least 21 calendar days' written notice to holders of Warrants. Every such meeting shall be held in Toronto, Ontario or at such other place as may be approved or determined by the Warrant Agent. A quorum at meetings of holders or Warrants shall be two persons present in person or represented by proxy holding or representing more than 20% of the aggregate number of Warrants then outstanding.

From time to time, the Corporation and the Warrant Agent, without the consent of the holders of Warrants, may amend or supplement the Warrant Agreement for certain purposes including curing defects or inconsistencies or making any change that does not adversely affect the rights of any holder of Warrants. Any amendment or supplement to the Warrant Agreement that adversely affects the interests of the holders of Warrants may only be made by an "extraordinary resolution", which is defined in the Warrant Agreement as a resolution either (i) passed at a meeting of the holders of Warrants by the affirmative vote of holders of Warrants representing not less than two-thirds of the aggregate number of the then outstanding Warrants represented at the meeting and voted on such resolution; or (ii) adopted by an instrument in writing signed by the holders of Warrants representing not less than two-thirds of the aggregate number of the then outstanding Warrants.

The Warrants forming part of the Class B Units and the Sponsor's Warrants issued to our Sponsor will be identical to the Warrants forming part of the Class A Restricted Voting Units. Our Founders agreed, pursuant to the Exchange Agreement and Undertaking, not to transfer any of its Founders' Shares or Sponsor's Warrants, as applicable, or any of its Class B Units (or any Class B Shares or Warrants forming part of the Class B Units) until after the closing of the qualifying transaction. In each case, other than transfers required due to the structuring of the qualifying transaction.

Make Whole Covenants

Although we will seek to have all vendors, service providers (other than our auditors), prospective qualifying business targets or other entities with which we do business, execute agreements with us waiving any right, title, interest or claim of any kind in or to any monies held in the escrow account for the benefit of holders

of our Class A Restricted Voting Shares, there is no guarantee that they will execute such agreements or that, even if they execute such agreements, they would be prevented from bringing claims against the Corporation (including amounts held in the escrow account) including, but not limited to, fraudulent inducement, breach of fiduciary responsibility or other similar claims, as well as claims challenging the enforceability of the waiver, in each case in order to gain an advantage with respect to a claim against our assets, including the funds held in the escrow account. In addition, there is no guarantee that such entities will agree to waive any claims they may have in the future as a result of, or arising out of, any negotiations, contracts or agreements with us and will not seek recourse against the escrow account for any reason.

In order to protect the amounts held in the escrow account, prior to the closing of the IPO, and pursuant to the Make Whole Agreement and Undertaking, our Sponsor agreed that, (A) in the event of the liquidation of the escrow account upon the occurrence of the automatic redemption by the Corporation of the Class A Restricted Voting Shares resulting from the inability of the Corporation to complete a qualifying transaction within the Permitted Timeline, or on a Winding-Up, or (B) in the event of an extension to the Permitted Timeline, or the completion of a qualifying transaction, it will be liable to us if and to the extent any claims by any third party (other than our auditors) for services rendered or products sold to us, or a prospective qualifying transaction target with which we have entered into, or discussed entering into a transaction agreement, reduce the amount of funds in the escrow account to below the lesser of (i) $10.00 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) per Class A Restricted Voting Share; or (ii) such lesser amount per Class A Restricted Voting Share held in the escrow account as of the date of the full or partial liquidation of the escrow account, as applicable, due to reductions in the value of the assets held in escrow (other than due to the failure to obtain waivers from such third parties), in the case of both (i) and (ii), less the amount of interest which may be withdrawn to pay taxes, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the escrow account, and except as to any claims under our indemnity of the Underwriter against certain liabilities.

We believe the likelihood of our Sponsor having to indemnify us is limited because we will endeavor to have all or substantially all vendors and prospective qualifying transaction targets as well as other entities execute agreements with us waiving any right, title, interest or claim of any kind in or to monies held in the escrow account. However, we cannot assure investors that our Sponsor would be able to satisfy those obligations, and we have not asked our Sponsor to reserve for such eventuality. Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, our Sponsor will not be responsible to the extent of any liability for such third-party claims. We have not asked our Sponsor to reserve for such eventuality.

In the event of an extension to the Permitted Timeline, an automatic redemption, or a Winding-Up, whereby the taxes payable pursuant to Part VI.1 of the Tax Act would cause the amounts paid per share from the escrow account to redeeming holders of Class A Restricted Voting Shares to be less than the initial $10.00 invested (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like), our Sponsor will, pursuant to the Make Whole Agreement and Undertaking, be liable to the Corporation for an amount required in order for the Corporation to be able to pay $10.00 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) per Class A Restricted Voting Share to redeeming holders of Class A Restricted Voting Shares (but in no event more than the Part VI.1 taxes that would be owing by the Corporation where the amount paid to redeem each applicable Class A Restricted Voting Share would be $10.00 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) per Class A Restricted Voting Share). Other than as described herein or in the IPO Prospectus, our Sponsor will not be liable to the Corporation for any other reductions to the escrow account that would cause the Corporation to pay less than $10.00 per Class A Restricted Voting Share to redeeming holders, including any amount on account of non-resident withholding tax applicable to any deemed dividends that arise on any redemptions.

Our Sponsor is permitted to make direct payments or contributions to the escrow account in the manner it determines, for indemnity purposes or otherwise.

In the event that our Sponsor asserts that it is unable to satisfy its indemnification obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our Sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our Sponsor to enforce its indemnification obligations to us, it is possible that our independent directors, in exercising their business judgment, may choose not to do so in any particular instance. Accordingly, we cannot assure investors that due to claims of creditors, the actual value of the per share redemption price will not be substantially less than $10.00 per Class A Restricted Voting Unit.

DIVIDEND POLICY

We have not paid any cash dividends on our shares to date. Class A Restricted Voting Shares and Class B Shares would be entitled to dividends on an equal per share basis, if, as and when declared by the board of directors of the Corporation. However, we do not intend to declare or pay any cash dividends prior to the completion of our qualifying transaction. The payment of cash dividends in the future following the completion of our qualifying transaction will be dependent upon our revenues and earnings, if any, capital requirements and general financial condition and will be at the discretion of our existing board of directors at that time.

MARKET FOR SECURITIES

Trading Price and Volume

The Class A Restricted Voting Shares and the Warrants are listed for trading on the Exchange under the symbols “SVC.A.U” and “SVC.WT.U”, respectively. The Class A Restricted Voting Units traded on the Exchange under the symbol “SVC.UN.U” prior to the separation of the Class A Restricted Voting Units on August 26, 2019.

The following is a monthly summary of trading in the Class A Restricted Voting Shares for the period commenced on August 26, 2019, when the Class A Restricted Voting Shares first began trading separately on the Exchange, to December 31, 2019:

Month	High price	Low price	Total volume by month (number of shares)
August 2019 (26-31)	$9.75	$9.63	1,237,571
September 2019	$9.71	$9.55	3,715,285
October 2019	$9.70	$9.55	5,294,575
November 2019	$9.70	$9.60	1,550,800
December 2019	$9.80	$9.60	2,336,300

Source: Bloomberg

The following is a monthly summary of trading in the Warrants for the period commenced on August 26, 2019, when the Warrants first began trading separately on the Exchange, to December 31, 2019:

Month	High price	Low price	Total volume by month (number of shares)
August 2019 (26-31)	$0.70	$0.55	753,380
September 2019	$0.80	$0.55	2,428,834
October 2019	$0.79	$0.55	628,058
November 2019	$0.78	$0.62	911,925
December 2019	$1.10	$0.70	2,034,179

Source: Bloomberg

The following is a monthly summary of trading in the Class A Restricted Voting Units for the period commenced on July 16, 2019, when the Class A Restricted Voting Units first began trading on the Exchange, to August 23, 2019, the last day on which they traded prior to their separation**:**

Month	High price	Low price	Total volume by month (number of shares)
July 2019 (16-31)	$10.08	$9.95	9,604,500
August 2019 (1-23)	$10.03	$9.95	1,652,500

Source: Refinitiv Eikon

Prior Sales

In connection with incorporation and initial organization of the Corporation, the Corporation issued one Class B Share to the Sponsor on June 17, 2019 (the "**Incorporation Share**") at a price of $10.00 for the Class B Share. Since then and before the closing of the IPO, the Corporation issued 14,543,749 Class B Shares (which, together with the Incorporation Share, represents the Founders' Shares) as follows:

Date	Number of Class B Shares	Issue price per Class B Share	Aggregate issue price
June 17, 2019	1	$10.00	$10.00
July 9, 2019	14,543,749	$0.0017	$24,990

In connection with the closing of the IPO, the Corporation issued 675,000 Class B Units as follows:

Date	Number of Class B Units	Issue price per Class B Unit	Number of underlying Class B Shares	Number of underlying Warrants
July 16, 2019	675,000	$10.00	675,000	337,500

In connection with the closing of the IPO, the Corporation issued 6,750,000 Warrants as follows:

Date	Number of Warrants	Issue price per Warrant
July 16, 2019	6,750,000	$1.00

ESCROWED SECURITIES AND SECURITIES SUBJECT TO CONTRACTUAL RESTRICTIONS ON TRANSFER

Designation of Class	Number of securities that are subject to a contractual restriction on transfer	Percentage of class as at March 31, 2019
Class B Shares[(1)(2)]	15,218,750	100%
Warrants[(2)]	7,087,500	19.78%

(1) Pursuant to the Exchange Agreement and Undertaking, the Founders have agreed not to transfer the Proportionate Voting Shares underlying the Class B Shares forming part of the Class B Units (or the Common Shares into which such Proportionate Voting Shares are convertible), for a period of 12 months following closing of the qualifying transaction, subject to the closing price of the Common Shares equaling or exceeding $12.50 per Common Share (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) for any 20 trading days within a 30-trading day period.

(2) Pursuant to the Exchange Agreement and Undertaking, the Founders have agreed not to transfer any of its Founders' Shares or Sponsor's Warrants, as applicable, or Class B Units (or any Class B Shares or Warrants forming part of the Class B Units) until after the closing of the qualifying transaction, in each case other than transfers required due to the structuring of the qualifying transaction.

VOTING SECURITIES AND PRINCIPAL SHAREHOLDERS

The Corporation is authorized to issue an unlimited number of Class A Restricted Voting Shares, an unlimited number of Class B Shares, an unlimited number of Common Shares and an unlimited number of Proportionate Voting Shares, each without nominal or par value. The Founders hold 14,543,750 Class B Shares (representing the Founders' Shares) and our Sponsor holds 675,000 Class B Share previously forming part of the Class B Units. The Class A Restricted Voting Shares are "restricted securities" within the meaning of such term under applicable Canadian securities laws.

The following table discloses the names of the persons or companies who, to the knowledge of the Corporation, as of the date hereof, beneficially owned, or controlled or directed, directly or indirectly, more than 10% of any class or series of the voting securities of the Corporation:

Name	Number of Class A Restricted Voting Shares	Percentage of Class A Restricted Voting Shares (%)	Number of Class B Shares	Percentage of Class B Shares (%)
Subversive Capital Sponsor LLC	--	--	15,748,750	99.54%

DIRECTORS AND OFFICERS

Name, Address, Occupation and Securities Holding

The following are the names and municipalities of residence of our current directors and officers, their positions and offices with the Corporation and corresponding start dates, and their principal occupations during the last five years.

Name and municipality of residence	Office held with the Corporation	Director and/or Officer Since	Present principal occupation and positions held[(1)]
Leland Hensch *New York, NY*	Chief Executive Officer, Director	June 17, 2019	Private Investor
Jay Tucker *New York, NY*	Chief Financial Officer, Director	June 17, 2019	Chief Operating Officer of Weiss Multi-Strategy Advisers LLC and President of Weiss Multi-Strategy Funds LLC
Michael B. Auerbach *New York, NY*	Chairman, Director	June 17, 2019	General Partner of Subversive Capital
Ethan Devine *Atlanta, GA*	Director	July 2, 2019	Former Partner of Indus Capital Partners, LLC
Adam Rothstein *Westport, CT*	Director	June 17, 2019	General Partner at Disruptive Technologies Venture Capital
Mussadiq Lakhani *New York, NY*	Director	June 17, 2019	Private Investor, Special Situations and Credit

(1) Each of the persons has held these positions for five years other than as described below.

As of the date hereof, the officers and directors of the Corporation hold an aggregate of 70,000 Class B Shares, representing approximately 0.46% of the Class B Shares.

The following are brief biographies of the directors and officers of the Corporation.

Directors and Officers

Leland Hensch

Mr. Hensch is a private investor and a general partner of a private investment fund focused on investing primarily in publicly listed securities of issuers in the cannabis industry which is in the initial stages of raising funds. Mr. Hensch began his career in 1992 with Hull Trading as an equity derivatives trader on the Chicago Board of Options Exchange. His first trading assignment was in the Frankfurt, Germany office from 1994 to 1998 where he traded on the Deustche Terrmine Borse. Mr. Hensch was hired by Goldman Sachs London in 2001 to head the UK Derivatives desk. In 2004, he relocated to New York to run Macro Derivatives Trading desk. In 2009, Mr. Hensch started Goldman's Emerging Markets equity trading team in Sao Paulo and was later promoted to Head of Americas Equity trading in 2013. Mr. Hensch was named partner in 2012 and retired in 2016. Since leaving Goldman Sachs, Mr. Hensch has made a number of investments across cannabis, real estate, hospitality, media, and technology businesses. He has been an active

investor/owner in the hospitality and media businesses. Mr. Hensch sits on the investment board of The Foundry Mezzanine fund and is still active in equity market trading. Mr. Hensch has a BS in Finance from The Kelley School at Indiana University.

Jay Tucker

Mr. Tucker is Chief Operating Officer of Weiss Multi-Strategy Advisers LLC and President of Weiss Multi-Strategy Funds LLC and President and Interested Trustee of Weiss Strategic Interval Fund. Mr. Tucker joined George Weiss Associates, Inc in 2008. In 2003, he opened the Macro Fund, East Wind Capital Partners, LP and East Wind Capital International, Ltd. Prior to that, Mr. Tucker also managed a macro fund for Troubh Partners. Between 1997 and 1999, Mr. Tucker managed $75 million for Caxton Associates LP in a macro/emerging markets portfolio. Beginning in 1985 he spent 11 years at CreditSuisse First Boston, managing foreign exchange and local emerging markets trading. He is a former board member of the Financial Index Exchange, the Currency Committee of the Chicago Mercantile Exchange, and the Real Estate Finance Alliance at George Washington University. Mr. Tucker is a current Trustee and Treasurer of Franklin University in Lugano, Switzerland. Mr. Tucker is also involved in The Disability Opportunity Fund, a non-profit providing housing loans and advice to parents of children with disabilities and serves on the Advisory Board for the School of Business at the College of Charleston. He received his BA degree from George Washington University and an AA Degree from Franklin University in Lugano, Switzerland.

Michael B. Auerbach

Mr. Auerbach is an entrepreneur, investor, business consultant, and private diplomat. He founded Subversive Capital as a vehicle to invest in radical companies whose core missions subvert the status quo and require sophisticated government and regulatory strategies for success. Michael is an expert in the global cannabis industry and is a significant shareholder and board director of both Tilray, Inc. and Privateer Holdings, Inc. Mr. Auerbach has served as Senior Vice President of Albright Stonebridge Group, a global strategy firm since 2012, he also serves as a General Partner of Subversive Capital, a venture capital firm and a private investment fund focused on investing primarily in publicly listed securities of issuers in the cannabis industry which is in the initial stages of raising funds. Since June 2019, he has served as a director of Tuscan II, a Delaware blank check company seeking to complete its initial public offering. Since March 2019, he has served as a director of Tuscan Holdings, a Delaware blank check company that raised $276,000,000 in its initial public offering in March 2019 seeking to consummate an initial business combination. From September 2009 to July 2012, he was Vice President, Social Risk Consulting at Control Risks, a global risk consulting firm. From September 2010 to January 2011, he was also an Adjunct Professor at The New School for Social Research. From 2007 to 2009, he was Chief Executive Officer of Social Risks, LLC, a consulting firm. From 2005 to 2007, he was Associate Director for The Century Foundation, a progressive, non-partisan think tank. He began his career in technology in 1993 when he founded Panopticon, a venture capital incubator concentrating on internet and mobile technology, and served as its Chief Executive Officer until January 2004. Mr. Auerbach also sits on the boards of Privateer Holdings, Inc., Tilray, Inc., Duco Advisors, Inc., and MainBase, SA. He has an MA in International Relations from Columbia University and BA in Critical Theory from the New School.

Ethan Devine

Mr. Devine is a private investor and former partner of Indus Capital Partners, LLC. Mr. Devine began his career at Goldman Sachs Latin America Equity Research. He joined Indus Capital in 2001, became a Partner in 2005, and served as co-portfolio manager of the Indus Japan Fund until 2009 when he launched the Indus Markor Fund. Markor played a pivotal role in the revival of companies including Olympus Corporation, corporate transactions including the merger of Coca Cola East and West in Japan, and the growth of new companies and industries including Canopy Growth Corporation and Tilray, Inc. Mr. Devine's views on policy and investing have appeared in the Wall Street Journal, the Financial Times, the New York Times, Foreign Policy, and the Atlantic Monthly. He served as an observer on the board of Jamba Inc. and on the boards and investment committees of numerous charitable organizations. He graduated Swarthmore College in 1999 with a degree in Spanish Literature and Computer Science.

Adam Rothstein

Mr. Rothstein is a co-founder and General Partner in Disruptive Technology Partners an Israeli technology focused early stage investment fund, a co-founder and General Partner in Disruptive Growth a collection of late stage investment vehicles focused on Israeli technology, a Venture Partner in Subversive Capital and the Managing Member of 1007 Mountain Drive Partners. Adam has over 20 years of investment experience and has served as the Chief Investment Officer of Intana Management, a market neutral hedge fund focused on technology, media and entertainment and as a Partner of the Select Technology and Software Funds at Robeco Investment Management (the parent company of Weiss, Peck & Greer). Adam currently has over 10 Board and Board Observer seats for Disruptive, Subversive Capital and 1007 Mountain Drive Partners in the technology, media and entertainment sectors. Adam graduated summa cum laude with a Bachelor of Science in Economics from the Wharton School of Business at the University of Pennsylvania and has an MPhil in Finance from the University of Cambridge.

Mussadiq Lakhani

Mr. Lakhani has over twenty years of experience within the capital markets and investment management. Most recently, Mussadiq was a Managing Director and Portfolio Manager at Capstone Investment Advisors. For the seven years before joining Capstone, he was the Co-Head of Credit Opportunities at Royal Bank of Canada, managing a $3 billion gross portfolio of proprietary investments in credit and equity securities. Prior to Royal Bank of Canada, he was Co-Chief Investment Officer and Portfolio manager of ARX Investment Management, a credit long/short hedge fund with over a $1 billion of assets under management. While at ARX Investment Management, Mussadiq covered Telecommunications and Technology sectors in addition to managing the research process as a Co-CIO. Previously, he was an Associate at Morgan Stanley in the Global Investment Banking Department. Mussadiq received a B.A. in Mathematics and a B.A. in Economics Phi Beta Kappa and Cum Laude from Macalester College.

Indemnification and Insurance

The Corporation maintains a director and officer insurance program to limit the Corporation's exposure to claims against, and to protect, its directors and officers. In addition, the Corporation has entered into indemnification agreements with each of its directors and officers. The indemnification agreements generally require that the Corporation indemnify and hold the indemnitees harmless to the greatest extent permitted by law for liabilities arising out of the indemnitees' service to the Corporation as directors and officers, provided that the indemnitees acted honestly and in good faith and in a manner the indemnitees reasonably believed to be in, or not opposed to, the Corporation's best interests and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, the indemnitees had no reasonable grounds to believe that his or her conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Corporation. Statutory indemnification rights also apply. The escrowed proceeds will not be accessible to cover any of the foregoing indemnities.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, to the Corporation's knowledge, none of our directors and officers is, or within 10 years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company (including the Corporation) that (i) 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, that was issued while the director or officer was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) 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, that was issued after the director or officer 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. Mr. Rothstein and Mr.

Auerbach were directors of CybAero AB ("**CybAero**") which was suspended from trading on the Nasdaq First North Nordic on February 15, 2018 until it was subsequently delisted on June 19, 2018.

Except as disclosed below, to the Corporation's knowledge, none of our directors and officers (i) is, or within 10 years prior to the date hereof has been, 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 (ii) has, within ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer. Mr. Rothstein and Mr. Auerbach were directors of CybAero when it filed bankruptcy papers with the Linköpings District Court in Sweden on June 18, 2018. Mr. Rothstein was a director of Wet Seal Inc. when it and certain of its subsidiaries filed for Chapter 11 bankruptcy protection in the United States Bankruptcy Court for the Central District of Delaware on January 15, 2015.

To the Corporation's knowledge, none of our directors and officers has been subject to (i) 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 (ii) 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 invest in the Corporation.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of the directors, officers or employees of the Corporation, and none of their associates, is or has, at any time since the beginning of the Corporation's most recently completed fiscal year, been indebted to the Corporation. Additionally, the Corporation has not provided any guarantee, support agreement, letter of credit or other similar agreement or understanding in respect of any indebtedness of any such person to any person or entity, except for routine indebtedness as defined under applicable securities legislation.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, except as otherwise disclosed elsewhere in this AIF, no director or executive officer of the Corporation, no person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, directly or indirectly, more than 10% of the outstanding voting securities of the Corporation, and no associate or affiliate of any of the foregoing persons or companies, has or has had any material interest, direct or indirect, in any transaction since inception of the Corporation (up to the date hereof) that has materially affected or is reasonably expected to materially affect the Corporation.

DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES

Board of Directors

All directors are elected on an annual basis, and unless re-elected, the term of office of the directors will expire at each annual meeting of shareholders. The board of directors is comprised of six directors, three of whom are independent. Pursuant to National Instrument 52-110 – *Audit Committees*, as amended from time to time, an independent director is one who is free from any direct or indirect relationship which could, in the view of the board of directors, be reasonably expected to interfere with a director's exercise of independent judgment.

The Corporation has taken steps to seek to ensure that adequate structures and processes are in place to permit the board of directors to function independently of our management team and to facilitate open and candid discussions among the independent directors. The Audit Committee, being the only committee of

the board of directors, is comprised of a majority of independent directors and independent directors engage in informal discussions outside of regularly scheduled meetings. The independent directors are open to raise issues as they see fit, and to appoint a lead independent director should they wish to do so. Given the limited activities of the Corporation to date, this has not been considered necessary.

The board of directors held four (4) meetings during the fiscal year ended December 31, 2019. All of the directors of the Corporation were present at each of such meetings with the exception of Mr. Devine who was present at three (3) of such meetings.

The officers, advisors and directors will devote such time and expertise as is required by us. Time actually spent may vary according to our needs.

Board of Directors Mandate

The board of directors has adopted a charter for the board of directors. The board of directors expects to adopt position descriptions for the Chair, the Lead Director, the chair of the Audit Committee and for the Chief Executive Officer following the closing of the qualifying transaction. We also plan to adopt a majority voting policy consistent with the Exchange requirements prior to the first uncontested meeting of shareholders at which directors are to be elected.

Nomination, Orientation and Continuing Education, Assessments and Board Renewal

The board of directors does not anticipate any changes to its composition until the completion of our qualifying transaction. As such, at this time the board of directors has not adopted processes by which it assesses the board, its committees and individual directors. In addition, the board of directors has not adopted a process by which it identifies new candidates or measures to orient new directors. The board of directors does not currently have a nominating committee.

Ethical Business Conduct

The board of directors has adopted a code of business conduct and ethics (the "**Code of Business Conduct and Ethics**"). The objective of the Code of Business Conduct and Ethics is to provide guidelines for maintaining the integrity, reputation, honesty, objectivity and impartiality of the Corporation. The Code of Business Conduct and Ethics is reviewed annually to ensure it is current and reflects best practices in the area of ethical business conduct and includes a strong "tone from the top" message. In fiscal 2019, we are not aware of any material violations of the Code.

Gender Diversity

The Corporation recognizes the benefits that diversity brings. Currently, none of the of the directors or executive officers of the Corporation are female. The Corporation recognizes the importance and benefit of having directors and senior management comprised of highly talented and experienced individuals having regard to the need to foster and promote diversity among board members and senior management with respect to attributes such as gender, ethnicity and other factors. The board of directors does not anticipate any changes to its composition or the composition of senior management until the completion of our qualifying transaction. As such, the Corporation is not expected to adopt a written policy relating to the identification and nomination of women directors or executive officers or a formal target regarding the number of women on the board or in executive officer positions.

Conflicts of Interest

Our officers and directors have agreed to present to us all target business opportunities that have a fair market value of at least 80% of the assets held in the escrow account (excluding deferred underwriting commissions and applicable taxes payable on the income accrued in the escrow account), subject to any pre-existing fiduciary or contractual obligations. In addition, in the course of their other business activities,

the Founders, directors and/or officers may owe similar or other duties, and may have obligations, to other entities or pursuant to other outside business arrangements, including to seek and present investment and business opportunities to other entities.

The following potential conflicts of interest, among others, to which some of our Founders and officers will or may be subject in connection with our operations, exist:

- None of our Founders, directors or officers are required to commit their full time to our affairs and, accordingly, they may be susceptible to conflicts of interest in allocating their time among various business activities.

- Our officers and directors are, and may in the future become, affiliated with other companies. In order to minimize potential conflicts of interest which may arise from such other corporate affiliations, each of our officers and directors has contractually agreed, pursuant to a written agreement with us, until the earliest of our execution of a definitive agreement for a qualifying transaction, our liquidation or such time as he ceases to be an officer or director, to present to our company for our consideration, prior to presentation to any other entity, any suitable business opportunity which may reasonably be required to be presented to us, subject to any pre-existing fiduciary or contractual obligations he might have Mr. Auerbach is currently a participant in the sponsor group of both Tuscan Holdings and Tuscan II and a director of the latter and is also the executive chairman and director of the general partner of Subversive Real Estate Acquisition REIT LP. We do not believe, however, that any fiduciary duties or contractual obligations of our executive officers would materially undermine our ability to complete our initial business combination. Tuscan Holdings and Tuscan II are blank check companies formed to pursue a transaction in the cannabis industry however, they each will not invest in or consummate a business combination with a target business that they respectively determine has been operating in violation of U.S. federal laws. Subversive Real Estate Acquisition REIT LP is a Canadian SPAC however it intends to execute an acquisition of cannabis related real estate businesses and/or assets. Mr. Hesch also serves as a director of the general partner of Subversive Real Estate Acquisition REIT LP.

- Unless and until we consummate our qualifying transaction, our Founders and officers, or their respective affiliates or our affiliates, will not receive reimbursement for any out of-pocket expenses incurred by them to the extent that such expenses exceed the amount of proceeds not deposited in the escrow account.

In no event will our Founders or any of our officers or directors be paid any fees or other compensation (for greater certainty, excluding reimbursement of expenses), including finder's fees, consulting fees or other compensation on the closing of our qualifying transaction for services rendered in order to effectuate a qualifying transaction, unless expressly approved by a majority of our unconflicted directors, being the other directors who do not have a conflict of interest in respect of the proposed acquisition, and subject to any consent required by the Exchange.

We are not prohibited from pursuing a qualifying transaction with a company that is affiliated with any of our Sponsor, or our directors or officers. In the event we seek to complete our qualifying transaction with a company that is affiliated with any of our Sponsor or a director or officer, in accordance with applicable laws, any negotiations would be undertaken on behalf of the Corporation by a committee of unconflicted directors. In addition, in connection therewith the committee of unconflicted directors may be required to seek shareholder approval of such qualifying transaction and, we, or a committee of independent directors, may be required to obtain an opinion from a qualified person concluding that our qualifying transaction is fair to us or our shareholders from a financial point of view. In addition, if the qualifying transaction involves a related party, the transaction may be subject to the minority shareholder protections of MI 61-101 – *Protection of Minority Security Holders in Special Transactions*, which would, in certain circumstances, require approval by minority shareholders and/or an independent valuation. The Exchange may also impose additional requirements in such circumstances.

Additionally, Mr. Auerbach is a director of Privateer Holdings, Inc. and is an active investor in, and advisor to, multiple companies, some of which may be targets for a qualifying transaction. Mr. Auerbach's association with other companies (including those in the cannabis industry) may result in situations where such companies may have an interest in transactions which could interfere with a possible qualifying transaction or may otherwise compete with the Corporation. As such, Mr. Auerbach has undertaken to (i) recuse himself from, and not otherwise try to influence, any discussions between the Board or management of the Corporation regarding a transaction involving any of the businesses or companies in which Mr. Auerbach has any financial, control, officer, director or other material relationship; and (ii) not in any capacity be involved in any transaction with any business or company that is seeking to enter into negotiations with respect to, or otherwise considering taking action which would impede, a transaction which may be beneficial for the Corporation; except in both cases, at the express request of the Board.

In order to protect the amounts held in the escrow account pursuant to the Make Whole Agreement and Undertaking, our Sponsor has agreed that, (A) in the event of the liquidation of the escrow account upon the occurrence of the automatic redemption by the Corporation of the Class A Restricted Voting Shares resulting from the inability of the Corporation to complete a qualifying transaction within the Permitted Timeline, or on a Winding-Up, or (B) in the event of an extension to the Permitted Timeline or the completion of a qualifying transaction, it will be liable to us if and to the extent any claims by any third party (other than our auditors) for services rendered or products sold to us, or a prospective qualifying transaction target with which we have entered into, or discussed entering into a transaction agreement, reduce the amount of funds in the escrow account to below the lesser of (i) $10.00 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) per Class A Restricted Voting Share; or (ii) such lesser amount per Class A Restricted Voting Share held in the escrow account as of the date of the full or partial liquidation of the escrow account, as applicable, due to reductions in value of the assets held in escrow (other than due to the failure to obtain waivers from such third parties), in the case of both (i) and (ii), less the amount of interest which may be withdrawn to pay taxes, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the escrow account, and except as to any claims under our indemnity of the Underwriter against certain liabilities.

In the event of an extension to the Permitted Timeline, an automatic redemption, or a Winding-Up, whereby the taxes payable pursuant to Part VI.1 of the Tax Act would cause the amounts paid per share from the escrow account to redeeming holders of Class A Restricted Voting Shares to be less than the initial $10.00 invested (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like), our Sponsor will, pursuant to the Make Whole Agreement and Undertaking, be liable to the Corporation for an amount required in order for the Corporation to be able to pay $10.00 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) per Class A Restricted Voting Share to redeeming holders of Class A Restricted Voting Shares (but in no event more than the Part VI.1 taxes that would be owing by the Corporation where the amount paid to redeem each applicable Class A Restricted Voting Share would be $10.00 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) per Class A Restricted Voting Share). Other than as described herein or in the IPO Prospectus, our Sponsor will not be liable to the Corporation for any other reductions to the escrow account that would cause the Corporation to pay less than $10.00 per Class A Restricted Voting Share to redeeming holders, including any amount on account of non-resident withholding tax applicable to any deemed dividends that arise on any redemptions.

Our Sponsor is permitted to make direct payments or contributions to the escrow account in the manner it determines, for indemnity purposes or otherwise. See "Capital Structure of the Corporation – Make Whole Covenants".

Conflicts, if any, will be subject to the procedures as provided under the BCBCA and applicable securities laws.

Audit Committee

The Corporation's audit committee (the "**Audit Committee**") is composed of Jay Tucker, Adam Rothstein and Mussadiq Lakhani. Each of them is financially literate. Messers. Rothstein and Lakhani are independent and by one year following the date of the receipt for the final IPO Prospectus the Audit Committee will be composed entirely of members who are independent. The relevant education and experience of each member of the Audit Committee is described as part of their respective biographies above under the "Directors and Officers – Name, Address, Occupation and Securities Holding" sub-heading.

The board of directors of the Corporation has adopted a written charter for the Audit Committee (the "**Charter of the Audit Committee**"), which sets out the Audit Committee's responsibility in reviewing and approving the financial statements of the Corporation and public disclosure documents containing financial information and reporting on such review to the board of directors of the Corporation, ensuring that adequate procedures are in place for the reviewing of the Corporation's public disclosure documents that contain financial information, overseeing the work and reviewing the independence of the external auditors. The text of the Charter of the Audit Committee that has been adopted is attached to this AIF as Appendix A.

External Audit Service Fees

The fees billed to Subversive Capital Acquisition Corp. by its auditor, Deloitte LLP, for the financial year ended December 31, 2019, were as follows:

Year	Audit fees[(1)]	Audit-related fees[(2)]	Tax fees[(3)]	All other fees[(4)]
2019	$74,900	--	--	--

Notes:

(1) Of the audit fee, $0 represents an accrual and has not yet been billed by the auditor.

(2) Audit-related fees include fees paid to the company's auditors for statutory audits, attestation services, quarterly reviews and due diligence services.

(3) Tax fees include fees paid for preparation of the company's annual tax return.

(4) All other fees include fees incurred in connection with an initial review of the company and its operations and administrative expenses.

EXECUTIVE COMPENSATION AND OTHER PAYMENTS

Compensation Discussion and Analysis

Except as otherwise stated herein or in the IPO Prospectus, there will be no salaries, consulting fees, management contract fees or directors' fees, finder's fees, loans, bonuses, deposits or similar payments to our officers or directors, directly or indirectly, for services rendered to us prior to or in connection with the completion of our initial qualifying transaction, or other payments to insiders prior to or in connection with the completion of our initial qualifying transaction, other than (i) repayment of unsecured loans, and any interest thereon, which may be made by our Sponsor; (ii) the payment of $10,000 (plus applicable taxes) per month for administrative and related services pursuant to an administrative services agreement entered into with our Sponsor which, if applicable, may include payment for services of related parties or qualified affiliates of related parties, for, but not limited to, various administrative, managerial or operational services or to help effect our qualifying transaction; (iii) reimbursement of reasonable out-of-pocket expenses incurred by the above-noted persons in connection with certain activities performed on our behalf, such as identifying possible business targets and qualifying transactions, performing business due diligence on suitable target businesses and qualifying transactions as well as traveling to and from the offices, plants or similar locations of prospective target businesses to examine their operations; and (iv) if approved by a majority of our unconflicted directors, being the other directors who do not have a conflict of interest in respect of the proposed acquisition, and subject to any consent required by the Exchange, payment of a

customary finder's fee, consulting fee or other similar compensation to our Founders, officers, or directors, or to their affiliates, for services rendered to us prior to or in connection with the completion of our qualifying transaction, none of which will be made from the proceeds of the IPO held in the escrow account prior to the completion of the qualifying transaction.

There is no limit on the amount of out-of-pocket expenses reimbursable by us; provided, however, that to the extent such expenses exceed the available proceeds not deposited in the escrow account, such expenses would not be reimbursed by us unless we consummate a qualifying transaction.

Our board of directors will review and approve all reimbursements and payments made to our Founders, officers or directors, or our affiliates or associates or their respective affiliates or associates, with any interested director abstaining from such review and approval.

Following completion of the qualifying transaction, it is anticipated that we will pay compensation to our officers. Members of our management team who remain with the Corporation following our qualifying transaction may be paid consulting, management or other fees from the resulting issuer of the qualifying transaction with any and all amounts being fully disclosed to shareholders, to the extent then known, in the prospectus prepared by our management in connection with the qualifying transaction.

RISK FACTORS

The risks and uncertainties described in this AIF are those the Corporation currently believes to be material, but they are not the only ones it faces. If any of the following risks, or any other risks and uncertainties that the Corporation has not yet identified or that it currently considers not to be material, actually occur or become material risks, then our business, financial condition and operating results may be materially adversely affected. In that event, the trading price of our securities could be materially and adversely affected.

We are a newly incorporated company with no operating history and no revenues, and you have no basis on which to evaluate our ability to achieve our business objective.

We are a special purpose acquisition corporation with no operating activities. Because we lack an operating history, you have no basis upon which to evaluate our ability to achieve our business objective of completing our qualifying transaction with one or more target businesses. We intend to continue our search for target businesses with a focus on the cannabis industry; however, we may be unable to complete our qualifying transaction within the Permitted Timeline. If we fail to complete our qualifying transaction, we will never generate any operating revenues. In addition, although we are targeting a qualifying transaction with an enterprise value ranging from $750 million to $5 billion, it is possible that the enterprise value of the qualifying transaction will be higher or lower than intended.

The ability of our holders of Class A Restricted Voting Shares to redeem their Class A Restricted Voting Shares for cash may make our financial condition unattractive to potential qualifying transaction targets, which may make it difficult for us to enter into our qualifying transaction with a target.

We may enter into a transaction agreement with a prospective target that requires as a closing condition that we have a minimum net worth or a certain amount of cash. If too many holders of Class A Restricted Voting Shares exercise their redemption rights, we may not be able to meet such closing condition, and as a result, would not be able to proceed with the qualifying transaction. If accepting all properly submitted redemption requests would cause our net cash or net tangible assets to be less than the amount necessary to satisfy a closing condition as described above, we would not be able to proceed with such redemption and the related qualifying transaction and may instead search for an alternate qualifying transaction. Prospective targets would be aware of these risks and, thus, may be reluctant to enter into our qualifying transaction with us.

The requirement that we complete our qualifying transaction within the Permitted Timeline may give potential target businesses leverage over us in negotiating our qualifying transaction and may decrease our ability to conduct due diligence on potential acquisition targets as we approach the end of the Permitted Timeline, which could undermine our ability to consummate our qualifying transaction on terms that would produce value for our shareholders.

Any potential target business with which we enter into negotiations concerning our qualifying transaction will be aware that we must consummate our qualifying transaction within 18 months from the IPO Closing Date which is currently January 16, 2021, subject to an extension. Consequently, such target businesses may obtain leverage over us in negotiating our qualifying transaction, knowing that if we do not complete our qualifying transaction with that particular target business, we may be unable to complete our qualifying transaction with any target business. This risk will increase as we get closer to the timeframe described above. In addition, we may have limited time to conduct due diligence and may enter into our qualifying transaction on terms that we would have rejected upon a more comprehensive investigation.

We may not be able to consummate our qualifying transaction within the Permitted Timeline, in which case we would redeem our Class A Restricted Voting Shares.

We must complete our qualifying transaction within the Permitted Timeline; however, we may not be able to find a suitable target business and consummate our qualifying transaction within such time period. If we are unable to consummate our qualifying transaction within the Permitted Timeline, we will be required to redeem 100% of the outstanding Class A Restricted Voting Shares, as described herein.

Potential targets may be unwilling to effect a qualifying transaction with us.

While we believe that our status as a public company makes us an attractive business partner, some potential target businesses may view the inherent limitations in our status as a SPAC and may prefer to effect a qualifying transaction with a more established entity or with a private company, undertake a transaction with an entity offering operating synergies or effect a traditional initial public offering.

Because of our limited resources and the significant competition for acquisition opportunities of target businesses, it may be difficult for us to complete our qualifying transaction. If we are unable to complete our qualifying transaction, our Warrants will expire worthless.

We have encountered and may continue to encounter intense competition from other entities having a business objective similar to ours, including private investors, pension funds and private equity firms, other prospective SPACs and other entities, domestic and international, competing for the types of businesses we seek to acquire. Many of these individuals and entities are well-established and have significant experience identifying and effecting, directly or indirectly, acquisitions of companies operating in or providing services to various industries. Some of these competitors may possess greater technical, human and other resources than we do and our financial resources are relatively limited when contrasted with those of many of these competitors. While we believe there are numerous target businesses we could potentially acquire with the net proceeds of the IPO, our ability to compete with respect to the acquisition of certain target businesses that are sizeable will be limited by our available financial resources. This inherent competitive limitation gives others an advantage in pursuing the acquisition of certain target businesses. If we are unable to complete our qualifying transaction, our Warrants will expire worthless.

Our ability to consummate an attractive qualifying transaction may be impacted by the market for initial public offerings.

It is very likely that our target(s) will want to be a public reporting company. If the market for initial public offerings is limited, we believe that there will be a greater number of attractive target businesses open to being acquired by us as a means to achieve public company status. Alternatively, if the market for initial public offerings is robust, we believe that there will be fewer attractive target businesses amenable to being

acquired by us to become a public reporting company. Accordingly, during periods with strong public offering markets, it may be more difficult for us to complete our initial qualifying transaction.

If our working capital is insufficient to allow us to operate for at least the period preceding the end of the Permitted Timeline, we may be unable to complete our qualifying transaction.

The funds available to us outside of the escrow account may not be sufficient to allow us to operate prior to the expiry of the Permitted Timeline and to fund the consummation of our qualifying transaction. If we are unable to borrow funds from our Sponsor or other sources in such circumstances, our Class A Restricted Voting Shares would be redeemed. Of the funds available to us, we could use a portion of the funds to pay fees to consultants to assist us with our search for a target business. We could also use a portion of the funds as a down payment with respect to a particular proposed qualifying transaction, although we do not have any current intention to do so. If we are unable to fund such down payments, our ability to close a contemplated transaction could be impaired.

If third parties bring claims against us, the proceeds held in the escrow account could be reduced and the per share redemption amount received by holders of Class A Restricted Voting Shares may be less than $10.00 per share.

Our placing of funds in the escrow account may not protect those funds from third party claims against us. Given that we will not have access to the escrowed funds except under certain permitted circumstances with respect to payment of taxes and of redemptions, and that the funds we hold which are not placed in escrow are intended to be used in accordance with our estimates in the "Use of Proceeds" section of the IPO Prospectus, we may not have the financial resources to defend a potential claim, nor may we have the ability to sue to enforce a potential claim. Although we seek, where practicable, to have material vendors, service providers, prospective target businesses or other entities with which we do business execute agreements to waive any right, title, interest or claim of any kind in or to any monies held in the escrow account, such parties may not execute such agreements, or even if they execute such agreements they may not be prevented from bringing claims against the escrow account.

Pursuant to the Make Whole Agreement and Undertaking, our Sponsor has agreed that (A) in the event of the liquidation of the escrow account upon the occurrence of the automatic redemption by the Corporation of the Class A Restricted Voting Shares resulting from the inability of the Corporation to complete a qualifying transaction within the Permitted Timeline, or on a Winding-Up, or (B) in the event of an extension to the Permitted Timeline or the completion of a qualifying transaction, it will be liable to us if and to the extent any claims by any third party (other than our auditors) for services rendered or products sold to us, or a prospective qualifying transaction target with which we have entered into, or discussed entering into a transaction agreement, reduce the amount of funds in the escrow account to below the lesser of (i) $10.00 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) per Class A Restricted Voting Share, or (ii) such lesser amount per Class A Restricted Voting Share held in the escrow account as of the date of the full or partial liquidation of the escrow account, as applicable, due to reductions in the value of the assets held in escrow (other than due to the failure to obtain waivers from such third parties), in the case of both (i) and (ii), less the amount of interest which may be withdrawn to pay taxes, except as to any claims by a third party who executed a waiver of any and all rights to seek access to the escrow account, and except as to any claims under our indemnity of the Underwriter against certain liabilities. Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, our Sponsor will not be responsible to the extent of any liability for such third-party claims.

Our directors may decide not to enforce the indemnification obligations of our Sponsor, resulting in a reduction in the amount of funds in the escrow account available for distribution to holders of our Class A Restricted Voting Shares.

In the event that the proceeds in the escrow account are reduced below the lesser of (i) $10.00 (as adjusted for stock splits or combinations, stock dividends, Extraordinary Dividends, reorganizations and recapitalizations and the like) per Class A Restricted Voting Share; or (ii) such lesser amount per share

held in the escrow account as of the date of the liquidation of the escrow account due to reductions in the value of the escrow assets, in the case of both (i) and (ii), less the amount of interest which may be withdrawn to pay taxes, except as to claims by a third party who executed a waiver, or by our auditors or the Underwriter, and our Sponsor asserts that it is unable to satisfy its obligations or that it has no indemnification obligations related to a particular claim, our independent directors would determine whether to take legal action against our Sponsor to enforce its indemnification obligations. While we currently expect that our independent directors would take legal action on our behalf against our Sponsor to enforce its indemnification obligations to us, it is possible that our independent directors, in exercising their business judgment, may choose not to do so in any particular instance. If our independent directors choose not to enforce these indemnification obligations, the amount of funds in the escrow account available for distribution to holders of our Class A Restricted Voting Shares may be reduced below $10.00 per share.

Our Founders will have significant influence in determining the outcome of the Shareholders Meeting (if required under applicable law), at which shareholder approval of the qualifying transaction would be sought, and accordingly, which transaction would ultimately be completed as our qualifying transaction.

Our Founders' Shares, which are held by our Founders, represent 20% of our issued and outstanding shares (including all Class A Restricted Voting Shares and Class B Shares). Accordingly, with the inclusion of our Class B Shares initially issued as part of the Class B Units, our Founders hold approximately a 21% voting interest to vote on the qualifying transaction. Further, given the forfeiture and transfer restrictions placed on the shares held by our Founders until the completion of our qualifying transaction, our Founders may be incentivized to support and vote for a transaction even if not the most commercially beneficial to the Corporation. Our Founders have agreed, if a vote is required, to vote their Class B Shares and any Class A Restricted Voting Shares purchased pursuant to or following the IPO in favour of the proposed qualifying transaction. For the foregoing reasons, our Founders may significantly influence the vote on the qualifying transaction, which they may be inclined to do given the difference in economic interests of our Founders as compared to the holders of Class A Restricted Voting Shares.

Our Founders, directors, officers or their affiliates may elect to purchase Class A Restricted Voting Shares, which may influence a vote on a proposed qualifying transaction.

Class A Restricted Voting Shares acquired by our Founders, directors, officers or their affiliates, for investment or other purposes, may be entitled to be voted at the Shareholders Meeting, if required, and could therefore increase the likelihood of obtaining shareholder approval of the qualifying transaction. This may result in the completion of a qualifying transaction that may not otherwise have been possible.

Our key personnel may negotiate employment or consulting agreements with a target business in connection with a qualifying transaction. These agreements may provide for them to receive compensation following our qualifying transaction and as a result, may cause them to have conflicts of interest in determining whether a particular qualifying transaction is the most advantageous.

Our key personnel may choose to, or be asked to, remain with the company after the completion of our qualifying transaction, and if so, they may negotiate employment or consulting agreements in connection with the transaction. Such negotiations may take place simultaneously with the negotiation of the qualifying transaction and could provide for such individuals to receive compensation in the form of cash payments and/or our securities for services they would render to the company after the completion of our qualifying transaction. The personal and financial interests of such individuals may influence their motivation in identifying and selecting a target business.

Since our Founders will lose their investment in us if our qualifying transaction is not completed, a conflict of interest may arise in determining whether a qualifying transaction target is appropriate.

Our Founders will not be entitled to redeem their Founders' Shares in connection with a qualifying transaction or entitled to access to the escrow account in respect thereof upon our Winding-Up. Similarly,

our Sponsor will also not be entitled to redeem its Class B Shares in connection with the qualifying transaction or entitled to access the escrow account in respect thereof upon our Winding-Up. Simultaneously with the closing of the IPO, our Sponsor purchased 6,750,000 Sponsor's Warrants at an offering price of $1.00 per Sponsor's Warrant (for an aggregate purchase price of $6,750,000) and 675,000 Class B Units (for an aggregate purchase price of $6,750,000) at an offering price of $10.00 per Class B Unit for aggregate proceeds equal to $13,500,000. As a result, the personal and financial interests of our Founders may influence the identification and selection of a qualifying transaction, the voting on the qualifying transaction, if required, and the operation of the business following our qualifying transaction. Notwithstanding the foregoing, holders of Class A Restricted Voting Shares can elect to redeem all or a portion of their Class A Restricted Voting Shares in connection with the completion of our qualifying transaction, irrespective of whether they vote for or against, or do not vote on, the qualifying transaction.

Because there are other companies with a business plan similar to ours seeking to effectuate a qualifying transaction, it may be more difficult for us to complete a qualifying transaction.

Based upon publicly available information, other Canadian SPACs and numerous U.S. SPACs are currently pursuing qualifying transactions. The majority of these Canadian SPACs may consummate a qualifying transaction in any industry they choose including the cannabis sector, and so we may be subject to competition from these and other companies seeking to execute a business plan similar to ours.

Accordingly, we cannot assure investors that we will be able to successfully compete for an attractive qualifying transaction and, because of this competition, we cannot assure investors that we will be able to complete a qualifying transaction within the required time period.

Our search for a qualifying transaction, and any target business(es) with which we ultimately consummate a qualifying transaction, may be materially adversely affected by the recent coronavirus (COVID-19) outbreak.

In December 2019, a novel strain of coronavirus was reported to have surfaced in Wuhan, China, which has and is continuing to spread throughout China and other parts of the world, including Canada and the United States. On January 30, 2020, the World Health Organization declared the outbreak of the coronavirus disease (COVID-19) a "Public Health Emergency of International Concern." On January 31, 2020, U.S. Health and Human Services Secretary Alex M. Azar II declared a public health emergency for the United States to aid the U.S. healthcare community in responding to COVID-19, and on March 11, 2020 the World Health Organization characterized the outbreak as a "pandemic". The outbreak, has resulted in governments worldwide, including in Canada and the United States, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally resulting in an economic slowdown. Global financial markets have experienced significant volatility and weakness. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at this time, as is the efficacy of the government and central bank interventions. As a result, the business of any potential target business(es) with which we consummate a qualifying transaction could be materially and adversely affected. Furthermore, we may be unable to complete a qualifying transaction if continued concerns relating to COVID-19 restrict travel, limit the ability to have meetings with potential investors or the target company's personnel, vendors and services providers are unavailable to negotiate and consummate a transaction in a timely manner. The extent to which COVID-19 impacts our search for a qualifying transaction will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of COVID-19 and the actions to contain COVID-19 or treat its impact, among others. If the disruptions posed by COVID-19 or other matters of global concern continue for an extensive period of time, our ability to consummate a qualifying transaction, or the operations of a target business with which we ultimately consummate a qualifying transaction, may be materially adversely affected.

Risk of volatile markets including low interest rate environment.

Unexpected and unpredictable events including a widespread health crisis or global pandemic, and events such as war and occupation, terrorism, political unrest and geopolitical risks may lead to adverse effects on world economies and markets generally, including Canadian, U.S. and other economies and securities markets. For example, the recent spread of coronavirus (COVID-19) has caused volatility in the global financial markets, resulted in significant disruptions to global business activity and threatened a slowdown in the global economy. The impact of coronavirus disease may be short term or may last for an extended period of time but it has led central banks, including the Federal Reserve, to cut the interest rate resulting in lower interest payable on the Permitted Investments than initially expected by the Corporation.

Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect our business, investments and results of operations.

We are subject to laws and regulations enacted by national, regional and local governments. In particular, we are required to comply with certain Canadian securities law, income tax law and the Exchange and other legal and regulatory requirements. Compliance with, and monitoring of, applicable laws and regulations may be difficult, time consuming and costly. Those laws and regulations and their interpretation and application also may change from time to time and those changes could have a material adverse effect on our business, investments and results of operations. In addition, a failure to comply with applicable laws or regulations, as interpreted and applied, could have a material adverse effect on our business, investments and results of operations.

Our directors and officers and our Sponsor live or are organized outside of Canada; therefore investors may not be able to enforce applicable securities laws or their other legal rights against such parties.

Our directors and officers and our Sponsor reside or is organized outside of Canada. As a result, it may be difficult, or in some cases not possible, for investors to enforce their legal rights or to enforce judgments of Canadian courts predicated upon civil liabilities under securities laws and/or criminal penalties against any person that resides or is otherwise organized outside of Canada even if the party has appointed an agent for service of process.

In the event the Corporation acquires a United States entity or assets of a United States entity, it may have adverse tax consequences on holders of Class A Restricted Voting Shares and on the Corporation.

In the event the Corporation acquires a United States entity or assets of a United States entity, under certain circumstances, the Corporation will be treated under section 7874 of the Internal Revenue Code of 1986, as amended (the "**Code**") as a United States corporation for United States federal income tax purposes. While the Corporation does not have any current plans to engage in an acquisition which will be subject to section 7874 of the Code, there can be no assurances provided by the Corporation that it will not engage in such an "inversion" transaction at the time of the qualifying transaction.

If the Corporation engages in such an "inversion" transaction and the Corporation is treated as a United States corporation, the Corporation generally would be subject to United States federal income tax and the United States and Canadian federal income tax consequences to United States, Canadian and other non-United States holders of Class A Restricted Voting Shares (which, on or following the closing of a qualifying transaction, would, unless previously redeemed, be automatically converted into Common Shares) may materially differ. Any such United States federal corporate tax liability could have a material adverse effect on the results of the Corporation's operations. If the Corporation engages in such an "inversion" transaction, any dividends paid by the Corporation to non-United States holders may be subject to United States federal income tax withholding at a 30% rate or such lower rate as provided in an applicable treaty. Because the Common Shares would be treated as shares of a United States domestic corporation, the United States gift, estate and generation-skipping transfer tax rules generally would apply to a non-United States holder of Common Shares.

In the event that we consummate our qualifying transaction, we may be affected by numerous risks inherent in the business operations with which we combine some of which may be outside of our control.

To the extent we consummate our qualifying transaction, we may be affected by numerous risks inherent in the business operations with which we combine. For example, if we combine with a financially unstable business or an entity lacking an established record of sales or earnings, we may be affected by the risks inherent in the business and operations of a financially unstable or a development stage entity. Although our officers and directors will endeavor to evaluate the risks inherent in a particular target business, we may not properly ascertain or assess all of the significant risk factors or that we will have adequate time to complete due diligence. Furthermore, some of these risks may be outside of our control and leave us with no ability to control or reduce the chances that those risks will adversely impact a target business. An investment in the Corporation's securities may not ultimately prove to be more favourable to investors than a direct investment in an acquisition target, if such opportunity were available.

We may seek acquisition opportunities outside of our management's area of expertise and our management may not be able to adequately ascertain or assess all significant risks associated with the target company.

We may be presented with a qualifying transaction target in a sector unfamiliar to our management team, but determine that such candidate offers an attractive acquisition opportunity for the Corporation. In the event we elect to pursue an investment outside of our management's expertise, our management's experience may not be directly applicable to the target business or their evaluation of its operations.

Although we identified general criteria and guidelines that we believe are important in evaluating prospective target businesses, we may enter into our qualifying transaction with a target that does not meet such criteria and guidelines, and as a result, the target business with which we enter into our qualifying transaction may not have attributes entirely consistent with our general criteria and guidelines.

Although we have identified specific investment criteria and guidelines for evaluating prospective target businesses, it is possible that a target business with which we enter into our qualifying transaction will not have all of these positive attributes. If we consummate our qualifying transaction with a target that does not meet some or all of these guidelines, such acquisition may not be as successful as an acquisition with a business that does meet all of our general criteria and guidelines. In addition, if we announce our qualifying transaction with a target that does not meet our general criteria and guidelines, a greater number of holders of Class A Restricted Voting Shares may exercise their redemption rights, which may make it difficult for us to meet any closing condition with a target business that requires us to have a minimum net worth or a certain amount of cash. In addition, it may be more difficult for us to attain shareholder approval, which is a prerequisite to the closing of our qualifying transaction if the target business does not meet our general criteria and guidelines.

We are not required to obtain an opinion from a qualified person, and consequently, an independent source may not confirm that the price we are paying for the business is fair to us or our shareholders from a financial point of view.

Unless we consummate our qualifying transaction with a related party (within the meaning of applicable securities law), we may not be required to obtain an opinion from a qualified person that the price we are paying is fair to us or our shareholders from a financial point of view. Accordingly, our shareholders will be relying on the judgment of our management and board of directors.

Resources could be wasted in researching acquisitions that are not consummated, which could materially adversely affect subsequent attempts to locate and acquire or merge with another business.

The investigation of each specific target business and the negotiation, drafting, and execution of relevant agreements, disclosure documents, and other instruments requires substantial management time and attention and substantial costs for accountants, legal counsel and other experts. If we decide not to complete a specific qualifying transaction, the costs incurred up to that point for the proposed transaction likely would not be recoverable. Furthermore, if we reach an agreement relating to a specific target business, we may fail to consummate our qualifying transaction for any number of reasons, including those beyond our control. Any such event will result in a loss to us of the related costs incurred which could materially adversely affect subsequent attempts to locate and acquire or merge with another business.

After our qualifying transaction, it is possible that a majority of our directors and officers will live outside of Canada and all or the majority of our assets will be located outside of Canada; therefore investors may not be able to enforce applicable securities laws or their other legal rights.

It is possible that after our qualifying transaction, a number of our directors and officers will reside outside of Canada and all or the majority of our assets will be located outside of Canada. As a result, it may be difficult, or in some cases not possible, for investors in Canada to enforce their legal rights, to effect service of process upon all of our directors or officers or to enforce judgments of Canadian courts predicated upon civil liabilities and criminal penalties on our directors and officers under Canadian laws.

We are highly dependent upon our directors and officers and their loss could adversely affect our ability to operate and effect our qualifying transaction.

Our operations are dependent upon a relatively small group of individuals and, in particular, our directors and officers. We believe that our success depends on the continued service of our directors and officers, at least until we have consummated our qualifying transaction. In addition, our directors and officers are not required to commit any specified amount of time to our affairs and, accordingly, may have conflicts of interest in allocating management time among various business activities, including identifying potential qualifying transactions and monitoring the related due diligence. We do not have an employment agreement with, or key-man insurance on the life of, any of our directors and officers. The unexpected loss of the services of one or more of our directors and officers could have a detrimental effect on us, our operations and our ability to effect our qualifying transaction.

Our ability to successfully effect our qualifying transaction and to be successful thereafter will be largely dependent upon the efforts of our key personnel, some of whom may join us following our qualifying transaction. The loss of key personnel could negatively impact the operations and profitability of our post-qualifying transaction business.

Our ability to successfully effect our qualifying transaction is dependent upon the efforts of our key personnel. The role of our key personnel in the target business, however, cannot presently be ascertained. Although some of our key personnel may remain with the target business in senior management or advisory positions following our qualifying transaction, it is likely that some or all of the management of the target business will remain in place. While we intend to closely scrutinize any individuals we engage after our qualifying transaction, our assessment of these individuals may not prove to be correct. As well, these individuals may be unfamiliar with the requirements of operating a company regulated as a reporting issuer under applicable Canadian securities laws, which could cause us to have to expend time and resources helping them become familiar with such requirements.

We may have a limited ability to assess the management of a prospective target business and, as a result, may effect our qualifying transaction with a target business whose management may not have the skills, qualifications or abilities to manage a public company.

When evaluating the desirability of effecting our qualifying transaction with a prospective target business, our ability to assess the target business' management may be limited due to a lack of time, resources or information. Our assessment of the capabilities of the target business' management, therefore, may prove to be incorrect and such management may lack the skills, qualifications or abilities we expected. Should the target's management not possess the skills, qualifications or abilities necessary to manage a public company, the operations and profitability of the post-qualifying transaction business may be negatively impacted.

The officers and directors of an acquisition target may resign upon or following the closing of our qualifying transaction. The loss of an acquisition target's key personnel could negatively impact the operations and profitability of our post-qualifying transaction business.

The role of an acquisition target's key personnel upon or following the closing of our qualifying transaction cannot be ascertained at this time. Although we contemplate that certain members of an acquisition target's management team will remain associated with the acquisition target following our qualifying transaction, it is possible that some members of the management team of an acquisition target will not wish to remain in place, which could negatively affect the business.

Our Sponsor, directors and officers may now be, and all of them may in the future become, affiliated with entities engaged in business activities similar to those intended to be conducted by us and, accordingly, may have conflicts of interest in allocating their time and determining to which entity a particular business opportunity should be presented.

We are engaged in the business of identifying and combining with one or more businesses. Our Sponsor, directors and officers may now be, or may in the future become, affiliated with entities that are engaged in a similar business, including one or more SPACs that may seek to acquire businesses similar to the businesses that the Corporation is seeking to acquire as part of its qualifying transaction.

Our Sponsor, directors and officers also may become aware of business opportunities which may be appropriate for presentation to us and the other entities to which they owe duties. In the course of their other business activities, our Founders, directors and/or officers may owe similar or other duties, and may have obligations, to other entities or pursuant to other outside business arrangements, including to seek and present investment and business opportunities to other entities.

Our directors, officers, security holders and their respective affiliates and associates may have interests that conflict with our interests.

We have not adopted a policy that expressly prohibits our directors, officers, security holders, affiliates or associates from having a direct or indirect financial interest in any investment to be acquired or disposed of by us or in any transaction to which we are a party or have an interest. We are not prohibited from entering into our qualifying transaction with a target business that is affiliated with our Sponsor, or our directors or officers. In the event that we did wish to enter into our qualifying transaction with a target business affiliated with our Sponsor, however, we would be required to obtain a fairness opinion from a qualified person, concluding that our qualifying transaction is fair to us or our shareholders from a financial point of view.

We may attempt to contemporaneously consummate qualifying transactions with multiple prospective targets, which may hinder our ability to consummate our qualifying transaction and give rise to increased costs and risks that could negatively impact our operations and profitability.

If we determine to contemporaneously acquire several businesses that are owned by different sellers, we will need each of such sellers to agree that our purchase of its business is contingent on the contemporaneous closings of the other qualifying transactions, which may make it more difficult for us, and delay our ability, to complete the qualifying transaction. With multiple qualifying transactions, we could also face additional risks, including additional burdens and costs with respect to possible multiple negotiations and due diligence investigations (if there are multiple sellers) and the additional risks associated with the subsequent integration of the operations and services or products of the acquired companies in a single operating business. If we are unable to adequately address these risks, it could negatively impact our profitability and results of operations.

We may attempt to consummate our qualifying transaction with a private company about which little information is available, which may result in a qualifying transaction with a company that is not as profitable as we suspected, if at all.

In pursuing our acquisition strategy, we may seek to effectuate our qualifying transaction with a privately held company. By definition, very little public information exists about private companies, and we could be required to make our decision on whether to pursue a potential qualifying transaction on the basis of limited information, which may result in our qualifying transaction with a company that is not as profitable as we suspected, if at all.

The Corporation may lose "foreign private issuer status" in the future, which could result in significant additional costs and expenses.

Following our qualifying transaction, we expect to employ Proportionate Voting Shares to meet the definition of "foreign private issuer," as such term is defined in Rule 405 of Regulation C under the U.S. Securities Act. As a result, the Corporation will be a "foreign private issuer," and will not be subject to the same requirements that are imposed upon U.S. domestic issuers by the Securities and Exchange Commission ("**SEC**"). The Corporation may in the future lose its foreign private issuer status if a majority of its Common Shares and Proportionate Voting Shares are held in the U.S. and it fails to meet the additional requirements necessary to avoid loss of foreign private issuer status, such as if: (1) a majority of its directors or executive officers are U.S. citizens or residents; (2) a majority of its assets are located in the U.S.; or (3) its business is administered principally in the U.S.

If the Corporation loses its foreign private issuer status and decides, or is required, to register as a U.S. domestic issuer, the regulatory and compliance costs will be significantly more than the costs incurred as a Canadian foreign private issuer. In such event, the Corporation would not be eligible to use foreign issuer forms and would be required to file periodic and current reports and registration statements on U.S. domestic issuer forms with the SEC, which are generally more detailed and extensive than the forms available to a foreign private issuer.

The Corporation may be subject to risks related to the protection and enforcement of intellectual property rights subsequent to its qualifying transaction, and may become subject to allegations that the Corporation is in violation of intellectual property rights of third parties.

The ownership and protection of intellectual property rights may be a significant aspect of the Corporation's future success. We may rely on trade secrets, technical know-how and proprietary information that are not protected by patents to maintain our competitive position. We will try to protect such intellectual property by entering into confidentiality agreements with parties that have access to it, such as our partners, collaborators, employees and consultants. Any of these parties may breach these agreements and we may not have adequate remedies for any specific breach. In addition, trade secrets and technical know-how, which are not protected by patents, may otherwise become known to or be independently developed by competitors, in which event we could be materially adversely affected.

Unauthorized parties may attempt to replicate or otherwise obtain and use products, trade secrets, technical know-how and proprietary information of other parties. Policing the unauthorized use of intellectual property rights could be difficult, expensive, time-consuming and unpredictable, as may be enforcing these rights against unauthorized use by others. Identifying unauthorized use of intellectual property rights is difficult as the owner may be unable to effectively monitor and evaluate the products being distributed by its competitors, including parties such as unlicensed dispensaries, and the processes used to produce such products. In addition, in any infringement proceeding, some or all trademarks, patents or other intellectual property rights or other proprietary know-how, or arrangements or agreements seeking to protect the same for the benefit of an issuer, may be found invalid, unenforceable, anti-competitive or not infringed. An adverse result in any litigation or defense proceedings could put one or more trademarks, patents or other intellectual property rights at risk of being invalidated or interpreted narrowly. Any or all of these events could materially and adversely affect the business, financial condition and results of operations of the Corporation.

In addition, other parties may claim that the Corporation's products infringe on their proprietary and perhaps patent protected rights. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, legal fees, result in injunctions, temporary restraining orders and/or require the payment of damages. As well, the Corporation may need to obtain licenses from third parties who allege that the Corporation has infringed on their lawful rights. However, such licenses may not be available on terms acceptable to the Corporation or at all. In addition, the Corporation may not be able to obtain or utilize on terms that are favorable to it, or at all, licenses or other rights with respect to intellectual property that it does not own.

The Corporation may be subject to risks related to information technology systems, including cyber-attacks.

An issuer's operations may depend, in part, on how well it and its suppliers protect networks, equipment, information technology ("**IT**") systems and software against damage from a number of threats, including, but not limited to, cable cuts, damage to physical plants, natural disasters, intentional damage and destruction, fire, power loss, hacking, computer viruses, vandalism and theft. Following its qualifying transaction, the Corporation's operations may also depend on the timely maintenance, upgrade and replacement of networks, equipment, IT systems and software, as well as pre-emptive expenses to mitigate the risks of failures. Any of these and other events could result in information system failures, delays and/or increase in capital expenses. The failure of information systems or a component of information systems could, depending on the nature of any such failure, adversely impact the Corporation's reputation and results of operations. The Corporation's risk and exposure to these matters cannot be fully mitigated because of, among other things, the evolving nature of these threats. As a result, cyber security and the continued development and enhancement of controls, processes and practices designed to protect systems, computers, software, data and networks from attack, damage or unauthorized access may become a priority to ensure the ongoing success and security of the business. As cyber threats continue to evolve, an issuer may be required to expend additional resources to continue to modify or enhance protective measures or to investigate and remediate any security vulnerabilities.

Management of growth may prove to be difficult.

The Corporation's business may be subject to growth-related risks including capacity constraints and pressure on its internal systems and controls. The ability of an issuer to manage growth effectively requires it to continue to implement and improve its operational and financial systems and to expand, train and manage its employee base. The inability of the Corporation to deal with this growth may have a material adverse effect on the Corporation.

We may not be able to maintain control of a target business after our qualifying transaction.

We may structure our qualifying transaction to acquire less than 100% of the equity interests or assets of a target business. Even though we may own a majority interest in the target, our shareholders prior to the qualifying transaction may collectively own a minority interest in the post-qualifying transaction company,

depending on valuations ascribed to the target and us in the qualifying transaction. For example, we could pursue a transaction in which we issue a substantial number of new shares in exchange for all of the outstanding capital of a target. In this case, even if we were to acquire a 100% interest in the target, as a result of the issuance of a substantial number of new shares, our shareholders immediately prior to such transaction could own less than a majority of our outstanding shares subsequent to such transaction. In addition, other minority shareholders may subsequently combine their holdings resulting in a single person or group obtaining a larger share of the target company's shareholdings than we initially acquired. Accordingly, this may make it more likely that we will not be able to maintain control of the target business. In the event that we structure our qualifying transaction to acquire less than 100% of the equity interest or assets of the target business, specific securities regulatory requirements may apply to the qualifying transaction, including pursuant to National Policy 41-201 – *Income Trusts and Other Indirect Offerings*.

We may be unable to obtain additional financing to complete our qualifying transaction or to fund the operations and/or growth of a target business, which could compel us to restructure or abandon a particular qualifying transaction.

Although we believe that the net proceeds of the IPO, and the net proceeds of any loans we may incur from our Sponsor, as further described in the IPO Prospectus, will be sufficient to allow us to consummate our qualifying transaction. However, if the net proceeds of the IPO prove to be insufficient, either because of the size of our qualifying transaction, the depletion of the available net proceeds in search of a target business, the obligation to redeem for cash a significant number of Class A Restricted Voting Shares from holders of Class A Restricted Voting Shares who elect redemption in connection with our qualifying transaction, or the terms of negotiated transactions to purchase shares in connection with our qualifying transaction, we may be required to seek additional financing or to abandon the proposed qualifying transaction. Additional financing may not be available on acceptable terms, if at all. To the extent that additional financing proves to be unavailable when needed to consummate our qualifying transaction, we would be compelled to either restructure the transaction or abandon that particular qualifying transaction and seek an alternative target business candidate. In addition, even if we do not need additional financing to consummate our qualifying transaction, we may require such financing to fund the operations and/or growth of the target business. The failure to secure additional financing could have a material adverse effect on the continued development or growth of the target business. None of our Founders, officers, directors or shareholders are required to provide any financing to us in connection with or after our qualifying transaction.

We may only be able to complete one qualifying transaction with the proceeds of the IPO, which will cause us to be solely dependent on a single target business which may have a limited number of products or services.

We may consummate a qualifying transaction with a single target business, although we have the ability to simultaneously acquire several target businesses. By consummating a qualifying transaction with only a single entity, our lack of diversification may subject us to numerous economic, competitive and regulatory developments, any or all of which may have a substantial adverse impact upon the industry in which we operate. Further, we will not be able to immediately diversify our operations or benefit from the possible spreading of risks or offsetting of losses, unlike other entities which may have the resources to complete several acquisitions or business combinations in different industries or different areas of a single industry. Accordingly, the prospects for our success may be solely dependent upon the performance of a single business, or dependent upon the development or market acceptance of a single or limited number of products, processes or services.

There may be tax consequences to our qualifying transaction that may adversely affect us.

While we expect to undertake any merger or acquisition so as to minimize taxes both to the acquired business and/or asset and us, such qualifying transaction might not meet the statutory requirements of a tax-deferred rollover for the Corporation or for shareholders. A qualifying transaction that does not qualify for a tax-deferred rollover could result in the imposition of substantial taxes, and may have other adverse tax consequences to us, the acquired business or assets and/or our shareholders.

Holders of Class A Restricted Voting Shares may not be afforded an opportunity to vote on our proposed qualifying transaction, which means we may complete our qualifying transaction even though a majority of our holders of Class A Restricted Voting Shares do not support such a transaction.

We do not intend to hold a shareholder vote to approve our qualifying transaction. Accordingly, we may consummate a qualifying transaction even if holders of a majority of the Class A Restricted Voting Shares do not approve of the qualifying transaction we consummate.

The opportunity of holders of Class A Restricted Voting Shares to affect the investment decision regarding a potential qualifying transaction may be limited to their exercise of the right to redeem their Class A Restricted Voting Shares for cash.

Since our board of directors intends to complete a qualifying transaction without seeking approval from holders of the Class A Restricted Voting Shares, holders of Class A Restricted Voting Shares will not have the right or opportunity to vote on the qualifying transaction. Accordingly, you are relying on the judgment of our management and board of directors and your only opportunity to affect the investment decision regarding a potential qualifying transaction may be limited to exercising the redemption rights attaching to the Class A Restricted Voting Shares.

The ability of our shareholders to exercise redemption rights with respect to a large number of our Class A Restricted Voting Shares may not allow us to complete the most desirable qualifying transaction or optimize our capital structure.

At the time we enter into an agreement for our qualifying transaction, we will not know how many holders of our Class A Restricted Voting Shares may exercise their redemption rights, and therefore will need to structure the transaction based on our expectation as to the number of Class A Restricted Voting Shares that will be submitted for redemption. This consideration may limit our ability to complete the most desirable qualifying transaction available to us or optimize our capital structure.

Risks Associated with Acquiring and Operating a Cannabis Business (If Applicable)

Cannabis businesses may be highly regulated entities and, subject to identifying an appropriate target business or businesses for our qualifying transaction, we may be subject to significant regulatory risks.

Successful execution of a qualifying transaction and the Corporation's strategy within the cannabis sector is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and obtaining all regulatory approvals, where necessary, for the sale of its products, including maintaining and renewing all applicable licenses. The commercial cannabis industry is still a nascent industry and the Corporation cannot predict the impact of the compliance regime to which it may be subject following completion of a qualifying transaction in the sector. Similarly, the Corporation cannot predict the time required to secure all appropriate regulatory approvals for any of the products, or the extent of testing and documentation that may be required by governmental authorities. Any delays in obtaining, or failure to obtain regulatory approvals may significantly delay or impact the development of markets, products and sales initiatives and could have a material adverse effect on the business, financial condition and operating results of the Corporation. Without limiting the foregoing, failure to comply with the requirements of any underlying licenses or any failure to maintain any underlying licenses would have a material adverse impact on the business, financial condition and operating results of the Corporation. There can be no guarantees that any required licenses for the operation of our business will be extended or renewed in a timely manner, if at all, or that if they are extended or renewed, that the licenses will be extended or renewed on the same or similar terms.

If we complete a qualifying transaction within the cannabis sector, the Corporation will incur ongoing costs and obligations related to regulatory compliance, and such costs may prove to be material. Failure to

comply with regulations may result in additional costs for corrective measures, penalties or in restrictions on the Corporation's operations. In addition, changes in regulations, more vigorous enforcement thereof or other unanticipated events could require extensive changes to the Corporation's operations, increased compliance costs or give rise to material liabilities, which could have a material adverse effect on the Corporation.

The cannabis sector will be subject to a variety of changes in laws, regulations and guidelines, the full effect of which cannot yet be fully determined or assessed.

The Corporation may target businesses that are involved in the cannabis industry and/or related sectors which are subject to various laws, regulations and guidelines relating to the manufacture, management, packaging/labelling, advertising, sale, transportation, storage and disposal of cannabis but also including laws and regulations relating to drug, controlled substances, health and safety, the conduct of operations and the protection of the environment. These laws also differ internationally and from jurisdiction to jurisdiction. Changes to such laws, regulations and guidelines due to matters beyond the control of the Corporation could have a material adverse effect on the Corporation.

Scientific research related to the benefits of cannabis remains in early stages, is subject to a number of important assumptions and may prove to be inaccurate.

Research in Canada, the United States and internationally regarding the medical benefits, viability, safety, efficacy and dosing of cannabis or isolated cannabinoids remains in early stages. To the Corporation's knowledge, there have been relatively few clinical trials on the benefits of cannabis or isolated cannabinoids.

Although the Corporation believes that the articles and reports, and details of research studies and clinical trials that are publicly available reasonably support the medical benefits, viability, safety, efficacy and dosing of cannabis, future research and clinical trials may prove such statements to be incorrect, or could raise concerns regarding and perceptions relating to cannabis. Future research studies and clinical trials may reach negative conclusions regarding the viability, safety, efficacy, dosing, social acceptance or other facts and perceptions related to medical cannabis, that could materially impact issuers in this sector.

Competition in the cannabis industry is intense and includes increased competition by larger and better-financed competitors.

The Corporation expects intense competition in the cannabis industry, some of which can be expected to come from companies with long operating histories and significant financial resources and manufacturing and marketing experience. In addition, there is potential that the cannabis industry will undergo consolidation, creating larger companies with financial resources, manufacturing and marketing capabilities, and products that will be greater than those achievable by the Corporation. As a result of this competition, we may be unable to identify a target or after our qualifying transaction maintain our operations or develop them on terms we consider to be acceptable or at all. Increased competition by larger, better-financed competitors with geographic advantages could materially and adversely affect the Corporation's business, financial condition and results of operations.

Negative publicity or consumer perception may affect the success of the cannabis industry.

The success of the cannabis industry may be significantly influenced by the public's perception of cannabis. Both the medical and recreational use of cannabis are controversial topics, and there is no guarantee that future scientific research, publicity, regulations, medical opinion and public opinion relating to cannabis will be favourable. The cannabis industry is an early-stage business that is constantly evolving with no guarantee of viability. The market for medical and recreational cannabis is uncertain, and any adverse or negative publicity including regarding various products and their safety, scientific research, limiting regulations, medical opinion and public opinion (whether or not accurate or with merit) relating to the consumption of cannabis, whether in Canada, or internationally, may have a material adverse effect on our

opportunities and in the future operational results, consumer base and financial results. Among other things, such a shift in public opinion could cause jurisdictions in the United States to abandon initiatives or proposals to legalize medical cannabis, thereby limiting the number of new state jurisdictions into which the Corporation could identify potential acquisition opportunities.

Certain events or developments in the cannabis industry more generally may impact the Corporation's reputation.

Damage to an issuer's reputation can be the result of the actual or perceived occurrence of any number of events, and could include any negative publicity, whether true or not. Cannabis has often been associated with various other narcotics, violence and criminal activities, the risk of which is that the business might attract negative publicity. There is also risk that the action(s) of other participants, companies and service providers in the cannabis industry may negatively affect the reputation of the industry as a whole and thereby negatively impact the reputation of an issuer. The increased usage of social media and other web-based tools used to generate, publish and discuss user-generated content and to connect with other users has made it increasingly easier for individuals and groups to communicate and share opinions and views in regards to an issuer and its activities, whether true or not and the cannabis industry in general, whether true or not. The Corporation does not ultimately have direct control over how it or the cannabis industry is perceived by others. Reputational loss may result in decreased investor confidence, increased challenges in developing and maintaining community relations and an impediment to the Corporation's overall ability to advance its business strategy and realize on its growth prospects.

Third parties with whom an issuer may do business may perceive themselves as being exposed to reputational risk as a result of their relationship with the issuer.

The parties with which the Corporation may do business may perceive that they are exposed to reputational risk as a result of the Corporation's cannabis-related business activities. Failure to establish or maintain business relationships due to reputational risk arising in connection with the nature of the Corporation's business could have a material adverse effect on the Corporation's business, financial condition and results of operations.

An issuer may be subject to advertising and promotional risk in the event the issuer cannot effectively implement a successful branding strategy.

If we successfully execute a qualifying transaction with a cannabis-related business, our future growth and profitability may depend on the effectiveness and efficiency of advertising and promotional costs, including our ability to (i) create brand recognition for any products we may develop or sell; (ii) determine appropriate advertising strategies, messages and media; and (iii) maintain acceptable operating margins on such costs. There can be no assurance that advertising and promotional costs will result in revenues for the Corporation's business in the future, or will generate awareness for any of the Corporation's product. In addition, no assurance can be given that we will be able to manage our advertising and promotional costs on a cost-effective basis.

The Cannabis Act prohibits the promotion of cannabis, cannabis accessories and services related to cannabis, except in very limited circumstances. It also establishes plain packaging and labelling requirements of cannabis and cannabis accessories. The Cannabis Act contains specific prohibitions on several types of promotional activities or packaging or labelling, including in relation to promotion, packaging or labelling: (i) that there are reasonable grounds to believe could be appealing to young persons; (ii) that sets out a testimonial or endorsement; (iii) that sets out the depiction of a person, character or animal, whether real or fictional; (iv) that associates cannabis, the cannabis accessory or service or any of its brand elements; or (v) evokes a positive or negative emotion about or image of, a way of life such as one that includes glamour, recreation, excitement, vitality, risk or daring. Provincial and territorial governments will also regulate the distribution and sale of cannabis in their respective jurisdictions and may impose additional restrictions and regulations that may affect the promotion, sale or marketing of cannabis. The restriction on the use of logos and brand names on cannabis products, and any other

restrictions or regulations on the promotion, sale or marketing of cannabis, could have a material adverse impact on the Corporation's business, financial condition and results of operation.

The businesses we acquire may be subject to product liability regimes and strict product recall requirements.

If we were to acquire a distributor of products designed to be ingested by humans, the Corporation may face the risk of exposure to product liability claims, regulatory action and litigation if any of its businesses' products are alleged to have or have caused significant loss or injury. In addition, the sale of cannabis products involves the risk of injury to consumers due to tampering by unauthorized third parties or product contamination. Previously unknown adverse reactions resulting from human consumption of cannabis products alone or in combination with other medications or substances could occur. An issuer may be subject to various product liability claims, including, among others, that specific cannabis products caused injury or illness, or include inadequate warnings concerning possible side effects or interactions with other substances. A product liability claim or regulatory action against the Corporation could result in increased costs, could adversely affect our reputation with our clients and consumers generally, and could have a material adverse effect on the Corporation.

In addition, manufacturers and distributors of products are sometimes subject to the recall or return of their products for a variety of reasons, including product defects, such as contamination, unintended harmful side effects or interactions with other substances, packaging safety and inadequate or inaccurate labelling disclosure. To the extent any products are recalled due to an alleged product defect or for any other reason, we could be required to incur the unexpected expense of the recall and any legal proceedings that might arise in connection with the recall. We may lose a significant amount of sales and may not be able to replace those sales at an acceptable margin or at all. In addition, a product recall may require significant management attention. Moreover, a recall for any of the foregoing reasons could lead to decreased demand and could have a material adverse effect on the Corporation. Product recalls may lead to increased scrutiny of operations by applicable regulatory agencies, requiring further management attention and potential legal fees and other expenses.

An issuer may not be able to successfully develop new products or find a market for their sale.

The cannabis industry is in its early stages of development and the sector participants may seek to introduce new products in the future. In attempting to keep pace with any new market developments, an issuer may need to expend significant amounts of capital in order to successfully develop and generate revenues from new products introduced by it. The issuer may also be required to obtain additional regulatory approvals from Health Canada and any other applicable regulatory authorities, which may take significant amounts of time. An issuer may not be successful in developing effective and safe new products, bringing such products to market in time to be effectively commercialized, or obtaining any required regulatory approvals, which, together with any capital expenditures made in the course of such product development and regulatory approval processes, may have a material adverse effect on the Corporation.

Insurance risks in the cannabis industry are not insignificant.

While the Corporation believes adequate insurance coverage is available in the cannabis industry, such insurance is subject to coverage limits and exclusions and may not be available for all risks and hazards to which an issuer may be exposed in this industry. No assurance can be given that such insurance will be adequate to cover the Corporation's liabilities or will be generally available in the future or, if available, that premiums will be commercially justifiable and may be much higher compared to insurance for businesses in other sectors. If the Corporation were to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if the Corporation were to incur such liability at a time when it is not able to obtain liability insurance, we could be materially adversely affected.

There can be also no assurances that an issuer will be able to obtain or maintain product liability insurance on acceptable terms or with adequate coverage against potential liabilities. Such insurance is expensive and may not be available in the future on acceptable terms, or at all. The inability to obtain sufficient

insurance coverage on reasonable terms or to otherwise protect against potential product liability claims could prevent or inhibit the commercialization of any of the Corporation's potential products.

The Corporation may be subject to transportation risks.

The Corporation's business may involve, directly or indirectly, the production, sale and distribution of cannabis products. Due to the perishable nature of such products, the Corporation may depend on fast and efficient third party transportation services to distribute its product. Any prolonged disruption of third party transportation services could have an adverse effect on the Corporation. Rising costs associated with the third party transportation services which may be used to ship products may also adversely impact the business of the Corporation.

The Corporation may be vulnerable to rising energy costs.

The Corporation's business may involve, directly or indirectly, the production of cannabis products which will consume considerable energy, making the Corporation vulnerable to rising energy costs. Rising or volatile energy costs may adversely impact the business of the Corporation and its ability to operate profitably.

The Corporation may be subject to risks inherent in an agricultural business.

The Corporation's business may involve, directly or indirectly, the growing of cannabis, which is an agricultural product. As such, the business may be subject to the risks inherent in the agricultural business, such as insects, plant diseases and similar agricultural risks. Even when grown indoors under climate-controlled conditions monitored by trained personnel, there can be no assurance that natural elements, such as insects and plant diseases, will not have a material adverse effect on the production of cannabis products and on the Corporation.

The Corporation may be subject to significant environmental regulations and risks.

Participants in the cannabis industry are subject to environmental regulation in the various jurisdictions in which they operate. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Corporation.

Government approvals and permits are currently, and may in the future be required in connection with operations in the cannabis sector. To the extent such approvals are required and not obtained, a business may be curtailed or prohibited from producing cannabis or from proceeding with the development of its operations.

Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. An issuer may be required to compensate those suffering loss or damage by reason of its operations and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations.

While cannabis is legal in many U.S. state jurisdictions, it continues to be a controlled substance under the United States federal Controlled Substances Act.

Unlike in Canada, which has federal legislation uniformly governing the cultivation, distribution, sale and possession of cannabis under the Cannabis Regulations and the Cannabis Act, cannabis is largely regulated at the state level in the United States. To the Corporation's knowledge, there are to date a total of 47 states, plus the District of Columbia, Puerto Rico and Guam that have legalized cannabis in some form. Notwithstanding the permissive regulatory environment of medical cannabis at the state level, cannabis continues to be categorized as a controlled substance under the Controlled Substances Act of 1970 (the "**CSA**") and as such, violates federal law in the United States.

The United States Congress has passed appropriations bills each of the last three years that have not appropriated funds for prosecution of cannabis offenses of individuals who are in compliance with state medical cannabis laws. American courts have construed these appropriations bills to prevent the U.S. federal government from prosecuting individuals when those individuals comply with state law. However, because this conduct continues to violate U.S. federal law, American courts have observed that should Congress at any time choose to appropriate funds to fully prosecute the CSA, any individual or business - even those that have fully complied with state law - could be prosecuted for violations of U.S. federal law. And if Congress restores funding, the government will have the authority to prosecute individuals for violations of the law before it lacked funding under the CSA's five-year statute of limitations.

Violations of any U.S. federal laws and regulations could result in significant fines, penalties, administrative sanctions, convictions or settlements arising from civil proceedings conducted by either the U.S. federal government or private citizens, or criminal charges, including, but not limited to, disgorgement of profits, cessation of business activities or divestiture. This could have a material adverse effect on an issuer, including its reputation and ability to conduct business, its holding of medical cannabis licenses in the United States, the listing of its securities on various stock exchanges, its financial position, operating results, profitability or liquidity or the market price of its publicly traded securities. In addition, it is difficult to estimate the time or resources that would be needed for the investigation of any such matters or its final resolution because, in part, the time and resources that may be needed are dependent on the nature and extent of any information requested by the applicable authorities involved, and such time or resources could be substantial.

Even where cannabis is permitted at the individual state level, regulations vary from state to state and an issuer may be not be able to comply with such regulations in a cost-efficient manner, if at all.

Certain state jurisdictions such as Colorado and Washington have de facto residency requirements that require investors in cannabis businesses to be a resident of such state, particularly if the cannabis business in question is one that directly involves the production, sale and distribution of cannabis. Such requirements may prove to be excessively onerous or otherwise impracticable for an issuer to comply with, which may have the result of excluding such investment opportunities from the list of possible qualifying transactions that the Corporation would otherwise consider.

The differing regulatory requirements across state jurisdictions may hinder or otherwise prevent the Corporation from achieving economies of scale.

Traditional rules of investing may prove to be imperfect in the cannabis industry. For example, while it would be common for investment managers to purchase equity in companies in different states to reach economies of scale and to conduct business across state lines, such an investment thesis may not be feasible in the U.S. cannabis industry because of varying state-by-state legislation. As no two regulated markets in the cannabis industry are exactly the same, doing business across state lines may not be possible or commercially practicable. As a result, the Corporation may be limited to identifying opportunities in individual states, which may have the effect of slowing the growth prospects of the Corporation.

The approach to the enforcement of cannabis laws may be subject to change or may not proceed as previously outlined.

As a result of the conflicting views between state legislatures and the federal government regarding cannabis, investments in cannabis businesses in the United States are subject to inconsistent legislation and regulation. The response to this inconsistency was addressed in August 2013 when then Deputy Attorney General, James Cole, authored a memorandum (the "**Cole Memorandum**") addressed to all United States district attorneys acknowledging that notwithstanding the designation of cannabis as a controlled substance at the federal level in the United States, several U.S. states have enacted laws relating to cannabis for medical purposes.

The Cole Memorandum outlined certain priorities for the Department of Justice relating to the prosecution of cannabis offenses. In particular, the Cole Memorandum noted that in jurisdictions that have enacted laws legalizing cannabis in some form and that have also implemented strong and effective regulatory and enforcement systems to control the cultivation, distribution, sale and possession of cannabis, conduct in compliance with those laws and regulations is less likely to be a priority at the federal level. Notably, however, the Department of Justice has never provided specific guidelines for what regulatory and enforcement systems it deems sufficient under the Cole Memorandum standard.

In light of limited investigative and prosecutorial resources, the Cole Memorandum concluded that the Department of Justice should be focused on addressing only the most significant threats related to cannabis. States where medical cannabis had been legalized were not characterized as a high priority. In March 2017, newly appointed Attorney General Jeff Sessions again noted limited federal resources and acknowledged that much of the Cole Memorandum had merit; however, he disagreed that it had been implemented effectively and, on January 4, 2018, Attorney General Jeff Sessions authored a memorandum (the "**Sessions Memorandum**"), which rescinded the Cole Memorandum. The Sessions Memorandum rescinded previous nationwide guidance specific to the prosecutorial authority of United States attorneys relative to cannabis enforcement on the basis that they are unnecessary, given the well-established principles governing federal prosecution that are already in place. Those principals are included in chapter 9.27.000 of the United States Attorneys' Manual and require federal prosecutors deciding which cases to prosecute to weigh all relevant considerations, including federal law enforcement priorities set by the Attorney General, the seriousness of the crime, the deterrent effect of criminal prosecution, and the cumulative impact of particular crimes on the community.

As a result of the Sessions Memorandum, federal prosecutors will now be free to utilize their prosecutorial discretion to decide whether to prosecute cannabis activities despite the existence of state-level laws that may be inconsistent with federal prohibitions. No direction was given to federal prosecutors in the Sessions Memorandum as to the priority they should ascribe to such cannabis activities, and resultantly it is uncertain how actively federal prosecutors will be in relation to such activities. Furthermore, the Sessions Memorandum did not discuss the treatment of medical cannabis by federal prosecutors.

Former U.S. Attorney General Jeff Sessions resigned on November 7, 2018 and was replaced by Matthew Whitaker as interim Attorney General. On February 14, 2019, William Barr was sworn in as Attorney General. It is unclear what position the new Attorney General will take on the enforcement of federal laws with regard to the U.S. cannabis industry. However, in a written response to questions from U.S. Senator Cory Booker made as a nominee, Attorney General Barr stated "I do not intend to go after parties who have complied with state law in reliance on the Cole Memorandum."

Additionally, the Rohrbacher Farr Amendment has been adopted by Congress in successive budgets since 2015. The Amendment prohibits the Department of Justice from spending funds appropriated by Congress to enforce the tenets of the CSA against the medical cannabis industry in states that have legalized such activity. This Amendment has historically been passed as an amendment to omnibus appropriations bills, which by their nature expire at the end of a fiscal year or other defined term. The Rohrbacher Farr Amendment (now known colloquially as the "Joyce Leahy Amendment" after its most recent sponsors) was included in the Consolidated Appropriations Act of 2019, which was signed by President Trump on February 14, 2019 and funds the departments of the federal government through the fiscal year ending September

30, 2019. In signing the Act, President Trump issued a signing statement noting that the Act "provides that the Department of Justice may not use any funds to prevent implementation of medical marijuana laws by various States and territories," and further stating "I will treat this provision consistent with the President's constitutional responsibility to faithfully execute the laws of the United States." While the signing statement can fairly be read to mean that the executive branch intends to enforce the Controlled Substances Act and other federal laws prohibiting the sale and possession of medical marijuana, the president did issue a similar signing statement in 2017 and no federal enforcement actions followed.

Any such proceedings could have a material adverse effect on an issuer's business, revenues, operating results and financial condition as well as the issuer's reputation, even if such proceedings were concluded successfully in favour of the issuer. In the extreme case, such proceedings could ultimately involve the prosecution of key executives of the issuer or the seizure of corporate assets.

Any investments or acquisitions by the Corporation in the United States may be subject to applicable anti-money laundering laws and regulations.

If the Corporation were to acquire or invest in a U.S. cannabis business, the Corporation would be subject to a variety of laws and regulations domestically and in the United States that involve money laundering, financial recordkeeping and proceeds of crime, including the *Currency and Foreign Transactions Reporting Act of 1970* (commonly known as the Bank Secrecy Act), as amended by Title III of the *Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001* (USA PATRIOT Act), the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada), as amended and the rules and regulations thereunder, the *Criminal Code* (Canada) and any related or similar rules, regulations or guidelines, issued, administered or enforced by governmental authorities in the United States and Canada.

In February 2014, the Financial Crimes Enforcement Network of the Treasury Department issued a memorandum providing instructions to banks seeking to provide services to cannabis-related businesses (the "**FCEN Memorandum**"). The FCEN Memorandum states that in some circumstances, it is permissible for banks to provide services to cannabis related businesses without risking prosecution for violation of U.S. federal money laundering laws. It refers to supplementary guidance that Deputy Attorney General Cole issued to U.S. federal prosecutors relating to the prosecution of U.S. money laundering offenses predicated on cannabis-related violations of the CSA. It is unclear at this time whether the current administration will follow the guidelines of the FCEN Memorandum.

In the event that the Corporation's investments, or any proceeds thereof, any dividends or distributions therefrom, or any profits or revenues accruing from such investments in the United States were found to be in violation of money laundering legislation or otherwise, such transactions may be viewed as proceeds of crime under one or more of the statutes noted above or any other applicable legislation. This could restrict or otherwise jeopardize the ability of the Corporation to declare or pay dividends, effect other distributions or subsequently repatriate such funds back to Canada.

Any investments or acquisitions by the Corporation in the United States may be subject to heightened scrutiny.

Any future investments or acquisitions by the Corporation in the United States may become the subject of heightened scrutiny by regulators, stock exchanges and other authorities in Canada. As a result, the Corporation may be subject to significant direct and indirect interaction with public officials. There can be no assurance that this heightened scrutiny will not in turn lead to the imposition of certain restrictions on the Corporation's ability to invest in the United States or any other jurisdiction.

To the extent we acquire cannabis businesses or assets in the United States in connection with our qualifying transaction, we may be subject to measures that would restrict the ability of our investors to trade our securities.

Subject to certain exceptions, registration of the Class A Restricted Voting Units were and transfers thereof held through CDS, or its nominee, will be made electronically through the non-certificated inventory system ("**NCI**") of CDS Clearing and Depositary Services Inc. ("**CDS**").

CDS provides and facilitates reliable, cost-effective depository, clearing, regulatory and other information services to securities market participants. Among other things, CDS is used in connection with clearing and settling eligible Canadian exchange-traded and over-the-counter equity, debt and money market transactions, settling Canadian exchange-traded derivatives, broker-to-broker trade matching, depository and custodial services, ledger-keeping as well as real-time messaging and flexible interfaces to and from CDS and its participants.

Given the heightened risk profile associated with cannabis in the United States, CDS may implement procedures or protocols that would prohibit or significantly curtail the ability of CDS to settle trades for cannabis companies that have cannabis businesses or assets in the United States. It is not certain whether CDS will decide to enact such measures, nor whether it has the authority to do so unilaterally. Nevertheless, on February 8, 2018, following discussions with the Canadian Securities Administrators and recognized Canadian securities exchanges, the TMX Group announced the signing of a Memorandum of Understanding (the "**TMX MOU**") with the Exchange, the Canadian Securities Exchange, the TSX and the TSX Venture Exchange. The TMX MOU outlines the parties' understanding of Canada's regulatory framework applicable to the rules, procedures, and regulatory oversight of the exchanges and CDS as it relates to issuers with cannabis-related activities in the United States. The TMX MOU confirms, with respect to the clearing of listed securities, that CDS relies on the exchanges to review the conduct of listed issuers. As a result, there is no CDS ban on the clearing of securities of issuers with cannabis-related activities in the United States. However, there can be no guarantee that this approach to regulation will continue in the future. If such a ban were to be implemented, it would have a material adverse effect on the ability of holders of Class A Restricted Voting Units to make and settle trades. In particular, the Class A Restricted Voting Units would become highly illiquid as until an alternative was implemented, investors would have no ability to effect a trade of the Class A Restricted Voting Units through the facilities of a stock exchange.

To the extent we acquire cannabis businesses or assets in the United States in connection with our qualifying transaction, U.S. border officials could deny entry into the U.S. to employees of, or investors in companies with cannabis operations in the United States.

Since medical cannabis remains illegal under U.S. federal law, those employed at or investing in legal and licensed medical and recreational cannabis companies could face detention, denial of entry or lifetime bans from the U.S. for their business associations with U.S. cannabis businesses. Entry happens at the sole discretion of the U.S. Customs and Border Protection officers on duty, and these officers have wide latitude to ask questions to determine the admissibility of a foreign national. The Government of Canada has started warning travelers on its website that previous use of cannabis, or any substance prohibited by U.S. federal laws, could mean denial of entry to the U.S. In addition, business or financial involvement in the legal cannabis industry in the United States could also be reason enough for U.S. border guards to deny entry. On September 21, 2018, U.S. Customs and Border Protection released a statement outlining its current position with respect to enforcement of the laws of the United States. It stated that U.S. Customs and Border Protection enforcement of United States laws regarding controlled substances has not changed and because cannabis continues to be a controlled substance under United States law, working in or facilitating the proliferation of the legal cannabis industry in U.S. states where it is deemed legal may affect admissibility to the U.S. As a result, U.S. Customs and Border Protection has affirmed that, a Canadian citizen working in or facilitating the proliferation of the legal cannabis industry in Canada, coming to the U.S. for reasons unrelated to the cannabis industry, will generally be admissible to the U.S. however, if a traveler is found to be coming to the U.S. for reasons related to the cannabis industry, they may be deemed inadmissible.

To the extent we acquire cannabis businesses or assets in the United States in connection with our qualifying transaction, there may be difficulty accessing the services of banks, which may make it difficult for us to operate our business.

Financial transactions involving proceeds generated by cannabis-related conduct can form the basis for prosecution under the federal money laundering statutes, unlicensed money transmitter statute and the *Bank Secrecy Act*. Previous guidance issued by the FinCEN, a division of the U.S. Department of the Treasury, clarifies how financial institutions can provide services to cannabis-related businesses consistent with their obligations under the *Bank Secrecy Act*. Prior to the DOJ's announcement in January 2018 of the rescission of the Cole Memorandum and related memoranda, supplemental guidance from the DOJ directed federal prosecutors to consider the federal enforcement priorities enumerated in the Cole Memorandum when determining whether to charge institutions or individuals with any of the financial crimes described above based upon cannabis-related activity. It is unclear what impact the rescission of the Cole Memorandum will have, but federal prosecutors may increase enforcement activities against institutions or individuals that are conducting financial transactions related to cannabis activities. The increased uncertainty surrounding financial transactions related to cannabis activities may also result in financial institutions discontinuing services to the cannabis industry.

Consequently, those businesses involved in the regulated medical-use cannabis industry continue to encounter difficulty establishing banking relationships, which may increase over time. The inability to maintain bank accounts would make it difficult for any company to operate its business, increase its operating costs, and pose additional operational, logistical and security challenges and could result in its inability to implement its business plan.

To the extent we acquire cannabis businesses or assets in the United States in connection with our qualifying transaction, there may be a restriction on the deduction of certain expenses.

Section 280E of the Code generally prohibits businesses from deducting or claiming tax credits with respect to expenses paid or incurred in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of Schedule I and II of the CSA) which is prohibited by U.S. federal law or the law of any state in which such trade or business is conducted. Section 280E currently applies to businesses operating in the cannabis industry, irrespective of whether such businesses that are licensed and operating in accordance with applicable state laws. The application of Code Section 280E generally causes such businesses to pay higher effective U.S. federal tax rates than similar businesses in other industries. The impact of Code Section 280E on the effective tax rate of a cannabis business generally depends on how large the ratio of non-deductible expenses is to the business' total revenues. The application of Code Section 280E to any business that we may acquire as part of our qualifying transaction may adversely affect our profitability and, in fact, may cause us to operate at a loss. While recent legislative proposals, if enacted into law, could eliminate or diminish the application of Code Section 280E to cannabis businesses, the enactment of any such law is uncertain.

To the extent we acquire cannabis businesses or assets in the United States in connection with our qualifying transaction, there may be a lack of access to U.S. bankruptcy protections.

Because the use of medical cannabis is illegal under federal law, many courts have denied cannabis businesses bankruptcy protections, thus making it very difficult for lenders to recoup their investments in the cannabis industry in the event of a bankruptcy. If a company we acquire as part of a qualifying transaction were to experience a bankruptcy, there is no guarantee that U.S. federal bankruptcy protections would be available, which could have a material adverse effect on the financial condition and prospects of such business and on the rights of lenders to and securityholders.

To the extent we acquire cannabis businesses or assets in the United States in connection with our qualifying transaction, there may be difficulty with the enforceability of contracts.

It is a fundamental principle of law that a contract will not be enforced if it involves a violation of law or public policy. Because cannabis remains illegal in the United States at a federal level, judges in multiple U.S. states have on a number of occasions refused to enforce contracts for the repayment of money when the loan was used in connection with activities that violate federal law, even if there is no violation of state law. There could thus be doubt and uncertainty that any company we acquire as part of a qualifying transaction will be able to legally enforce contracts it enters into if necessary, which means there can be no assurance that there will be a remedy for breach of contract, which would have a material adverse effect on the business, revenues, operating results, financial condition and prospects of such entity.

The ability to grow any business with cannabis operations in the United States depends on state laws pertaining to the cannabis industry

Continued development of the medical-use cannabis industry depends upon continued legislative authorization of cannabis at the state level. The status quo of, or progress in, the regulated medical-use cannabis industry is not assured and any number of factors could slow or halt further progress in this area. While there may be ample public support for legislative action permitting the manufacture and use of cannabis, numerous factors impact the legislative process. For example, many states that voted to legalize medical and/or adult-use cannabis have seen significant delays in the drafting and implementation of industry regulations and issuance of licenses. In addition, burdensome regulation at the state level could slow or stop further development of the medical-use cannabis industry, such as limiting the medical conditions for which medical cannabis can be recommended by physicians for treatment, restricting the form in which medical cannabis can be consumed, imposing significant registration requirements on physicians and patients or imposing significant taxes on the growth, processing and/or retail sales of cannabis, which could have the impact of dampening growth of the cannabis industry and making it difficult for cannabis businesses to operate profitably in those states. Any one of these factors could slow or halt additional legislative authorization of medical-use cannabis, which could harm business prospects.

Risks Associated with Acquiring and Operating a Business Outside of Canada

If we effect our qualifying transaction with a company located outside of North America, we could be subject to a variety of additional risks that may negatively impact our operations.

We may pursue acquisition opportunities in any industry or geographic region. If we effect our qualifying transaction with a company located or operated outside of Canada, we could be subject to any special considerations or risks associated with companies operating in the target business' home jurisdiction, including any of the following:

- rules and regulations regarding currency redemption;
- complex corporate withholding taxes on individuals;
- laws governing the manner in which future transactions may be effected;
- exchange listing and/or delisting requirements;
- tariffs and trade barriers;
- regulations related to customs and import/export matters;
- longer payment cycles;
- tax issues, such as tax law changes and variations in tax laws as compared to Canada;

- currency fluctuations and exchange controls;
- rates of inflation;
- challenges in collecting accounts receivable;
- cultural and language differences;
- employment regulations;
- crime, strikes, riots, civil disturbances, terrorist attacks and wars; and
- deterioration of political relations with Canada or other governments or sanctions imposed by Canada or other governments.

We may also be subject to currency exchange risks in connection with any qualifying transaction. We may not be able to adequately address these additional risks. If we were unable to do so, our operations of the continued business might suffer.

Because of the costs and difficulties inherent in managing cross-border business operations, our results of operations may be negatively impacted.

Managing a business, operations, personnel or assets in another country is challenging and costly. Any management that we may have (whether based abroad or in Canada) may be inexperienced in cross-border business practices and unaware of significant differences in accounting rules, legal regimes and labour practices. Even with a seasoned and experienced management team, the costs and difficulties inherent in managing cross-border business operations, personnel and assets can be significant (and much higher than in a purely domestic business) and may negatively impact the Corporation.

If social unrest, acts of terrorism, regime changes, changes in laws and regulations, political upheaval, or policy changes or enactments occur in a country in which we may operate after we effect our qualifying transaction, it may result in a negative impact on our business.

Political events in another country may significantly affect our business, assets or operations. Social unrest, acts of terrorism, regime changes, changes in laws and regulations, political upheaval, and policy changes or enactments could negatively impact our business in a particular country.

Many countries have difficult and unpredictable legal systems and underdeveloped laws and regulations that are unclear and subject to corruption and inexperience, which may adversely impact our results of operations and financial condition.

Our ability to seek and enforce legal protections, including with respect to intellectual property and other property rights, or to defend ourselves with regard to legal actions taken against us in a given country, may be difficult or impossible, which could adversely impact us.

Rules and regulations in many countries are often ambiguous or open to differing interpretations by responsible individuals and agencies at the municipal, state, provincial, regional and federal levels. The attitudes and actions of such individuals and agencies are often difficult to predict and can be inconsistent. Delay with respect to the enforcement of particular rules and regulations, including those relating to customs, tax, environment and labour, could cause serious disruptions to operations abroad and negatively impact us.

After our qualifying transaction, substantially all of our assets may be located in a foreign country and substantially all of our revenue may be derived from our operations in such country. Accordingly, our results of operations and prospects will be subject, to a significant extent, to the economic, political and legal policies, developments and conditions and the tax laws in the country in which we operate.

The economic, political and social conditions, as well as government policies and tax laws, of the country in which our operations are located could affect our business. If in the future such country's economy experiences a downturn or grows at a slower rate than expected, there may be less demand for spending in certain industries. A decrease in demand for spending in certain industries could materially and adversely affect our ability to find an attractive target business with which to consummate our qualifying transaction and if we effect our qualifying transaction, the ability of that target business to become profitable.

In the event we acquire a non-Canadian target, or a Canadian target with material non-Canadian operations, some or all of our net income (including gain realized on a sale of the acquired target) may be subject to taxation (including income and withholding taxation) in the target business' home jurisdiction. The resulting rate of taxation on such income may be materially higher than would have been applicable if such income had been earned by the Corporation in Canada from Canadian operations or assets.

Currency policies may cause a business' ability to succeed in the international markets to be diminished.

In the event we acquire a non-Canadian target, or a Canadian target with material non-Canadian operations, some or all of our revenues and income would likely be received in a foreign currency, and the dollar equivalent of our net assets and distributions, if any, could be adversely affected by reductions in the value of the local currency. The value of the currencies in our target regions fluctuate and are affected by, among other things, changes in political and economic conditions. Any change in the relative value of such currency against our reporting currency may affect the attractiveness of any target business or, following the closing of our qualifying transaction, our financial condition and results of operations. Additionally, if a currency appreciates in value against the Canadian dollar prior to the closing of our qualifying transaction, the cost of a target business as measured in dollars will increase, which may make it less likely that we are able to consummate such transaction.

Risks associated with the contractual right of action.

The contractual right of action expected to be provided at the time of a qualifying transaction could expose the Corporation to one or more actions for rescission or damages, and costs, following a qualifying transaction if the applicable prospectus contains or is alleged to have contained a misrepresentation. In addition, as the Corporation will indemnify the other parties granting such rights, it could suffer additional expenses. The Corporation may seek to mitigate its exposure through insurance. These contractual rights could potentially have a material adverse effect on the Corporation.

AUDITORS, TRANSFER AGENT, WARRANT AGENT AND ESCROW AGENT

Our auditors are Deloitte LLP, Chartered Professional Accountants, Licensed Public Accountants, having an address of Bay Adelaide East, Suite 200, 8 Adelaide West, Toronto, Ontario, M5H 0A9. Deloitte LLP is independent of the Corporation within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. Our auditors were appointed on June 18, 2019.

Odyssey Trust Company, at its principal offices in Toronto, Ontario, is the transfer agent and registrar for our Class A Restricted Voting Units and Class A Restricted Voting Shares and is the Warrant Agent for our Warrants under the Warrant Agreement.

Olympia Trust Company, at its principal offices in Toronto, Ontario, is the Escrow Agent.

PROMOTER

Our Sponsor is considered a promoter of the Corporation within the meaning of applicable securities legislation.

As of the date of this AIF, our Sponsor holds, of record and beneficially, 15,148,750 Class B Shares, representing 21% of our issued and outstanding shares (including the Class A Restricted Voting Shares and assuming no exercise of our Warrants). In addition, our Sponsor holds 6,750,000 Sponsor's Warrants, and 675,000 Warrants which formed the Class B Units and represent together 19.78% of our issued and outstanding share purchase warrants. Our Sponsor does not own any of our Class A Restricted Voting Shares.

We entered into an administrative services agreement on the IPO Closing Date pursuant to which we have agreed to pay our Sponsor a total of $10,000 (plus applicable taxes) per month, for an initial term of 18 months, subject to possible extension, for administrative support and related services. Upon completion of our qualifying transaction, we will cease paying these monthly fees.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Legal Proceedings

To the knowledge of the Corporation, there are no material legal proceedings to which the Corporation is a party or to which its property is subject, nor were there any such proceedings during fiscal year 2019, and, to the Corporation's knowledge, no such proceedings are contemplated.

Regulatory Actions

We are not aware of any penalties or sanctions imposed by a court or securities regulatory authority or other regulatory body against us, nor have we entered into any settlement agreements before a court or with a securities regulatory authority.

MATERIAL CONTRACTS

The following are the only material contracts of the Corporation (other than certain agreements entered into in the ordinary course of business):

(a) the Underwriting Agreement;

(b) the Exchange Agreement and Undertaking;

(c) the Make Whole Agreement and Undertaking;

(d) the Escrow Agreement; and

(e) the Warrant Agreement.

Copies of these agreements are available for inspection at our offices, during ordinary business hours and are available on SEDAR at www.sedar.com.

EXEMPTIVE RELIEF

The Corporation has received exemptive relief with respect to the requirement in section 10.16(22) of the Neo Exchange Listing Manual to not adopt a Security Based Compensation Arrangement (as such term is defined in the Neo Exchange Listing Manual) prior to completing a qualifying transaction.

ADDITIONAL INFORMATION

Additional information relating to the Corporation may be found on SEDAR at www.sedar.com. Additional financial information is provided in our audited financial statements and Management's Discussion & Analysis for the period ended December 31, 2019.

APPENDIX A

Charter of the Audit Committee of Subversive Capital Acquisition Corp.

Section 1 PURPOSE

The audit committee (the "**Audit Committee**") is a committee of the board of directors (the "**Board**") of Subversive Capital Acquisition Corp. (the "**Corporation**"). The primary function of the Audit Committee is to assist the directors of the Corporation in fulfilling their applicable roles by:

(a) recommending to the Board the appointment and compensation of the Corporation's external auditor;

(b) overseeing the work of the external auditor, including the resolution of disagreements between the external auditor and management;

(c) pre-approving all non-audit services (or delegating such pre-approval if and to the extent permitted by law) to be provided to the Corporation by the Corporation's external auditor;

(d) satisfying themselves that adequate procedures are in place for the review of the Corporation's public disclosure of financial information, other than those described in (g) below, extracted or derived from its financial statements, including periodically assessing the adequacy of such procedures;

(e) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal controls or auditing matters, and for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;

(f) reviewing and approving any proposed hiring of current or former partner or employee of the current and former auditor of the Corporation; and

(g) reviewing and approving the annual and interim financial statements, related Management Discussion and Analysis ("**MD&A**") and other financial information provided by the Corporation to any governmental body or the public.

The Audit Committee should primarily fulfill these roles by carrying out the activities enumerated in this Charter. However, it is not the duty of the Audit Committee to prepare financial statements, to plan or conduct internal or external audits, to determine that the financial statements are complete and accurate and are in accordance with International Financial Reporting Standards, to conduct investigations, or to assure compliance with laws and regulations or the Corporation's internal policies, procedures and controls, as these are the responsibility of management, and in certain cases, the external auditor.

Section 2 LIMITATIONS ON AUDIT COMMITTEE'S DUTIES

In contributing to the Audit Committee's discharge of its duties under this Charter, each member of the Audit Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this Charter is intended to be, or may be construed as, imposing on any members of the Audit Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject.

Members of the Audit Committee are entitled to rely, absent actual knowledge to the contrary, on (i) the integrity of the persons and organizations from whom they receive information; (ii) the accuracy and completeness of the information provided; (iii) representations made by management as to the non-audit

services provided to the Corporation by the external auditor; (iv) financial statements of the Corporation represented to them by a member of management or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles; and (v) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

Section 3 COMPOSITION AND MEETINGS

The Audit Committee should be comprised of not less than three directors as determined by the Board, all of whom shall be independent within the meaning of National Instrument 52-110 – *Audit Committees* ("**52-110**") of the Canadian Securities Administrators (or exempt therefrom), and free of any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Audit Committee. All members of the Audit Committee should have (or should gain within a reasonable period of time after appointment) a working familiarity with basic finance and accounting practices. At least one member of the Audit Committee should have accounting or related financial management expertise and be considered a financial expert. Each member should be "financially literate" within the meaning of 52-110. The Audit Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Corporation or an outside consultant.

The members of the Audit Committee shall be elected by the Board on an annual basis or until their successors shall be duly appointed. Unless a Chair of the Audit Committee (the "**Chair**") is elected by the full Board, the members of the Audit Committee may designate a Chair by majority vote of the full Audit Committee membership.

In addition, the Audit Committee members should meet all of the requirements for members of audit committees as defined from time to time under applicable legislation and the rules of any stock exchange on which the Corporation's securities are listed or traded.

The Audit Committee should meet at least four times annually, or more frequently as circumstances require. The Audit Committee should meet within 45 days following the end of the first three financial quarters to review and discuss the unaudited financial results for the preceding quarter and the related MD&A, and should meet within 90 days following the end of the fiscal year end to review and discuss the audited financial results for the preceding quarter and year and the related MD&A.

The Audit Committee may ask members of management or others to attend meetings and provide pertinent information as necessary. For purposes of performing their duties, members of the Audit Committee shall have full access to all corporate information and any other information deemed appropriate by them, and shall be permitted to discuss such information and any other matters relating to the financial position of the Corporation with senior employees, officers and the external auditor of the Corporation, and others as they consider appropriate.

For greater certainty, management is indirectly accountable to the Audit Committee and is responsible for the timeliness and integrity of the financial reporting and information presented to the Board.

In order to foster open communication, the Audit Committee or its Chair should meet at least annually with management and the external auditor in separate sessions to discuss any matters that the Audit Committee or each of these groups believes should be discussed privately. In addition, the Audit Committee or its Chair should meet with management quarterly in connection with the Corporation's interim financial statements.

A quorum for the transaction of business at any meeting of the Audit Committee shall be a majority of the number of members of the Audit Committee or such greater number as the Audit Committee shall by resolution determine.

Meetings of the Audit Committee shall be held from time to time and at such place as any member of the Audit Committee shall determine upon 48 hours' notice to each of its members. The notice period may be waived by all members of the Audit Committee. Each of the Chair of the Board, the external auditor, the Chief Executive Officer, the Chief Financial Officer or the Secretary shall be entitled to request that any member of the Audit Committee call a meeting.

This Charter is subject in all respects to the Corporation's notice of articles and articles from time to time.

Section 4 ROLE

As part of its function in assisting the Board in fulfilling its oversight role (and without limiting the generality of the Audit Committee's role), the Audit Committee should:

(1) Determine any desired agenda items;

(2) Review and recommend to the Board changes to this Charter, as considered appropriate from time to time;

(3) Review the public disclosure regarding the Audit Committee required by 52-110;

(4) Review and seek to ensure that disclosure controls and procedures and internal control over financial reporting frameworks are operational and functional;

(5) Summarize in the Corporation's annual information form the Audit Committee's composition and activities, as required; and

(6) Submit the minutes of all meetings of the Audit Committee to the Board upon request.

Documents / Reports Review

(7) Review and recommend to the Board for approval the Corporation's annual and interim financial statements, including any certification, report, opinion, undertaking or review rendered by the external auditor and the related MD&A, as well as such other financial information of the Corporation provided to the public or any governmental body as the Audit Committee or the Board require.

(8) Review other financial information provided to any governmental body or the public as they see fit.

(9) Review, recommend and approve any of the Corporation's press releases that contain financial information.

(10) Seek to satisfy itself and ensure 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 and related MD&A and periodically assess the adequacy of those procedures.

External Auditor

(11) Recommend to the Board the selection of the external auditor, considering independence and effectiveness, and review the fees and other compensation to be paid to the external auditor.

(12) Review and seek to ensure that all financial information provided to the public or any governmental body, as required, provides for the fair presentation of the Corporation's financial condition, financial performance and cash flow.

(13) Instruct the external auditor that its ultimate client is not management and that it is required to report directly to the Audit Committee, and not management.

(14) Monitor the relationship between management and the external auditor including reviewing any management letters or other reports of the external auditor and discussing any material differences of opinion between management and the external auditor.

(15) Review and discuss, on an annual basis, with the external auditor all significant relationships it has with the Corporation to determine the external auditor's independence.

(16) Pre-approve all non-audit services (or delegate such pre-approval as the Audit Committee may determine and as permitted by applicable Canadian securities laws) to be provided by the external auditor.

(17) Review the performance of the external auditor and any proposed discharge of the external auditor when circumstances warrant.

(18) Periodically consult with the external auditor out of the presence of management about significant risks or exposures, internal controls and other steps that management has taken to control such risks, and the fullness and accuracy of the financial statements, including the adequacy of internal controls to expose any payments, transactions or procedures that might be deemed illegal or otherwise improper.

(19) Communicate directly with the external auditor and arrange for the external auditor to be available to the Audit Committee and the full Board as needed.

(20) Review and approve any proposed hiring by the Corporation of current or former partners or employees of the current (and any former) external auditor of the Corporation.

Audit Process

(21) Review the scope, plan and results of the external auditor's audit and reviews, including the auditor's engagement letter, the post-audit management letter, if any, and the form of the audit report. The Audit Committee may authorize the external auditor to perform supplemental reviews, audits or other work as deemed desirable.

(22) Following completion of the annual audit and quarterly reviews, review separately with each of management and the external auditor any significant changes to planned procedures, any difficulties encountered during the course of the audit and, if applicable, reviews, including any restrictions on the scope of work or access to required information and the cooperation that the external auditor received during the course of the audit and, if applicable, reviews.

(23) Review any significant disagreements among management and the external auditor in connection with the preparation of the financial statements.

(24) Where there are significant unsettled issues between management and the external auditor that do not affect the audited financial statements, the Audit Committee shall seek to ensure that there is an agreed course of action leading to the resolution of such matters.

Financial Reporting Processes

(25) Review the integrity of the financial reporting processes, both internal and external, in consultation with the external auditor as they see fit.

(26) Consider the external auditor's judgments about the quality, transparency and appropriateness, not just the acceptability, of the Corporation's accounting principles and financial disclosure practices, as applied in its financial reporting, including the degree of aggressiveness or conservatism of its accounting principles and underlying estimates, and whether those principles are common practices or are minority practices.

(27) Review all material balance sheet issues, material contingent obligations (including those associated with material acquisitions or dispositions) and material related party transactions.

(28) Review with management and the external auditor the Corporation's accounting policies and any changes that are proposed to be made thereto, including all critical accounting policies and practices used, any alternative treatments of financial information that have been discussed with management, the ramification of their use and the external auditor's preferred treatment and any other material communications with management with respect thereto.

(29) Review the disclosure and impact of contingencies and the reasonableness of the provisions, reserves and estimates that may have a material impact on financial reporting.

(30) If considered appropriate, establish separate systems of reporting to the Audit Committee by each of management and the external auditor.

(31) Periodically consider the need for an internal audit function, if not present.

Risk Management

(32) Review program of risk assessment and steps taken to address significant risks or exposures of all types, including insurance coverage and tax compliance.

General

(33) With prior Board approval, the Audit Committee may at its discretion retain independent counsel, accountants and other professionals to assist it in the conduct of its activities and to set and pay (as an expense of the Corporation) the compensation for any such advisors.

(34) Respond to requests by the Board with respect to the functions and activities that the Board requests the Audit Committee to perform.

(35) Periodically review this Charter and, if the Audit Committee deems appropriate, recommend to the Board changes to this Charter.

(36) Review the public disclosure regarding the Audit Committee required from time to time by applicable Canadian securities laws, including:

(i) the Charter of the Audit Committee;

(ii) the composition of the Audit Committee;

(iii) the relevant education and experience of each member of the Audit Committee;

(iv) the external auditor services and fees; and

(v) such other matters as the Corporation is required to disclose concerning the Audit Committee.

(37) Review in advance, and approve, the hiring and appointment of the Corporation's senior financial executives by the Corporation, if any.

(38) Perform any other activities as the Audit Committee deems necessary or appropriate including ensuring all regulatory documents are compiled to meet Committee reporting obligations under 52-110.

Section 5 AUDIT COMMITTEE COMPLAINT PROCEDURES

Submitting a Complaint

(1) Anyone may submit a complaint regarding conduct by the Corporation or its employees or agents (including its independent auditors) reasonably believed to involve questionable accounting, internal accounting controls or auditing matters. The Chair should oversee treatment of such complaints.

Procedures

(2) The Chair will be responsible for the receipt and administration of employee complaints.

(3) In order to preserve anonymity when submitting a complaint regarding questionable accounting or auditing matters, the employee may submit a complaint confidentially.

Investigation

(4) The Chair should review and investigate the complaint. Corrective action will be taken when and as warranted in the Chair's discretion.

Confidentiality

(5) The identity of the complainant and the details of the investigation should be kept confidential throughout the investigatory process.

Records and Report

(6) The Chair should maintain a log of complaints, tracking their receipt, investigation, findings and resolution, and should prepare a summary report for the Audit Committee.

The Audit Committee is a committee of the Board and is not and shall not be deemed to be an agent of the Corporation's securityholders for any purpose whatsoever. The Board may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to securityholders of the Corporation or other liability whatsoever.