



**NOTICE OF ANNUAL AND SPECIAL MEETING AND MANAGEMENT INFORMATION CIRCULAR**  
with respect to the Annual and Special Meeting of Shareholders to be held on June 16, 2022

Dated as of May 12, 2022

**SLANG WORLDWIDE INC.**  
**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual general and special meeting (the “**Meeting**”) of the shareholders of SLANG Worldwide Inc. (the “**Company**”) will be held as a virtual shareholders’ meeting via live audio webcast online at <https://web.lumiagm.com/231716101> on Thursday, June 16, 2022 at 10:00 AM (Eastern), for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the year ended December 31, 2021 and the report of the auditors thereon;
2. to elect the directors of the Company to hold office until the next annual meeting of shareholders;
3. to appoint Baker Tilly LLP, Chartered Professional Accountants, as auditor to hold office until the next annual meeting of shareholders at a remuneration to be fixed by the board of directors;
4. to consider and, if deemed advisable, pass, with or without amendment, a special resolution, the full text of which is set out in the accompanying information circular, adopting and approving a 15% rolling equity incentive plan of the Company;
5. to transact such other business as may properly come before the Meeting or any adjournments or postponements thereof.

This notice is accompanied by a management information circular, form of proxy and the annual financial statements of the Company for the year ended December 31, 2021 together with the report of the auditors thereon.

The board of directors of the Company has by resolution fixed the close of business on May 12, 2022 as the record date, being the date for the determination of the registered holders of the common shares of the Company (the “**Common Shares**”) and the restricted voting shares of the Company (the “**Restricted Shares**”) entitled to notice of and to vote at the Meeting and any adjournments or postponements thereof.

Registered shareholders who are unable to attend the Meeting are requested to complete, date, sign and return the enclosed form of proxy so that as large a representation as possible may be had at the Meeting. A shareholder wishing to be represented by proxy at the Meeting or any adjournment or postponement thereof must deposit his/her/its duly completed and executed form of proxy with the Company’s registrar and transfer agent, Odyssey Trust Company (“**Odyssey**”), Trader’s Bank Building, 702, 67 Yonge Street, Toronto ON M5E 1J8, not later than 48 hours (excluding Saturdays, Sundays, and holidays) before the time of the Meeting or adjournments or postponements thereof at which the proxy is to be used.

The Company has made arrangements to hold the Meeting as a completely virtual meeting, which will be conducted via live webcast, where all shareholders regardless of geographic location and equity ownership will have an equal opportunity to participate at the Meeting and engage with directors of the Company and management as well as other shareholders. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/231716101>. Beneficial shareholders (being shareholders who hold their securities through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend as a guest and view the webcast but not be able to participate or vote at the Meeting.

As a shareholder of the Company, it is very important that you read the management information circular of the Company dated May 12, 2022 and other Meeting materials carefully. They contain important information with respect to voting your securities and attending and participating at the Meeting.

A shareholder who wishes to appoint a person other than the management nominees identified on the form of proxy or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person’s name in the blank space provided in the form of proxy or voting instruction form and following the instructions for submitting

such form of proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form. If you wish that a person other than the management nominees identified on the form of proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your shares, including if you are a nonregistered shareholder and wish to appoint yourself as proxyholder to attend, participate and vote at the Meeting, you MUST register such proxyholder after having submitted your form of proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting. To register a proxyholder, shareholders MUST send an email to [slang@odysseytrust.com](mailto:slang@odysseytrust.com) and provide with their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email.

DATED at Toronto, Ontario, as of the 12<sup>th</sup> day of May 2022.

BY ORDER OF THE BOARD OF DIRECTORS

*"/s/ Drew McManigle"*

Drew McManigle

Chair of the Board and Interim Chief Executive Officer

**SLANG WORLDWIDE INC.**  
**Management Information Circular**

Unless otherwise stated, information contained herein is given as of May 12, 2022. All references to dollar amounts herein are references to Canadian dollars unless otherwise indicated.

**INFORMATION REGARDING PROXIES AND VOTING AT THE MEETING**

***Solicitation of Proxies***

This management information circular (the “**Information Circular**”) is furnished in connection with the solicitation by the management of SLANG Worldwide Inc. (the “**Company**”) of proxies to be voted at the annual general and special meeting (the “**Meeting**”) of the holders (the “**shareholders**”) of common shares (“**Common Shares**”) and restricted voting shares (“**Restricted Shares**” and collectively with the Common Shares referred to herein as the “**Shares**”) of the Company to be held as a virtual shareholders’ meeting via live audio webcast online at <https://web.lumiagm.com/231716101> on Thursday, June 16, 2022 at 10:00 AM (Eastern), for the purposes set forth in the accompanying Notice of Meeting.

Unless otherwise stated, the information contained in this Information Circular is given as at May 12, 2022.

In accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) the Company has delivered proxy-related materials to intermediaries to forward to Beneficial Shareholders (as defined herein). The Company does not intend to pay for intermediaries to forward to OBOs (as defined herein) under NI 54-101 the proxy-related materials. In the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

The head office of the Company is located at 50 Carroll Street, Toronto, Ontario, M4M 3G3 and its telephone number is 833-752-6499. The registered and records office of the Company is located at 77 King Street West, Suite 400, Toronto, Ontario, M5K 0A1.

The solicitation of proxies by management of the Company will be made primarily by mail but solicitation may be made by telephone or in person with the cost of such solicitation to be borne by the Company. **While no arrangements have been made to date, the Company may contract for the solicitation of proxies for the Meeting. Such arrangements would include customary fees which would be borne by the Company.**

***Appointment of Proxyholder***

The persons named in the enclosed form of proxy for the Meeting are officers of the Company and nominees of management. **A registered shareholder has the right to appoint some other person or company, who need not be a shareholder, to represent such registered shareholder at the Meeting by striking out the names of the persons designated in the accompanying form of proxy and by inserting the name of that other person or company in the blank space provided.** If a registered shareholder appoints one of the persons designated in the accompanying form of proxy as a nominee and does not direct the said nominee to vote either “For”, “Against” or “Withhold”, as applicable, from voting on a matter or matters with respect to which an opportunity to specify how the Shares registered in the name of such registered shareholder shall be voted, the proxy shall be voted “For” such matter or matters.

The instrument appointing a proxyholder must be in writing and signed by the registered shareholder, or such registered shareholder’s attorney authorized in writing, or if the registered shareholder is a corporation, by the authorized representative or a duly authorized person on behalf, of such corporation. An undated but executed proxy will be deemed to be dated the date of the mailing of the proxy. In order for a proxy to be valid, a registered shareholder must:

- (a) sign and print his or her name on the lines specified for such purpose at the bottom of the form of proxy; and
- (b) return the properly executed and completed form of proxy by mailing it or delivering it by hand in the appropriate enclosed return envelope addressed to Odyssey Trust Company (“**Odyssey**”),

to be received no later than 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment(s) of the Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

### ***Revocation of Proxy***

A registered shareholder may revoke a proxy by delivering a signed instrument in writing executed by such registered shareholder or by the registered shareholder’s attorney authorized in writing or, where the registered shareholder is a corporation, by a duly authorized officer or attorney of such corporation, either to the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof, with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, or before any vote in respect of which the proxy is to be used shall have been taken, or in any other manner permitted by law.

### ***Voting of Proxies***

A registered shareholder may direct the manner in which his or her Shares are to be voted or withheld from voting in accordance with the instructions of the registered shareholder by marking the form of proxy accordingly. The management nominees designated in the enclosed form of proxy will vote the Shares represented by proxy in accordance with the instructions of the registered shareholder on any resolution that may be called for and if the registered shareholder specifies a choice with respect to any matter to be acted upon, the Shares will be voted accordingly. **Where no choice is specified with respect to any resolution or in the absence of certain instructions, the Shares represented by a proxy given to management will be voted “For” the resolution. If more than one direction is made with respect to any resolution, such Shares will similarly be voted “For” the resolution.**

### ***Exercise of Discretion by Proxyholders***

The enclosed form of proxy, when properly completed and delivered and not revoked, confers discretionary authority upon the proxyholders named therein with respect to amendments or variations of matters identified in the accompanying Notice of Meeting, and other matters not so identified which may properly be brought before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting. If any amendment or variation or other matter comes before the Meeting, the persons named in the proxy will vote in accordance with their judgement on such amendment, variation or matter.

## **VOTING BY BENEFICIAL SHAREHOLDERS**

The information set out in this section is important to many shareholders as a substantial number of shareholders do not hold their Shares in their own name.

Persons who hold Shares through their brokers, agents, trustees or other intermediaries (such shareholders, “**Beneficial Shareholders**”) should note that only proxies deposited by registered shareholders whose names appear on the share register of the Company may be recognized and acted upon at the Meeting. If Shares are shown on an account statement provided to a Beneficial Shareholder by a broker, then in almost all cases the name of such Beneficial Shareholder will not appear on the share register of the Company. Such Shares will most likely be registered in the name of the broker or an agent of the broker. In Canada, the vast majority of such Shares will be registered in the name of “CDS & Co.”, the registration name of CDS Clearing and Depository Services Inc. which acts as a nominee for many brokerage firms. Shares held by brokers, agents, trustees or other intermediaries can only

be voted by those brokers, agents, trustees or other intermediaries in accordance with instructions received from Beneficial Shareholders. As a result, Beneficial Shareholders should carefully review the request for voting instructions (“VIF”) provided with this Information Circular and ensure they communicate how they would like their Shares voted in accordance with those instructions.

Beneficial Shareholders who have not objected to their intermediary disclosing certain ownership information about themselves to the Company are referred to as “NOBOs”. Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Company are referred to as “OBOs”. In accordance with the requirements of NI 54-101, the Company has delivered proxy-related materials to intermediaries to forward to Beneficial Shareholders. The Company does not intend to pay for intermediaries to forward to OBOs under NI 54-101 the proxy-related materials. In the case of an OBO, the OBO will not receive the materials unless the OBO’s intermediary assumes the cost of delivery.

Generally, a Beneficial Shareholder who has not waived the right to receive Meeting materials will either:

- (a) be given a form of proxy which has already been signed by the intermediary (typically by a facsimile with a stamped signature), which is restricted as to the number of shares beneficially owned by the Beneficial Shareholder and must be completed, but not signed, by the Beneficial Shareholder and deposited with Odyssey; or
- (b) more typically, be given a VIF which is not signed by the intermediary and which, when properly completed and signed by the Beneficial Shareholder and returned to the intermediary or its service Company, will constitute voting instructions which the intermediary must follow.

VIFs should be completed and returned in accordance with the specific instructions noted on the VIF. The purpose of this procedure is to permit Beneficial Shareholders to direct the voting of the Shares which they beneficially own. Beneficial Shareholders should carefully follow the instructions set out in the VIF, including those regarding when and where the VIF is to be delivered.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purpose of voting Shares registered in the name of their broker, agent, trustee or other intermediary, a Beneficial Shareholder may attend the Meeting as a proxyholder for a registered shareholder and vote Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting or have someone else attend on their behalf, and indirectly vote their Shares as proxyholder for the registered shareholder should contact their broker, agent, trustee or other intermediary well in advance of the Meeting to determine the steps necessary to permit them to indirectly vote their Shares as a proxyholder.

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

### **ACCESSING AND VOTING AT THE VIRTUAL MEETING**

Registered shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described below. See “How do I attend and participate at the Meeting?”.

Beneficial shareholders who have not duly appointed themselves as proxyholder will not be able to attend, participate or vote at the Meeting. This is because the Company and its transfer agent do not have a record of the beneficial shareholders of the Company, and, as a result, will have no knowledge of your shareholdings or entitlement to vote, unless you appoint yourself as proxyholder. If you are a beneficial shareholder and wish to vote

at the Meeting, you have to appoint yourself as proxyholder, by inserting your own name in the space provided on the VIF sent to you and must follow all of the applicable instructions provided by your intermediary. See “Appointment of a Third Party as Proxy” and “How do I attend and participate at the Meeting?”.

### **Appointment of a Third Party as Proxy**

The following applies to shareholders who wish to appoint a person (a “**third party proxyholder**”) other than the management nominees set forth in the form of proxy or VIF as proxyholder, including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to attend, participate or vote at the Meeting as their proxy and vote their Shares MUST submit their proxy or VIF (as applicable) appointing such third party proxyholder AND register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your proxy or VIF. Failure to register the proxyholder will result in the proxyholder not receiving a Username to attend, participate or vote at the Meeting.

- **Step 1: Submit your proxy or VIF:** To appoint a third party proxyholder, insert such person’s name in the blank space provided in the form of proxy or VIF (if permitted) and follow the instructions for submitting such form of proxy or VIF. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or VIF. If you are a beneficial shareholder located in the United States, you must also provide Odyssey with a duly completed legal proxy if you wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder. See below under this section for additional details.
- **Step 2: Register your proxyholder:** To register a proxyholder, shareholders MUST send an email to [slang@odysseytrust.com](mailto:slang@odysseytrust.com) by 10:00 AM (Eastern) on June 14, 2022 and provide Odyssey with the required proxyholder contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting.

If you are a beneficial shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the VIF sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary. Please also see further instructions below under the heading “How do I attend and participate at the Meeting?”.

### **Legal Proxy – US Beneficial Shareholders**

If you are a beneficial shareholder located in the United States and wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as your proxyholder, in addition to the steps described above and below under “How do I attend and participate at the Meeting?”, you must obtain a valid legal proxy from your intermediary. Follow the instructions from your intermediary included with the legal proxy form and the voting information form sent to you, or contact your intermediary to request a legal proxy form or a legal proxy if you have not received one. After obtaining a valid legal proxy from your intermediary, you must then submit such legal proxy to Odyssey. Requests for registration from beneficial shareholders located in the United States that wish to attend, participate or vote at the Meeting or, if permitted, appoint a third party as their proxyholder must be sent by e-mail to [slang@odysseytrust.com](mailto:slang@odysseytrust.com) and received by 10:00 AM (Eastern) on June 14, 2022.

## How do I attend and participate at the Meeting?

The Company is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person. In order to attend, participate or vote at the Meeting (including for voting and asking questions at the Meeting), shareholders must have a valid Username.

Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/231716101>. Such persons may then enter the Meeting by clicking “I have a login” and entering a Username and Password before the start of the Meeting:

- Registered shareholders: The control number located on the form of proxy is the Username. The Password to the Meeting is “slang2021” (case sensitive). If as a registered shareholder you are using your control number to login to the Meeting and you have previously voted, you do not need to vote again when the polls open. By voting at the meeting, you will revoke your previous voting instructions received prior to voting cutoff.
- Duly appointed proxyholders: Odyssey will provide the proxyholder with a Username by e-mail after the voting deadline has passed. The Password to the Meeting is “slang2022” (case sensitive). Only registered shareholders and duly appointed proxyholders will be entitled to attend, participate and vote at the Meeting. Beneficial shareholders who have not duly appointed themselves as proxyholder will be able to attend the meeting as a guest but not be able to participate or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including beneficial shareholders who wish to appoint themselves as proxyholder to attend, participate or vote at the Meeting) MUST submit their duly completed proxy or VIF AND register the proxyholder. See “Appointment of a Third Party as Proxy”.

## SECURITIES ENTITLED TO VOTE

As of May 12, 2022, the authorized share capital of the Company is divided into Common Shares, Preferred Shares and Restricted Shares of which 71,144,545 Common Shares, no Preferred Shares and 26,414,707 Restricted Shares are issued and outstanding. Each shareholder is entitled to one vote for each Share registered in his or her name at the close of business on May 12, 2022 (the “**Record Date**”), the date fixed by the board of directors of the Company (the “**Board**”) as the record date for determining the shareholders entitled to receive notice of and to vote at the Meeting, provided that holders of Restricted Shares are not entitled to vote for the election or removal of the directors of the Company.

The failure of any shareholder to receive notice of the Meeting does not deprive a shareholder of the entitlement to vote at the Meeting. Every shareholder of record at the close of business on the Record Date who personally attends the Meeting will be entitled to vote at the Meeting or any adjournment thereof, except to the extent that:

- (a) such shareholder has transferred the ownership of any of his or her Shares after the Record Date; and
- (b) the transferee of those Shares produces properly endorsed share certificates, or otherwise establishes that he or she owns the Shares, and demands, not later than 10 days before the Meeting, that his or her name be included in the list of shareholders entitled to vote at the Meeting, in which case the transferee is entitled to vote those Shares at the Meeting.

Both the Common Shares and the Restricted Shares are without par value and carry the right to one vote each, with the exception that the Restricted Shares are not entitled to vote for the election of directors.



Other than the nomination rights in connection with the Investor Rights Agreement (as more particularly described in “*Corporate Governance – Nomination of Directors*”), no group of shareholders has the right to elect a specified number of directors, nor are there cumulative or similar voting rights attached to either the Common Shares or the Restricted Shares.

As at the date of this Information Circular, the Common Shares, Preferred Shares and Restricted Shares represent approximately 72.92%, 0% and 27.08% of the total issued and outstanding shares, respectively, and approximately 72.92%, 0% and 27.08% of the voting power attached to all of the issued and outstanding shares, respectively. Each Restricted Share is convertible into one Common Share, without payment of additional consideration, at the option of the holder if there is an offer to purchase the Common Shares which must be made by reason of applicable securities legislation or the rules or policies of a stock exchange to all or substantially all of the holders of Common Shares any of whom are in, or whose last address as shown on the books of the Company is in, a province or territory of Canada to which the relevant requirement applies.

## **PARTICULARS OF MATTERS TO BE ACTED UPON**

### ***Financial Statements***

The audited consolidated financial statements of the Company for the year ended December 31, 2021, including the report of the auditors thereon, will be tabled at the Meeting and will be received by the shareholders. These audited consolidated financial statements of the Company for the year ended December 31, 2021 and the report of the auditors thereon and the related management’s discussion and analysis are available under the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### ***Election of Directors***

The directors on the board of directors of the Company are elected at each annual meeting of shareholders and hold office until the close of the next annual meeting or until their successors are duly elected or appointed, unless their office is earlier vacated in accordance with the *Canada Business Corporations Act* (“**CBCA**”). Management proposes to nominate each of the following nine persons for election as a director of the Company. Proxies cannot be voted for a greater number of persons than the number of nominees named.

Holders of Common Shares are entitled to vote their Common Shares for the election of directors. Holders of Restricted Shares do not have any right to vote their Restricted Shares for the election of directors.

**In the absence of instructions to the contrary, the enclosed form of proxy will be voted “FOR” the nominees listed below.**

The Company and certain shareholders of National Concessions Group, Inc. (the “**NCG Holders**”) entered into an investor rights agreement (the “**Investor Rights Agreement**”), which provided the NCG Holders with certain rights with respect to the nomination of directors. The Investor Rights Agreement was terminated in accordance with its terms in 2021.

The by-laws of the Company include advance notice provisions for the election of directors of the Company. The advance notice provisions require advance notice by any shareholder who intends to nominate any person for election as a director of the Company. Among other things, the advance notice provisions set a deadline by which such shareholders must notify the Company in writing of an intention to nominate directors prior to any meeting of shareholders at which directors are to be elected and set forth the information that the shareholder must include in the notice for it to be valid.

In the case of an annual meeting of shareholders, notice to the Company must be made not less than 30 days prior to the date of the annual meeting; provided, however, that if the annual meeting is to be held on a date that is less

than 50 days after the date on which the first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

As a group, the proposed directors beneficially own, or control or direct, directly or indirectly, a total of 7,936,422 Common Shares, representing 11.16% of the Common Shares outstanding.

Name, Province or State and Country of Residence, Position	Principal Occupation or Employment for the Past Five Years	Director Since	Number of Securities Beneficially Owned or Controlled
Drew McManigle <sup>(1)(3)(4)</sup> Texas, USA Interim CEO, Chairman of the Board and Director	SLANG, Interim CEO (November 2021 – Present); MACCO Restructuring Group, LLC (“MACCO”), Founder and Chief Executive Officer (2019 – Present); Sierra Constellation Partners, Managing Director and SW Region Head (2015 - 2019)	2021	18,033 Common Shares
Felicia Snyder <sup>(1)(2)(3)</sup> Ontario, Canada Director	Relax.House Inc., President and Co-CEO (December 2020 – Present); Canopy Growth Corporation (“Canopy Growth”), Vice President (September 2018 – September 2020); Hiku Brands Co Ltd., Senior Vice President (December 2017 – September 2018); Tokyo Smoke Brands, Vice President (April 2017 – December 2017)	2021	84,023 stock options
Kevin Albert New York, USA Director	Pantheon Ventures LLC, Partner (September 2010 – December 2019)	2022	Nil
Sandra Levy Ontario, Canada Proposed Director	Canadian Olympic Committee, Chief People and Culture Officer (October 2020 – Present); RioCan Real Estate Investment Trust, Vice President Human Resources (April 2018 – October 2020); First Capital Realty, Vice President People and Corporate Affairs (June 2015 – July 2018)	N/A	Nil
Ruth Chun Ontario, Canada Proposed Director	Chun Law Professional Corporation, Founder and Lawyer (September 2019 – Present); HEXO Corp., Senior Legal Counsel (May 2019 – June 2019); Newstrike Brands Ltd./Up Cannabis (March 2017 – May 2019)	N/A	Nil
Todd Boudreau Massachusetts, USA Proposed Director	Foley & Lardner International Law Firm, Partner, Attorney, Chair Private Equity and Investments (July 2006 – March 2019); Morrison & Foerster International Law Firm, Partner, Attorney, Co-Chair Private Equity and Investments (March 2019 – March 2022); ACL Capital Partners Business Advisory, Founding Partner (March 2022 – Present)	N/A	Nil
Adam Crocker California, USA Proposed Director	Logbook Investments, Chief Investment Officer (May 2016 – Present)	N/A	Nil

**Notes:**

- (1) Audit committee member.
- (2) Compensation committee member.
- (3) Nominating and Governance committee member.
- (4) Drew McManigle is not an independent director as he serves as Interim Chief Executive Officer.

The information as to residence, principal occupation and number of Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been taken from the System for Electronic Disclosure by Insiders (SEDI) or furnished by the respective nominees as of May 12, 2022.

### Biographies

The following are brief profiles of each of the proposed nominees, including a description of each individual's principal occupation within the past five years.

#### **Drew McManigle, Chairman of the Board, Interim Chief Executive Officer and Director**

Drew McManigle is the Founder and Chief Executive Officer of MACCO. He brings both wide-ranging experience, derived from a variety of industries, as well as a solutions-driven leadership style that has led to successful outcomes in numerous complex situations. As interim CEO and Chairman, Mr. McManigle will have oversight over key strategic, operational and financial functions. In addition to existing SLANG management, Mr. McManigle will also have the added support of members of MACCO who will provide senior level operating and financial expertise to enable rapid strategic reviews and business plan implementation.

While at MACCO, Drew has held several leadership and fiduciary roles, including interim CEO and CRO. He has also served as an independent director. Prior to MACCO, Mr. McManigle was a principal of his own firm for 22 years. He had previously been employed by a Fortune 500 healthcare services company and had established the Houston office for a California-based advisory firm. He attended Texas Tech University and received his bachelor's degree from the University of Houston.

#### **Felicia Snyder, Director**

Felicia Snyder was a Founding Executive at Tokyo Smoke, one of Canada's most recognized cannabis brands and a leading Canadian cannabis retailer. Felicia led the company through its merger with Doja Cannabis and its eventual sale to Canopy Growth. Post-acquisition, Felicia was Vice President at Canopy Growth, managing Canopy's portfolio of premium cannabis brands. Prior to Tokyo Smoke, Felicia worked for several years in South Korea at Samsung Electronics in its Global Strategy Group and Smart TV Services Group where she led a variety of projects related to business strategy, acquisitions, investments, and developing new partnerships, products and services. She was also a Senior Market Manager at Google in Mountain View. She began her career as a Management Consultant at Oliver Wyman, a global consulting firm.

#### **Kevin Albert, Director**

Kevin Albert worked in the investment banking division of Merrill Lynch & Co. for 24 years. Now retired, he is currently managing a portfolio of private investments, the majority of which are in the legal cannabis industry. From September 2010 through December 2019, Mr. Albert was a Senior Partner of Pantheon Ventures LLC ("**Pantheon**") and a member of its six-person Partnership Board. For most of his nine-year tenure there, he was responsible for the firm's global business development, and during this time Pantheon's assets under management increased from approximately US\$25 billion to approximately US\$50 billion.

From 2006 until 2017, he also served as an independent director on the board of Merrill Lynch Ventures, LLC, a series of private equity partnerships offered to Merrill Lynch employees aggregating over US\$1.8 billion of original committed capital. He currently serves as an independent director on the boards of Harborside Inc, Osiris Ventures, Inc. dba, NorCal Cannabis Company, Octavius Holdings Inc dba, Flow Cannabis Company, and Achari Venture Holding Corp I, a special purpose acquisition company targeting a merger with a non-plant touching cannabis company. Mr. Albert has a BA and an MBA from the University of California, Los Angeles where he continues to be involved as the Chair of the Board of Visitors of the Economics Department.

### **Sandra Levy, Proposed Director**

Sandra Levy is currently the Chief People & Culture Officer at the Canadian Olympic Committee where she oversees all aspects of human resources, health and safety and Diversity, Equity and Inclusion. Sandra is a senior human resources executive with over 25 years' experience in human resources and legal roles. She is a lawyer by training and brings proven management expertise from both national and global organizations including, Magna International Inc., PlyGem Inc. and RioCan Real Estate Investment Trust.

Sandra has strong corporate board and volunteer board experience. Currently she sits on the Create TO (City of Toronto) Board of Directors and chairs its Human Resources Committee. She also sits on the board of Trustees of Sir Corp Investment Trust and chairs its Governance Committee. Previous boards include ResReit, York University and the Scarborough Hospital Foundation.

Sandra is a two time Olympian for Canada and competed in the 1988 and 1992 Olympic Games in the sport of field hockey.

### **Ruth Chun, Proposed Director**

Ruth Chun is a lawyer focused on advising regulated businesses in the cannabis, psychedelics, CPG and energy industries. Prior to founding Chun Law Professional Corporation, she was the general counsel and corporate secretary for Newstrike Brands Ltd. / Up Cannabis Inc. and senior legal counsel at HEXO Corp. through its acquisition of Newstrike in an all share deal valued at \$346 million. Ms. Chun joined Newstrike in February 2017 and was involved in all significant corporate activity including a successful TSXV listing, debt and equity financings (exceeding \$140 million), M&A, regulatory matters and government relations. She is regularly called upon as a speaker, industry expert and guest lecturer at various colleges and universities and is on the advisory board of the Osgoode Professional Development Certificate in Cannabis Law and Regulation.

Ms. Chun currently serves on several boards and is the chairperson of SAVIS of Halton. She served as the first female executive at a leading insurer in southern Africa as the head of legal and compliance and was a partner at Africa's largest law firm. Previously, she chaired Rio Tinto's pension fund for Rössing Uranium Mine and was a trustee of the Alexander Forbes umbrella group of funds. She received an Hon BA (Trinity College), MA from the University of Toronto and Juris Doctor from Queens University. She is called to the bar in Ontario, New York and Namibia.

### **Todd Boudreau, Proposed Director**

Todd Boudreau is an attorney and the Founding Partner at ACL Capital Partners. Todd Boudreau brings over 20 years of legal and business experience assisting global companies and investment managers on a wide range of matters including venture, growth, and control capital partnerships, business sale and acquisition transactions, strategic partnerships, joint ventures, and US expansion. Mr. Boudreau is highly experienced in assisting family offices, sovereign wealth funds, pensions and endowments with direct and co-mingled investments and fund managers with direct investment transactions, fund formation, and US partnerships. He represents companies in industries such as technology (including software and fintech), life sciences, health services, medical devices, consumer, and aerospace and defense. Prior to founding ACL Capital Partners, Mr. Boudreau was the Co-Chair of the Private Equity Investments & Buyout Group with Morrison & Forester and the Chair of the Investments & Buyout Group with Foley & Lardner.

Mr. Boudreau is also an active member of the legal and business community. He is the current Chair of the American Bar Association's Institutional Investment Committee and has consistently received the highest Martindale-Hubbell AV Ranking of "Preeminent" by his legal industry peers. He serves on various committees of the Institutional Limited Partners Association ("ILPA") and as the founding sponsor for the ILPA's emerging managers conference. Mr. Boudreau has also served on the board of directors of the Association for Corporate Growth, as a judge for MassChallenge entrepreneurship competition, and the Verizon Powerful Answers Award. Mr. Boudreau is an advisor to multiple emerging fund managers, start-up companies and has ongoing partnerships with the Swiss-based

Swissnex and VentureLab entrepreneurship program for technology and life sciences, the India-based Venture Catalysts start-up incubator, and Harvard Business School's search fund accelerator program. Mr. Boudreau is also a board member for the non-profit CareerSpring and serves as an advisor for the non-profit CareQuest Innovation Partners incubator program.

#### **Adam Crocker, Proposed Director**

Adam Crocker, CFA is Founder and Chief Investment Officer of Logbook Investments, a value fund with research on core positions enhanced by insights from books. Logbook launched in 2016 and is seeded by his former employer. Prior to Logbook, Adam was a co-manager at Metropolitan Capital Advisors. Before joining Metropolitan, he was an analyst at Morgan Stanley Investment Management conducting research on behalf of growth and value investment teams. He began his career in Leveraged Finance investment banking at JPMorgan. Adam is a graduate of the Value Investing Program at Columbia Business School and has an undergraduate degree in Economics from Columbia University.

#### Corporate Cease Trade Orders

To the knowledge of the Company, no proposed director is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, Chief Executive Officer or Chief Financial Officer of any company (including the Company) that: (a) was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemptions under Canadian securities legislation that was in effect for a period of more than 30 consecutive days (an "order"), that was issued while the proposed director was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer; or (b) was subject to an order that was issued after the proposed director ceased to be a director, Chief Executive Officer or Chief Financial Officer and which resulted from an event that occurred while that person was acting in the capacity as director, Chief Executive Officer or Chief Financial Officer.

#### Corporate Bankruptcies

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

#### Penalties or Sanctions

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

#### ***Appointment of Auditor***

**Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted "FOR" the appointment of Baker Tilly LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the close of the next annual meeting of shareholders of the Company or until a successor is appointed.** It is proposed that

the remuneration to be paid to the auditor be fixed by the Board. Baker Tilly LLP was appointed as the auditor for the Company on October 16, 2020.

#### Fees Paid to Auditor and their Independence from the Company

The aggregate fees billed by the Company’s external auditors in each of the last two fiscal years for audit, audit-related, tax and all other fees are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2021	\$450,289	Nil	Nil	\$5,150
2020	\$823,550	Nil	\$32,718	\$24,075

#### Notes:

- (1) “Audit Fees” include fees necessary to perform the annual audit of the Company’s financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) “Audit-Related Fees” include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

In the event the Company wishes to retain the services of the Company’s external auditors for any non-audit services, prior approval of the Audit Committee must be obtained. All of the engagements and fees for the years ended December 31, 2021 and December 31, 2020 were pre-approved or ratified by the Audit Committee. The Audit Committee reviews with its auditor whether the non-audit services to be provided are compatible with maintaining the auditor’s independence.

#### **Approval of Equity Compensation Plan**

At the Meeting, shareholders will be asked to adopt and approve a 15% rolling equity incentive plan (the “**Equity Plan**”) which will replace the existing 10% rolling stock option plan (the “**Option Plan**”) and fixed 5,000,000 restricted share unit plan (the “**RSU Plan**”). A copy of the proposed Equity Plan is attached hereto as Appendix “A”. On April 27, 2022, the Board approved the Equity Plan, subject to shareholder approval. The aggregate maximum number of Shares that may be reserved for issuance under the Equity Plan is 15% of the issued and outstanding Shares on a rolling basis; provided that the total number of restricted share units (“**RSUs**”) that may be issued under the Equity Plan has been fixed at 10,000,000 RSUs.

The Board is seeking disinterested shareholder approval of the Equity Plan. Although shareholder approval of the Equity Plan is not required pursuant to the policies of the Canadian Securities Exchange (the “**CSE**”), the Board wishes to obtain maximum flexibility with respect to the granting of awards under the Equity Plan.

National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) provides exemptions from the requirement to prepare and file a prospectus in connection with a distribution of securities. As the Company is listed on the CSE, the Company is classified as an “unlisted reporting issuer” for purposes of the exemption provided in Section 2.24 of NI 45-106 for distributions of securities to employees, executive officers, directors and consultants of the Company (the “**Exemption**”). NI 45-106 restricts the use of the Exemption by “unlisted reporting issuers”, such as the Company, unless the Company obtains disinterested shareholder approval. Specifically, NI 45-106 provides that the Exemption does not apply to a distribution to an employee or consultant of the “unlisted reporting issuer” who is an investor relations person of the issuer, an associated consultant of the issuer, an executive officer of the issuer, a director of the issuer, or a permitted assign of those persons if, after the distribution,

- (a) the number of securities, calculated on a fully diluted basis, reserved for issuance under options granted to
  - (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
  - (ii) a related person, exceeds 5% of the outstanding securities of the issuer, or
- (b) the number of securities, calculated on a fully diluted basis, issued within 12 months to
  - (i) related persons, exceeds 10% of the outstanding securities of the issuer, or
  - (ii) a related person and the associates of the related person, exceeds 5% of the outstanding securities of the issuer.

The term “related person” is defined in NI 45-106 and generally refers to a director or executive officer of the issuer or of a related entity of the issuer, an associate of a director or executive officer of the issuer or of a related entity of the issuer, or a permitted assign of a director or executive officer of the issuer or of a related entity of the issuer. The term “permitted assign” includes a spouse of the person.

In accordance with the requirements of NI 45-106, the Board wishes to provide the following information with respect to the Equity Plan so that the disinterested shareholders may form a reasoned judgment concerning the Equity Plan. The purpose of the Equity Plan is to attract and retain directors, officers, employees and consultants and to ensure that their interests are aligned with the success of the Company. The Equity Plan is a 15% “rolling” equity incentive plan pursuant to which the maximum number of Shares reserved under the Equity Plan, together with all of the Company’s other previously established or proposed stock options, stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares to directors, officers, employees of the Company and any of its subsidiaries, shall not result in the number of Shares reserved for issuance pursuant to awards exceeding 15% of the issued and outstanding Shares as at the date of grant of any awards under the Equity Plan; provided that the total number of RSUs that may be issued under the Equity Plan has been fixed at 10,000,000 RSUs. Pursuant to the terms of the Equity Plan, in addition to the ability to award options (“**Options**”) to acquire Shares to participants, the Company has the availability to award RSUs.

#### *Summary of Equity Plan*

The Equity Plan provides participants (each, a “**Participant**”), with the opportunity, through RSUs and Options, to acquire an ownership interest in the Company. The RSUs will rise and fall in value based on the value of the Shares. Unlike the Options, the RSUs will not require the payment of any monetary consideration to the Company. Instead, each RSU represents a right to receive one Share or an equivalent amount of cash, as determined by the Board, following the attainment of vesting criteria determined at the time of the award. See “*Restricted Share Units – Vesting Provisions*” below. The Options, on the other hand, are rights to acquire Shares upon payment of monetary consideration (i.e., the exercise price), subject also to vesting criteria determined at the time of the grant. See “*Options – Vesting Provisions*” below.

#### *Eligibility under the Equity Plan*

Pursuant to the Equity Plan, the Administrators (as defined herein) may grant Options and RSUs to any officer, director, employee or consultant of the Company or any of its subsidiaries, including any person who is controlled by any of the foregoing. In addition, the Administrators may grant Options and RSUs to any other person designated by the Administrators, in compliance with the requirements of the CSE and applicable securities laws.

### Administration of the Equity Plan

The Equity Plan is administered by the Board or such other persons as may be designated by the Board (the “Administrators”). The Administrators determine the eligibility of persons to participate in the Equity Plan, when RSUs and Options will be awarded or granted, the number of RSUs and Options to be awarded or granted, the vesting criteria for each award of RSUs and grant of Options and all other terms and conditions of each award and grant, in each case in accordance with applicable securities laws and the requirements of the CSE, if any.

### Number of Shares Issuable under the Equity Plan

The number of Shares available for issuance upon the vesting of RSUs awarded and Options granted under the Equity Plan (together with those Shares issuable pursuant to any other share compensation arrangement of the Company) is limited to 15% of the issued and outstanding Shares at the time of any grant; provided that the maximum number of Options that may be designated as “incentive stock options” (as defined by the United States Internal Revenue Code of 1986, as amended) is set at 10,000,000 Options (“ISOs”), and provided further that, the total number of RSUs that may be issued under the Equity Plan has been set at 10,000,000 RSUs.

### Restrictions on the Award of RSUs and Grant of Options

The awards of RSUs and grants of Options under the Equity Plan is subject to a number of restrictions:

- (a) the total number of Shares issuable under the Equity Plan or any other share compensation arrangements of the Company, including the RSUs that may be awarded under the Equity Plan, of the Company cannot exceed 15% of the Shares then outstanding, including the RSUs that may be awarded thereunder; provided that the total number of RSUs that may be issued under the Equity Plan has been fixed at 10,000,000 RSUs;
- (b) until security holder approval is obtained:
  - (i) the total number of Shares issuable to related persons under the Equity Plan and any other share compensation arrangements of the Company, including the RSUs that may be awarded under the Equity Plan, cannot exceed 10% of the Shares then outstanding;
  - (ii) the total number of Shares issuable to any related person under the Equity Plan and any other share compensation arrangements of the Company cannot exceed 5% of the Shares then outstanding;
  - (iii) the total number of Shares issued to related persons under the Equity Plan and any other share compensation arrangements of the Company, within a 12 month period cannot exceed 10% of the of the Shares then outstanding; and
  - (iv) the total number of Shares issued to any related person under the Equity Plan and any other share compensation arrangements of the Company, within a 12 month period cannot exceed 5% of the of the Shares then outstanding;
- (c) the number of Options granted to Insider Participants, within a 12 month period, must not exceed 10% of the issued and outstanding Shares unless disinterested Shareholder approval is obtained; and
- (d) the total number of Shares issuable pursuant to exercise of options under the Equity Plan and any other share compensation arrangements of the Company within a 12 month period to persons retained to provide Investor Relations Activities (defined in the Equity Plan as activities, by or on behalf of the Company or Shareholder of the Company, that promote or reasonably could be



expected to promote the purchase or sale of securities of the Company, subject to certain exclusions listed therein) shall not, at any time, exceed 1% of the issued and outstanding Shares.

In the event of any declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Shares), or any subdivision or consolidation of the Shares, reclassification or conversion of the Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders of Shares, or any other corporate transaction or event involving the Company or the Shares, the Administrators may in their sole discretion make such changes or adjustments, if any, as the Administrators consider fair or equitable to reflect such change or event including, without limitation, adjusting the number of Options and RSUs outstanding under the Equity Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Equity Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

The Equity Plan also includes customary limitations and restrictions applicable to ISOs. It is not currently anticipated that any financial assistance or support agreements will be provided to Participants by the Company or any related entity of the Company.

#### Restricted Share Units

The total number of Shares that may be issued on settlement of the RSUs shall not exceed 10,000,000 Shares. RSUs will not be awarded to persons providing Investor Relations Activities.

##### *(a) Mechanics for RSUs*

RSUs awarded to Participants under the Equity Plan are credited to an account that is established on their behalf and maintained in accordance with the Equity Plan. After the relevant date of vesting of any RSUs awarded under the Equity Plan, a Participant shall be entitled to receive and the Company shall issue or pay (at its discretion): (a) a lump sum payment in cash equal to the number of vested RSUs recorded in the Participant's account multiplied by the greater of: (i) the volume weighted average price of the Common Shares traded on the CSE for the five (5) consecutive trading days prior to the payout date; and (ii) the closing price of the Common Shares on the CSE on the day before the payout date; (b) the number of Shares required to be issued to a Participant upon the vesting of such Participant's RSUs in the Participant's account will be, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Company as the holder of the appropriate number of Shares; or (c) any combination of thereof.

##### *(b) Vesting Provisions*

The Equity Plan provides that: (i) at the time of the award of RSUs, the Administrators will determine the vesting criteria applicable to the awarded RSUs; (ii) vesting of RSUs may include criteria such as performance vesting; (iii) each RSU shall be subject to vesting in accordance with the terms set out in an agreement evidencing the award of the RSU attached as Exhibit A to the Equity Plan (or in such form as the Administrators may approve from time to time) (each an "RSU Agreement"); and (iv) all vesting and issuances or payments in respect of an RSU shall be completed no later than December 15 of the third calendar year commencing after the award date for such RSU.

It is the current intention that RSUs may be awarded with both time-based vesting provisions as a component of the Company's annual incentive compensation program, and performance-based vesting provisions as a component of the Company's long-term incentive compensation program.

Under the Equity Plan, should the date of vesting of an RSU fall within a blackout period or within nine business days following the expiration of a blackout period, the date of vesting will be automatically extended to the tenth business day after the end of the blackout period.

(c) *Termination, Retirement and Other Cessation of Employment in connection with RSUs*

A person participating in the Equity Plan will cease to be eligible to participate in the following circumstances: (i) receipt of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause); (ii) retirement; and (iii) any cessation of employment or service for any reason whatsoever, including disability and death (an “**Event of Termination**”). In such circumstances, any vested RSUs will be issued and unless otherwise determined by the Administrators in their discretion, any unvested RSUs will be automatically forfeited and cancelled. Notwithstanding the above and subject to the requirements of the CSE, if a person retires in accordance with the Company’s retirement policy at such time, the *pro-rata* portion of any unvested performance-based RSUs will not be forfeited or cancelled and instead shall be eligible to become vested on the earlier of: (i) 12 months from the date of such termination; or (ii) in accordance with the vesting conditions set forth in the applicable RSU Agreement after such retirement (as if retirement had not occurred), but only if the performance vesting criteria, if any, have been met on the applicable date. For greater certainty, if a person is terminated for just cause, all unvested RSUs will be forfeited and cancelled.

Options

The total number of Shares that may be issued on exercise of Options, together with any other share compensation arrangements of the Company, including RSUs that may be awarded under the Equity Plan, shall not exceed 15% of the number of issued and outstanding Shares from time to time.

(a) *Mechanics for Options*

Each Option granted pursuant to the Equity Plan will entitle the holder thereof to the issuance of one Share upon achievement of the vesting criteria and payment of the applicable exercise price. Options granted under the Equity Plan will be exercisable for Shares issued from treasury once the vesting criteria established by the Administrators at the time of the grant have been satisfied.

(b) *Vesting Provisions*

The Equity Plan provides that the Administrators may determine when any Option will become exercisable and may determine that Options shall be exercisable in instalments or pursuant to a vesting schedule. The option agreement will disclose any vesting conditions prescribed by the Administrators.

(c) *Termination, Retirement and Other Cessation of Employment in connection with Options*

A person participating in the Equity Plan will cease to be eligible to participate where there is an Event of Termination. In such circumstances, unless otherwise determined by the Administrators in their discretion, any unvested Options will be automatically cancelled, terminated and not available for exercise and any vested Options may be exercised only before the earlier of: (i) the termination of the Option; and (ii) thirty (30) days after the date of the Event of Termination. If a person is terminated for just cause, all Options will be (whether or not then exercisable) automatically cancelled.

(d) *Cashless Exercise*

Provided that the Common Shares are listed and posted for trading on the CSE or a market that permits a cashless exercise, a Participant may elect a cashless exercise in a notice of exercise, as further described in the Equity Plan.

(e) *Other Terms*

The Administrators will determine the exercise price and term/expiration date of each Option, provided that the exercise price in respect of that Option shall not be less than the Market Price on the date of grant. “**Market Price**” is defined in the Equity Plan as of any date, the greater of: (i) closing price of the Common Shares on the CSE for the

last market trading day prior to the date of grant of the Option; and (ii) the closing price of the Common Shares on the CSE on the date of grant of the Options, provided that if the Common Shares are not listed on a stock exchange or quotation system, the Market Price shall be determined in good faith by the Administrators.

No Option shall be exercisable after ten (10) years from the date the Option is granted. Under the Equity Plan, should the term of an Option expire on a date that falls within a blackout period or within nine (9) business days following the expiration of a blackout period, such expiration date will be automatically extended to the tenth (10<sup>th</sup>) business day after the end of the blackout period.

#### Transferability

RSUs awarded and Options granted under the Equity Plan or any rights of a Participant cannot be transferred, assigned, charged, pledged or hypothecated, or otherwise alienated, whether by operation of law or otherwise.

#### Reorganization and Change of Control Adjustments

In the event of any declaration by the Company of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Shares), or any subdivision or consolidation of Shares, reclassification or conversion of the Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Company, distribution (other than normal course cash dividends) of Company assets to holders of Shares, or any other corporate transaction or event involving the Company or the Shares, the Administrators may make such changes or adjustments, if any, as they consider fair or equitable, to reflect such change or event including adjusting the number of Options and RSUs outstanding under the Equity Plan, the type and number of securities or other property to be received upon exercise or redemption thereof, and the exercise price of Options outstanding under the Equity Plan, provided that the value of any Option or RSU immediately after such an adjustment shall not exceed the value of such Option or RSU prior thereto.

#### Amendment Provisions in the Equity Plan

The Board may amend the Equity Plan or any RSU or Option at any time without the consent of any Participant provided that such amendment shall:

- (a) be subject to any regulatory approvals including, where required, the approval of the CSE; and
- (b) be subject to shareholder approval, where required, by the requirements of the CSE, provided that Shareholder approval shall not be required for the following amendments:
  - (i) amendments of a “housekeeping nature”, including any amendment to the Equity Plan or a RSU or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority, stock exchange or quotation system and any amendment to the Equity Plan or an RSU or Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
  - (ii) amendments that are necessary or desirable for RSUs or Options to qualify for favourable treatment under any applicable tax law;
  - (iii) amendments to the vesting provisions of any RSU or any Option (including any alteration, extension or acceleration thereof), providing such amendments do not adversely alter or impair such RSU or Option;

- (iv) amendments to the Equity Plan that would permit the Company to retain a broker and make payments for the benefit of Participants to such broker who would purchase Shares for such persons, instead of issuing Shares from treasury upon the vesting of the RSUs;
- (v) amendments to the Equity Plan that would permit the Company to make lump sum cash payments to Participants, instead of issuing Shares from treasury upon the vesting of the RSUs;
- (vi) the amendment of the cashless exercise feature set out in the Equity Plan; and
- (vii) such other amendment that is allowable by the CSE without shareholder approval.

For greater certainty, shareholder approval will be required in circumstances where an amendment to the Equity Plan would:

- (a) increase the fixed maximum percentage of issued and outstanding Shares issuable under the Equity Plan, other than by virtue of the adjustment provisions in the Equity Plan, or change from a fixed maximum percentage of issued and outstanding Shares to a fixed maximum number of Shares;
- (b) increase the limits referred to above under *“Restrictions on the Award of RSUs and Grant of Options”*; and
- (c) amend the amendment provisions in Section 6.4 of the Equity Plan.

Shareholders will be asked to consider and, if deemed appropriate, to pass, with or without variation, a resolution (the **“Equity Plan Resolution”**) approving the Equity Plan. The Equity Plan Resolution must be approved by a majority of the votes cast thereon by disinterested shareholders represented in person or by proxy at the Meeting. Each of the persons listed under *“Ownership of Shares – Ownership by Management”* and *“Particulars to Be Acted Upon – Election of Directors”* are considered interested parties and will be excluded from voting on the Equity Plan Resolution.

The text of the Equity Plan Resolution is set out below:

**“BE IT RESOLVED**, as a special resolution of the shareholders of SLANG Worldwide Inc. (the **“Company”**), that:

1. the Company’s 15% rolling equity incentive plan (the **“Equity Plan”**) as described in and attached as Appendix “A” to the management information circular of the Company dated May 12, 2022, be and is hereby adopted and approved;
2. any one director or officer of the Company is hereby authorized, for and on behalf of the Company, to execute and deliver all such further agreements, documents and instruments and to perform all such other acts, deeds and things as such director or officer may deem to be necessary or advisable for the purpose of giving full force and effect to the provisions of this resolution, the execution and delivery by such director or officer of any such agreement, document or instrument or the doing of any such act or thing being conclusive evidence of such determination; and
3. notwithstanding the foregoing approvals, the directors of the Company be and are hereby authorized to abandon all or any part of these resolutions at any time prior to giving effect thereto without further notice to or approval of the shareholders of the Company.”

If approval of the Equity Plan Resolution is not obtained at the Meeting, the terms of the existing Option Plan and RSU Plan will remain in effect.

The Board unanimously recommends a vote for the Equity Plan Resolution. In the absence of a instructions to the contrary, the person(s) designated by management of the Company in the enclosed Form of Proxy will be voted FOR the Equity Plan Resolution.

## OWNERSHIP OF SHARES

### *Ownership by Management*

The following table sets forth certain information regarding beneficial ownership of the Company's Shares, as of May 12, 2022, by each of the Company's executive officers:

Name	Beneficially Owned <sup>(1)</sup>	Percentage
Drew McManigle, Chairman of the Board, Interim Chief Executive Officer and Director	18,033 Common Shares	0.03%
John Moynan, Chief Operating Officer, General Counsel and Corporate Secretary	578,916 Common Shares 92,822 Restricted Shares	0.81% 0.35%
Mike Rutherford, Chief Financial Officer	314,454 Common Shares	0.44%

Notes:

(1) These amounts do not include Options or RSUs.

### *Ownership by Principal Shareholders*

To the Company's knowledge, as of May 12, 2022, other than as described below, no person or company beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Company.

Name	Number and Type of Securities <sup>(1)</sup>	Type of Ownership	Percentage of Class
Pura Vida Investments, LLC	8,183,768 Common Shares <sup>(2)</sup>  1,697,283 Warrants  USD\$5,154,639 Convertible Debt Note	Beneficial and of record	11.61%

Notes:

- (1) The information as to shares beneficially owned, controlled or directed, directly or indirectly, not being within the knowledge of the Company, has been derived from public sources available to the Company.
- (2) Includes 8,183,768 Common Shares held by funds managed by Pura Vida Investments, LLC ("Pura Vida") and its affiliate, Pura Vida Pro, LLC ("Affiliate"). Pura Vida and its Affiliate, on behalf of certain investment funds and portfolios managed by them, also exercise control or direction over an aggregate of 1,697,283 Warrants. Each such Warrant entitles the holder thereof to acquire one Common Share at an exercise price of \$3.12 per Common Share until November 26, 2024. Pura Vida and its Affiliate are also lenders to the Company under its senior secured credit facility. Pura Vida and its Affiliate hold a principal amount of US\$5,154,639 under such facility, which, together with compounded interest of 9.75% per annum and an additional maturity fee of US\$1,082,404.22, is convertible into Common Shares at a price per Common Share equal to US\$0.7638.

## QUORUM

The quorum for the transaction of business at a meeting of shareholders is two or more persons present at the commencement of the meeting holding, or representing by proxy, not less than five percent (5%) of the votes attached to all shares entitled to vote at the meeting.

No business may be transacted at any meeting of shareholders unless a quorum of shareholders entitled to vote is present at the commencement of the meeting.

## **CORPORATE GOVERNANCE**

The Company's Board and executive officers consider good corporate governance to be an important factor in the efficient and effective operation of the Company.

### ***Board of Directors***

The Board is currently composed of six directors: Drew McManigle, Felicia Snyder, Kevin Albert, Sam Brill, Peter Miller and Shayne Lynn.

National Policy 58-201 – *Corporate Governance Guidelines* suggests that the board of directors of a public company should be constituted with a majority of individuals who qualify as “independent” directors. An “independent” director is a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. Of the proposed nominees for directors of the Company, six (Felicia Snyder, Kevin Albert, Sandra Levy, Ruth Chun, Todd Boudreau and Adam Crocker) are considered by the Board to be “independent” within the meaning of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and one nominee (Drew McManigle) is considered to be “non-independent”. Drew McManigle is not an independent director as he serves as Interim Chief Executive Officer.

In order to ensure that the Board exercises independent judgment in carrying out its responsibilities, the independent members of the Board meet without the presence of the non-independent directors and management, known as “in-camera” meetings, before or after every regularly scheduled meeting and at such other times as they deem appropriate.

The Board is responsible for determining the compensation paid to the directors of the Company. The directors establish director compensation based on the recommendations of the compensation committee which is comprised of independent directors, and review of the compensation paid to directors of similar stage entities.

### ***Position Descriptions***

The Board has adopted a written position description for the chairman of the Board, which sets out the chairman's key responsibilities, including, as applicable, duties relating to setting Board meeting agendas, chairing Board and shareholders meetings, director development and communicating with shareholders and regulators.

The Board has also adopted a written position description for the chair of the Audit Committee and the Chair of the Compensation Committee. Each position description sets out each of the committee chair's key responsibilities, including duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee.

The activities of the executive officers are subject to the overriding supervision and direction of the Board. The Board has adopted a written position description for the President and the Chief Executive Officer which sets out the key responsibilities of each position. The primary functions of the Chief Executive Officer will be to lead the management of the business and affairs of the Company, to lead the implementation of the resolutions and the policies of the Board, to supervise day to day management and to communicate with shareholders and regulators. Whereas, the Board considers that the role and responsibilities of the President are to develop the Company's strategic plans and policies, recommend such plans and policies to the Board, report relevant matters to the Board, facilitate communications between the Board and Management, provide executive leadership and identify business risks and

opportunities and manage them accordingly. The mandate of each of the President and Chief Executive Officer will be considered by the Board for approval at least annually.

### ***Orientation and Continuing Education***

While the Company does not have formal orientation and training programs, orientation of new members of the Board is conducted by informal meetings with members of the Board, briefings by management, and the provision of copies of or access to the Company's documents.

The Company has not adopted formal policies respecting continuing education for Board members. Board members are encouraged to communicate with management, legal counsel, auditors and consultants, to keep themselves current with industry trends and developments and changes in legislation with management's assistance, and to attend related industry seminars and visit the Company's operations. Board members have full access to the Company's records.

### ***Ethical Business Conduct***

The Board has found that the fiduciary duties placed on individual directors by the Company's governing corporate legislation and the common law, and the restrictions placed by the CBCA on an individual director's participation in decisions of the Board in which the director has an interest have helped to ensure that the Board operates independently of management and in the best interests of the Company.

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, if a director of the Company also serves as a director or officer of another company engaged in similar business activities to the Company, that director must comply with the conflict of interest provisions of the CBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors that evoke such a conflict.

### ***Nomination of Directors***

The Company does not have a stand-alone nomination committee. The full Board has responsibility for identifying potential Board candidates. The Board assesses potential Board candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors. Members of the Board and representatives of the industry are consulted for possible candidates.

None of the above directors has entered into any arrangement or understanding with any other person pursuant to which he or she was, or is to be, elected as a director of the Company or a nominee of any other person.

### ***Board Committees***

The Board has an Audit Committee, a Compensation Committee, a Nominating and Governance Committee and a Merger and Acquisition Committee. For more detail on the committees of the board, see "*Committees of the Board of Directors*".

## **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees. On an ongoing annual basis, the Board assesses the performance of the Board as a whole, each of the individual directors and each committee of the Board in order to satisfy itself that each is functioning effectively.

## **Insider Trading Policy**

The Board has adopted an insider trading policy to set forth basic guidelines for trading in the Company's securities (including, without limitation, the Common Shares) and to preserve its confidential information so as to avoid any situation that might have the potential to damage the Company's reputation or which could constitute a violation of federal or state securities law by the Company, its officers, directors, or employees.

Under this policy, "insiders" (i.e., officers, members of the Board and other individuals having access to material non-public information) are prohibited from trading in Common Shares and other securities on the basis of such material non-public information until after the information has been disclosed to the public. All matters regarding the "materiality" or "non-public" nature of any information shall be determined by the chairman or legal counsel of the Company.

The obligation not to trade on inside information applies not only to the Company and insiders, but also to persons who obtain such information from insiders and use it to their advantage. Thus, liability may be imposed upon the Company, its insiders and also outsiders who are the source of leaks of material information not yet disclosed to the public and the leaks coincide with purchases or sales of the Company's securities (i) by such insiders or outsiders, (ii) by the Company itself, or (iii) by "tippees" (including relatives, friends, investment analysts, etc.).

Material non-public information shall not be disseminated to any person outside the Company and must be distributed within the Company only on a strict "need to know" basis. Violation of any of the securities laws described in this policy may result in the institution of a prosecution or an enforcement proceeding against the individual and the Company, or both.

In order to provide a degree of certainty as to when trading is permissible with respect to the timing of quarterly and annual releases of financial information, the Company has established recurring "quiet periods" relative to such releases. Directors, all officers and employees with access to financial results, are not permitted to buy or sell Company stock during the periods commencing on the first day of each fiscal quarter and ending at the close of business on the second working day after quarterly or annual earnings are released to the public. Trading in Company stock at other times may be permissible, but all transactions in Company stock by directors, officers and other identified employees must be approved in advance by the chairman and must be reported to the legal counsel after consummating the transaction.

The Company may impose additional quiet periods during which trading will not be allowed when there are developments which give rise to the need for public disclosure. Affected stockholders will be advised by memorandum from the chairman when these additional quiet periods are in effect. All directors and officers and other specifically identified employees of the Company must (i) clear through the chairman each and every proposed transaction in Company stock before consummating the transaction and (ii) promptly report to the legal counsel the consummation of any transactions, whenever consummated.

The insider trading policy also outlines the Company's reporting obligations for changes in Common Shares owned by insiders.



## ***Disclosure Policy***

The Board has adopted a disclosure policy, which aims to promote consistent disclosure practices by the Company in connection with the timely disclosure of material information about the Company to the market. The disclosure policy applies to all directors, officers, spokespersons and employees of the Company and its subsidiaries and covers all methods used by the Company to communicate to its shareholders, the media and members of the investment community, including: press releases, written statements made in annual and quarterly reports, communications to shareholders, documents filed with the securities regulatory authorities, communications made during investor conferences, speeches made by senior management, oral statements made in the course of meetings or calls with securities markets professionals, shareholders, media or other external audiences and website and social media communications (including through corporate blogs, chat boards, Twitter, Facebook, LinkedIn, YouTube and other non-traditional means of communication). The Board is responsible for the administration and implementation of this disclosure policy.

The disclosure policy sets out a non-exhaustive list of examples of the types of events or information that may be material for the purposes of issuing news releases. Material information will be publicly disclosed promptly by news release. The only exceptions will occur in restricted circumstances where applicable securities laws and stock exchange policies permit the maintenance of confidentiality and regulatory filings on a confidential basis.

The Company may provide forward-looking information in appropriate circumstances to enable evaluation of the Company's operations and prospects for performance. Forward-looking information may include statements about future or anticipated growth, operating results and performance of the Company and business prospects and opportunities.

To the extent that forward-looking information is provided by the Company in a disclosure document, news release or statement by a spokesperson, it will be accompanied by: cautionary language to warn of the risk that material factors could cause actual results to differ materially from statements made in the forward-looking information and a statement of material factors or assumptions that were applied in the preparation of the forward-looking information.

The Company will also disclaim any intention to update or revise the forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The disclosure policy also sets out how the Company plans to respond to rumours, when to hold conference calls for quarterly and annual financial results, sets out procedures for contact with analysts, investors and the media and includes guidelines for the Company's website, use of social media, public presentations and speeches.

## ***Diversity and Inclusion***

The Company has not adopted a written policy relating to the identification and nomination of directors or members of senior management that are women, Indigenous peoples (First Nations, Inuit and Metis), persons with disabilities or members of visible minorities (collectively, "**Designated Groups**"). The Board generally identifies, evaluates and recommends candidates to become members of the Board or members of senior management with the goal of creating a Board and members of senior management team that, as a whole, consists of individuals with various and relevant career experience, industry knowledge and experience, and financial and other specialized expertise.

The composition of the Board and senior management is primarily a question of experience and expertise brought by each individual. The Board, when searching for candidates, also takes diversity into account. Although the Board does not have a formal diversity policy, it considers diversity in its broadest sense when evaluating candidates, including persons diverse in gender, ethnicity, experience, and background. The Board considers all factors it deems relevant in the process of identifying, evaluating, and recommending candidates for the Board and senior management and does not have a formal requirement to consider the level of representation of individuals from Designated Groups.

Of the Company's current directors, one (16%) is a woman and none (0%) identify as being an Indigenous person, disabled or a member of a visible minority. Of the Company's current members of senior management, none (0%) are women (0%) and none (0%) identify as being an Indigenous person, disabled or a member of a visible minority.

#### OTHER DIRECTORSHIPS

The following current and proposed directors of the Company also serve as directors of other reporting issuers:

Director	Other Reporting Issuer(s)
Kevin Albert	Achari Venture Holding Corp I (NASDAQ)
Ruth Chun	Entheon Biomedical Corp. (CSE)
Sandra Levy	SIR Royalty Income Fund (TSX)

#### MEETINGS OF THE BOARD OF DIRECTORS

The Board meets at least once each calendar quarter to review, among other things, the performance of the Company. Results are compared and measured against a previously established plan and performance of prior fiscal years. The Board will review and assess the Company's financial budget and business plan for the ensuing year and its overall strategic objectives. This process will establish, among other things, benchmarks against which the Board may measure the performance of management. Other meetings of the Board will be called to deal with special matters, as circumstances require.

#### COMMITTEES OF THE BOARD OF DIRECTORS

There are currently three committees of the Board, namely, the Audit Committee, the Compensation Committee and the Nominating and Governance Committee.

##### ***Audit Committee***

The members of the Audit Committee are Sam Brill (Chair), Felicia Snyder and Drew McManigle. Mr. Brill and Ms. Snyder are considered independent directors for the purposes of National Instrument 52-110 – *Audit Committees* ("NI 52-110"). The full text of the Audit Committee's Charter is annexed as Appendix "B" to this Information Circular.

Each member of the Audit Committee is considered financially literate, as they each have a good command of IFRS and the ability to understand a set of financial statements that presents a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements and the internal controls and procedures for financial reporting.

At no time since the commencement of the Company's most recently completed financial year has a recommendation of the Audit Committee to nominate or compensate an external auditor not been accepted by the Board.

As the Company is considered a "venture issuer" for the purpose of NI 52-110, it is relying on the exemption found in section 6.1 of NI 52-110.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is set out at "*Particulars of Matters to be Acted Upon – Election of Directors – Biographies*".

The members of the Audit Committee are elected by the Board of Directors at its first meeting following the annual shareholders' meeting to serve one-year terms. There are no limits to how many consecutive terms an Audit Committee member may serve.

### ***Compensation Committee***

The Compensation Committee consists of two independent directors and is charged with reviewing, overseeing and evaluating the compensation policies. The members of the Compensation Committee are Felicia Snyder (Chair) and Sam Brill. As present or former leaders of large business enterprises, each of these members hold experience with respect to oversight on compensation or executive compensation matters. For additional details regarding the relevant education and experience of each member of the Compensation Committee, including the direct experience that is relevant to each committee member's responsibilities, see "*Particulars of Matters to be Acted Upon – Election of Directors – Biographies*". For information regarding the steps taken to determine compensation for the directors and the executive officers, see "*Statement of Executive Compensation*" herein.

No member of the Compensation Committee will be one of the officers, and as such, the Board believes that the Compensation Committee will be able to conduct its activities in an objective manner.

The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Compensation Committee. The Compensation Committee's purpose is to assist the Board in:

- the appointment, performance, evaluation and compensation of the Company's senior executives;
- the recruitment, development and retention of the Company's senior executives;
- maintaining talent management and succession planning systems and processes relating to the Company's senior management;
- developing the compensation structure for the Company's senior executives including salaries, annual and long-term incentive plans including plans involving share issuances and other share-based awards;
- establishing policies and procedures designed to identify and mitigate risks associated with the Company's compensation policies and practices;
- assessing the compensation of the Company's directors;
- developing benefit retirement and savings plans; and
- administering the Company's share compensation arrangements.

### ***Nominating and Governance Committee***

The Nominating and Governance Committee consists of three independent directors and one non-independent director. The Nominating and Governance Committee is charged with ensuring that the Company's strategic direction is reviewed annually and that the Board and each of its committees carry out their respective functions in accordance with the appropriate process. In addition, the Nominating and Governance Committee is responsible for assessing the effectiveness of the Board as a whole, each Board committee, and the contribution of each individual director. Furthermore, it is responsible for identifying, recruiting, nominating, endorsing, recommending the appointment of, and orienting, new directors, as well as recommending corporate governance principles and best practices to the Board. The Nominating and Governance Committee is currently comprised of Sam Brill (Chair), Felicia Snyder and Drew McManigle.

The Board has adopted a written charter setting forth the purpose, composition, authority and responsibility of the Nominating and Governance Committee. The Nominating and Governance Committee's purpose is to assist the Board in:

- developing and recommending criteria for Board and committee membership;
- recommending the persons to be nominated for election as directors and to each of the committees of the Board;
- assessing the independence of directors within the meaning of securities laws and stock exchange rules as applicable;

- considering resignations by directors submitted pursuant to the majority voting policy, and making recommendations as to whether or not to accept such resignations;
- reviewing and making recommendations in respect of the Company's corporate governance principles;
- providing for new director orientation and continuing education for existing directors on a periodic basis;
- performing an evaluation of the performance of the Nominating and Governance Committee; and
- overseeing the evaluation of the Board and its committees.

## STATEMENT OF EXECUTIVE COMPENSATION

### *Compensation Discussion and Analysis*

The Company operates in a dynamic and rapidly evolving market. To succeed in this environment and to achieve its business and financial objectives, the Company must attract, retain and motivate a highly talented team of executive officers. The Company expects its team of executive officers to possess and demonstrate strong leadership and management capabilities, as well as foster a pioneering culture, which is at the foundation of the Company's success and remains a pivotal part of everyday operations. The Compensation Committee is responsible for assisting the Board in fulfilling its governance and supervisory responsibilities, and overseeing the human resources, succession planning, and compensation policies, processes and practices. The Compensation Committee is also responsible for ensuring that the compensation policies and practices provide an appropriate balance of risk and reward consistent with the risk profile. The Board has adopted a written charter for the Compensation Committee setting out its responsibilities for administering the compensation programs and reviewing and making recommendations to the Board concerning the level and nature of the compensation payable to the directors and officers. The Compensation Committee's oversight includes reviewing objectives, evaluating performance and ensuring that total compensation paid to the executive officers and various other key employees is fair, reasonable and consistent with the objectives of the philosophy and compensation program.

The Company's Compensation Committee is required to evaluate the Company's compensation programs as circumstances require and on an annual basis. As part of this evaluation process, the Compensation Committee is guided by the philosophy and objectives outlined above, as well as other factors which may become relevant, such as the cost to the Company if it were required to find a replacement for a key employee. The Company has hired a third-party independent compensation consultant to advise the Board and the Compensation Committee as to compensation levels and practices within market norms for a company of similar business, size and growth and also with respect to matters related to executive compensation.

The Company's compensation practices are designed to retain, motivate and reward its executive officers for their performance and contribution to the Company's long-term success. The Compensation Committee seeks to compensate executive officers by combining short-term and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives and to align executive officers' incentives with the Company's performance. The Compensation Committee seeks to tie individual goals to the area of the executive officer's primary responsibility. These goals may include the achievement of specific financial or business development goals. Corporate performance goals are based on financial performance of the Company during the applicable financial year. As of the date of this Information Circular, the Company's directors have not established any specific benchmark or performance goals to be achieved or met by its Named Executive Officers (as defined herein).

In order to achieve its growth objectives, attracting and retaining the right team members is critical. A key part of this is a well-thought out compensation plan that attracts high performers and compensates them for continued achievements. Many of the Company's team members will participate in the Option Plan and RSU Plan, driving retention and ownership. Communicating clear and concrete criteria and process for merit-based increases and bonuses will also motivate the entire team to achieve individual and corporate goals.

Payments for consulting services are made from time to time to individuals or the companies they control. Such consulting services are paid for by the Company at competitive industry rates for work of a similar nature by reputable arm's length service providers.

No risks arising from the Company's compensation policies and practices have been identified that are reasonably likely to have a material adverse effect on the Company. No NEOs (as defined herein) or directors are permitted to purchase financial instruments that are designated to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by a NEO or director.

### ***Elements of Compensation***

The Company's executive compensation consists primarily of three elements: (a) base salary; (b) short-term incentives; and (c) long-term incentives. The Company believes that providing competitive overall compensation enables the Company to attract and retain qualified executives.

### ***Stock Option Plans and Other Incentive Plans***

#### Option Plan

The Company currently has in place a rolling 10% Option Plan, as of May 12, 2022 there were 7,114,455 Options reserved for issuance and 2,864,933 Options outstanding. The Board is responsible for administering the Option Plan. The Option Plan was approved by the Board on August 2, 2017, and by the Company's shareholders on August 3, 2017.

The purpose of the Option Plan is to: (a) provide directors, officers, consultants, and employees of the Company with additional incentive; (b) encourage stock ownership by such persons; (c) encourage such persons to remain with the Company; and (d) attract new directors, officers, consultants, and employees, among other purposes.

The Option Plan provides that the aggregate number of Common Shares that may be issued upon the exercise of Options cannot exceed 10% of the number of Common Shares issued and outstanding from time to time. As a result, any increase in the issued and outstanding Common Shares will result in an increase in the number of Common Shares available for issuance under the Option Plan.

The number of Common Shares reserved for issue to any one person pursuant to the Option Plan may not exceed 5% of the issued and outstanding Common Shares at the date of such grant, unless the Company has obtained approval by a majority of the votes cast by the shareholders eligible to vote at a shareholders' meeting, excluding votes attaching to Common Shares beneficially owned by insiders and their associates. The number of Common Shares issuable to (a) any one consultant, or (b) parties providing investor relations services, in any 12-month period, cannot exceed 2% of the issued and outstanding Common Shares.

Options granted under the Option Plan will have an exercise price of not less than the greater of the closing market price of the underlying securities on (a) the trading day prior to the date of grant of the Options, and (b) the date of grant of the Options.

Subject to the requirements of the CSE, the vesting provisions, the terms and conditions of exercise and forfeiture of the Options and the applicable Option exercise expiry date for Options granted under the Option Plan will be determined by the Board at the time of issuance.

#### RSU Plan

The RSU Plan was approved by the Board on January 15, 2019, and by the Company's shareholders on July 8, 2019. On May 7, 2021, the Board approved an increase to the RSU Plan, which was approved by the Corporation's shares on June 30, 2021. As at May 12, 2022, there are 5,000,000 RSUs available for issuance from treasury under the RSU

Plan, 233,333 outstanding and 4,766,667 remaining available for issuance. Under the terms of the RSU Plan, the Board may grant RSUs to “eligible participants”. Eligible participants include any director, employee, officer, or consultant of: (a) the Company; or (b) any related entity of the Company.

The purpose of the RSU Plan is to allow for certain discretionary bonuses and similar awards as an incentive and reward for eligible participants related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. The RSU Plan is intended to promote a greater alignment of interests between the shareholders of the Company and the selected eligible participants by providing an opportunity to participate in increases in the value of the Company.

Participation in the RSU Plan is voluntary and, if an eligible participant agrees to participate, the grant of RSUs will be evidenced by a grant agreement with each such participant. The interest of any eligible participant in any RSU is not assignable or transferable. The Shares available for issuance from treasury under the RSU Plan may be issued as Common Shares or Restricted Shares, provided that the aggregate number of shares available for issuance under the RSU Plan, together with the Option Plan, may not exceed 10% of the aggregate number of issued Common Shares and Restricted Shares.

### **Director and Named Executive Officer Compensation**

Executive compensation is required to be disclosed for (i) each Chief Executive Officer (or individual who served in a similar capacity during the most recently completed financial year), (ii) each Chief Financial Officer (or individual who served in a similar capacity during the most recently completed financial year), (iii) the most highly compensated executive officer (other than the Chief Executive Officer and the Chief Financial Officer) at the end of the most recently completed fiscal year whose total compensation was more than \$150,000; and (iv) each individual who would meet the definition set forth in (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year (the “**Named Executive Officers**” or “**NEO’s**”).

### **Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth all compensation paid or accrued, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Company or any subsidiary thereof, to each Named Executive Officer and director of the Company, for each of the two most recently completed financial years ended December 31, 2021 and 2020.

<b>Table of compensation excluding compensation securities</b>							
<b>Name and position <sup>(1)</sup></b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)<sup>(2)</sup></b>	<b>Value of all other compensation (\$)<sup>(3)</sup></b>	<b>Total compensation (\$)</b>
<b>Drew McManigle<sup>(4)</sup></b> Chair of the Board, Interim CEO and Director	2021	56,408	Nil	Nil	Nil	Nil	56,408
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Felicia Snyder<sup>(5)</sup></b> Director	2021	Nil	Nil	29,966	Nil	Nil	29,966
	2020	Nil	Nil	Nil	Nil	Nil	Nil
<b>Sam Brill<sup>(5)</sup></b> Director	2021	Nil	Nil	30,900	Nil	Nil	30,900
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Table of compensation excluding compensation securities							
Name and position <sup>(1)</sup>	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$) <sup>(3)</sup>	Total compensation (\$)
Peter Miller <sup>(6)</sup> Director and former CEO and Executive Chair	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	882,885	Nil	Nil	Nil	Nil	882,885
Shayne Lynn <sup>(7)</sup> Director	2021	72,637	Nil	Nil	Nil	2,179	74,816
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Chris Driessen <sup>(8)</sup> Former CEO, President and Director	2021	367,116	Nil	Nil	Nil	278,035	645,151
	2020	328,576	Nil	Nil	Nil	Nil	328,576
Keith Stein <sup>(9)</sup> Former Director	2021	Nil	Nil	65,645	Nil	Nil	65,645
	2020	Nil	Nil	60,704	Nil	Nil	60,704
Chris Donnelly <sup>(10)</sup> Former Director	2021	Nil	Nil	60,390	Nil	Nil	60,390
	2020	Nil	Nil	31,015	Nil	Nil	31,015
Robert Verdun <sup>(10)</sup> Former Director	2021	Nil	Nil	43,920	Nil	Nil	43,920
	2020	Nil	Nil	22,084	Nil	Nil	22,084
Matt Fraser <sup>(10)</sup> Former Director	2021	Nil	Nil	68,376	Nil	Nil	68,376
	2020	Nil	Nil	31,015	Nil	Nil	31,015
Kelly Ehler <sup>(11)</sup> Former Director and CFO	2021	7,500	Nil	49,429	Nil	Nil	56,929
	2020	410,768	Nil	Nil	Nil	Nil	410,768
Mikel Rutherford <sup>(12)</sup> CFO and former VP Finance	2021	283,219	Nil	Nil	Nil	Nil	283,219
	2020	231,384	Nil	Nil	Nil	Nil	231,384
John Moynan <sup>(13)</sup> COO, General Counsel and Corporate Secretary	2021	356,322	Nil	Nil	Nil	21,060	377,382
	2020	328,576	Nil	Nil	Nil	Nil	328,576
Hilal Tabsh <sup>(14)</sup> Former CRO	2021	182,802	Nil	Nil	Nil	Nil	182,802
	2020	Nil	Nil	Nil	Nil	Nil	Nil
William Levy <sup>(15)</sup> Former President, Corporate Secretary and Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	852,011	Nil	Nil	Nil	Nil	852,011
William Stocks <sup>(16)</sup> Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	24,830	Nil	Nil	24,830
Olaf van Tulder <sup>(16)</sup> Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	20,909	Nil	Nil	20,909
Chris McElvany <sup>(16)</sup> Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	20,909	Nil	Nil	20,909

**Notes:**

- (1) If an individual is an NEO and a director, both positions have been listed. Independent directors receive cash compensation and compensation securities for acting as directors, members of a committee of the Company and for serving as Chair of a committee of the Company.
- (2) Includes perquisites provided to an NEO or director that are not generally available to all employees and that, in aggregate, are greater than (a) \$15,000, if the NEO or director's total compensation for the financial year is \$150,000 or less; (b) 10% of the NEO or director's

salary for the financial year, if the NEO or director's total compensation for the financial year is greater than \$150,000 but less than \$500,000; (c) \$50,000, if the NEO or director's total for the financial year is \$500,000 or greater.

- (3) Includes other compensation, paid or payable, that equals or exceeds 25% of the total value of other compensation paid or payable to the director or Named Executive Officer, other than compensation securities.
- (4) Mr. McManigle was appointed to the Board and as Chair and Interim CEO on November 15, 2021.
- (5) Mr. Brill and Ms. Snyder were appointed to the Board on May 14, 2021.
- (6) Mr. Miller resigned as CEO of the Company and was appointed Executive Chairman on August 26, 2020, he resigned as Executive Chairman on November 15, 2021. Services were provided through his company, The Purple Company Inc.
- (7) Mr. Lynn was appointed to the Board on August 26, 2021.
- (8) Mr. Driessen was appointed President and CEO of the Company on August 26, 2020, he resigned from the Board and as President and CEO on November 15, 2021.
- (9) Mr. Stein resigned from the Board on November 15, 2021.
- (10) Messrs. Donnelly, Verdun and Fraser were appointed to the Board on July 8, 2020. Messrs. Donnelly and Verdun resigned from the Board on November 15, 2021 and Mr. Fraser resigned from the Board on February 1, 2022.
- (11) Mr. Ehler was appointed to the Board on July 8, 2020, he resigned as CFO on August 26, 2020 and from the Board on November 15, 2021. Compensation noted is for Mr. Ehler serving as an NEO, services were provided through his company, Corporate Finance Outsource Inc.
- (12) Mr. Rutherford was VP Finance from November 27, 2018 until his appointment as CFO on August 26, 2020.
- (13) Mr. Moynan was appointed COO, General Counsel and Corporate Secretary of the Company on August 26, 2020.
- (14) Mr. Tabsh was appointed CRO on June 17, 2021, his position was eliminated on January 14, 2022.
- (15) Mr. Levy resigned from the Board on July 8, 2019 and as President and Corporate Secretary on August 26, 2020. Services were provided through his company, The WPPD Initiative Group, LLC.
- (16) Messrs. Stocks, van Tulder, and McElvany resigned from the Board on July 8, 2020.

### **External Management Companies**

Please refer to "Employee Agreements, Termination and Change of Control Benefits" below for disclosure relating to any external management company employing, or retaining individuals, acting as Named Executive Officers of the Company, or that provide Company's executive management services and allocate compensation paid to any Name Executive Officer or director.

### **Stock Options and Other Compensation Securities**

The following table sets forth all compensation securities granted or issued by the Company, or any subsidiary thereof, to each director and Named Executive Officer, in the most recently completed financial year ended December 31, 2021, for services provided or to be provided, directly or indirectly, to the Company or any subsidiary thereof.

<b>Compensation Securities</b>							
<b>Name and position</b>	<b>Type of Compensation security<sup>(1)</sup></b>	<b>Number of compensation securities, number of underlying securities, and percentage of class<sup>(2)(4)</sup></b>	<b>Date of issue or grant</b>	<b>Issue, conversion or exercise price (\$)<sup>(3)(4)</sup></b>	<b>Closing price of security or underlying security on date of grant (\$)</b>	<b>Closing price of security or underlying security at year end (\$)</b>	<b>Expiry date</b>
<b>Drew McManigle<sup>(5)</sup></b> Chair of the Board, Interim CEO and Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Felicia Snyder<sup>(6)</sup></b> Director	Options	84,069 <sup>(4)(17)</sup>	August 3, 2021	\$1.26 <sup>(4)</sup>	\$1.32 <sup>(4)</sup>	\$0.42 <sup>(4)</sup>	August 3, 2031
<b>Sam Brill<sup>(6)</sup></b> Director	Options	84,069 <sup>(4)(17)</sup>	August 3, 2021	\$1.26 <sup>(4)</sup>	\$1.32 <sup>(4)</sup>	\$0.42 <sup>(4)</sup>	August 3, 2031



**Compensation Securities**

Name and position	Type of Compensation security <sup>(1)</sup>	Number of compensation securities, number of underlying securities, and percentage of class <sup>(2)(4)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$) <sup>(3)(4)</sup>	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
<b>Peter Miller</b> <sup>(7)</sup> Director and former CEO and Executive Chair	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Shayne Lynn</b> <sup>(8)</sup> Director	Options	41,666 <sup>(4)(18)</sup>	November 24, 2021	\$0.72 <sup>(4)</sup>		\$0.42 <sup>(4)</sup>	November 24, 2026
<b>Chris Driessen</b> <sup>(9)</sup> Former CEO, President and Director	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Keith Stein</b> <sup>(10)</sup> Former Director	Options	49,452 <sup>(4)(17)</sup>	August 3, 2021	\$1.26 <sup>(4)</sup>	\$1.32 <sup>(4)</sup>	\$0.42 <sup>(4)</sup>	August 3, 2031
<b>Chris Donnelly</b> <sup>(11)</sup> Former Director	Options	49,452 <sup>(4)(17)</sup>	August 3, 2021	\$1.26 <sup>(4)</sup>	\$1.32 <sup>(4)</sup>	\$0.42 <sup>(4)</sup>	August 3, 2031
<b>Robert Verdun</b> <sup>(11)</sup> Former Director	Options	49,452 <sup>(4)(17)</sup>	August 3, 2021	\$1.26 <sup>(4)</sup>	\$1.32 <sup>(4)</sup>	\$0.42 <sup>(4)</sup>	August 3, 2031
<b>Matt Fraser</b> <sup>(11)</sup> Former Director	Options	49,452 <sup>(4)(17)</sup>	August 3, 2021	\$1.26 <sup>(4)</sup>	\$1.32 <sup>(4)</sup>	\$0.42 <sup>(4)</sup>	August 3, 2031
<b>Kelly Ehler</b> <sup>(12)</sup> Former Director and CFO	Options	49,452 <sup>(4)(17)</sup>	August 3, 2021	\$1.26 <sup>(4)</sup>	\$1.32 <sup>(4)</sup>	\$0.42 <sup>(4)</sup>	August 3, 2031
<b>Mikel Rutherford</b> <sup>(13)</sup> CFO and former VP Finance	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>John Moynan</b> <sup>(14)</sup> COO, General Counsel and Corporate Secretary	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Hilal Tabsh</b> <sup>(15)</sup> Former CRO	RSUs	41,666 <sup>(4)(19)</sup>	August 3, 2021	N/A <sup>(16)</sup>	\$1.32 <sup>(4)</sup>	\$0.42 <sup>(4)</sup>	August 3, 2024

**Notes:**

- (1) Each stock option is exercisable into one Common Share in the capital of the Company; each RSU is issuable in Common Shares or Restricted Share, net any applicable withholding tax payable by the Company on behalf of the recipient. The table above, combined with the information shown in *Particulars of Matters to be Acted Upon – Election of Directors*, is reflective of the total amount of compensation securities, and the underlying securities issuable on exercise thereof, held by each NEO or director on the last day of the most recently completed financial year end, being December 31, 2021.
- (2) All compensation securities issued to directors and NEO's are subject to a four-month resale restriction hold period expiring four months and one day from the date of issuance, unless such hold period is waived by the CSE.
- (3) Unless otherwise indicated, no compensation security has been re-priced, cancelled, replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.
- (4) On February 18, 2022, the Company received approval from its shareholders for a consolidation of its issued and outstanding Share capital on the basis of one post-consolidation Share for every six pre-consolidation Shares, it was effected on February 28, 2022, with any fractional Shares rounded down to the next nearest whole number, trading on a consolidated basis commenced as of market open on March 3, 2022, the information provided is on a consolidated basis. Figures in this chart are presented on a post-consolidation basis.
- (5) Mr. McManigle was appointed to the Board and as Chair and Interim CEO on November 15, 2021.
- (6) Mr. Brill and Ms. Snyder were appointed to the Board on May 14, 2021.
- (7) Mr. Lynn was appointed to the Board on August 26, 2021.

- (8) Mr. Miller resigned as CEO of the Company and was appointed Executive Chairman on August 26, 2020, he resigned as Executive Chairman on November 15, 2021.
- (9) Mr. Driessen was appointed President and CEO of the Company on August 26, 2020, he resigned from the Board and as President and CEO on November 15, 2021.
- (10) Mr. Stein resigned from the Board on November 15, 2021.
- (11) Messrs. Donnelly, Verdun and Fraser were appointed to the Board on July 8, 2020. Messrs. Donnelly and Verdun resigned from the Board on November 15, 2021 and Mr. Fraser resigned from the Board on February 1, 2022.
- (12) Mr. Ehler was appointed to the Board on July 8, 2020, he resigned as CFO on August 26, 2020 and from the Board on November 15, 2021.
- (13) Mr. Rutherford was VP Finance from November 27, 2018 until his appointment as CFO on August 26, 2020.
- (14) Mr. Moynan was appointed COO, General Counsel and Corporate Secretary of the Company on August 26, 2020.
- (15) Mr. Tabsh was appointed CRO on June 17, 2021, his position was eliminated on January 14, 2022.
- (16) Pricing of Shares determined on date issuance is satisfied.
- (17) The Options are subject to vesting provisions with 1/12 vesting each month for a total vesting period of one year.
- (18) The Options are subject to vesting provisions with 1/4 vesting on the first anniversary of the date of grant and 1/4 vesting every year thereafter for a total 4 years.
- (19) The RSU's are subject to vesting with 50% of the RSU's vesting on the first anniversary of the date of grant and the remaining 50% of the RSU's vesting on the second anniversary of the date of grant.

### **Exercise of Compensation Securities by Directors and NEOs**

The following table sets forth each exercise by a director or Named Executive Officer of compensation securities during the recently completed financial year ended December 31, 2021.

<b>Exercise of Compensation Securities by Directors and NEOs</b>							
<b>Name and Position</b>	<b>Type of compensation Security</b>	<b>Number of underlying securities exercised</b>	<b>Exercise price per security (\$)</b>	<b>Date of exercise</b>	<b>Closing price of security or underlying security on date of exercise (\$)</b>	<b>Difference between exercise price and closing price on date of exercise (\$)</b>	<b>Total value on exercise date<sup>(1)</sup></b>
<b>Peter Miller<sup>(4)</sup></b> Director and former CEO and Executive Chair	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	March 3, 2021	\$3.24 <sup>(10)</sup>	\$2.70 <sup>(3)(10)</sup>	\$112,500
<b>Chris Driessen<sup>(5)</sup></b> Former CEO, President and Director	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	January 4, 2021	\$1.80 <sup>(10)</sup>	\$2.07 <sup>(3)(10)</sup>	\$86,250
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	March 3, 2021	\$3.24 <sup>(10)</sup>	\$2.10 <sup>(3)(10)</sup>	\$87,500
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	July 2, 2021	\$1.53 <sup>(10)</sup>	\$1.50 <sup>(3)(10)</sup>	\$62,500
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	October 6, 2021	\$1.08 <sup>(10)</sup>	\$1.2186 <sup>(3)(10)</sup>	\$50,775
	RSUs	62,500 <sup>(10)</sup>	N/A <sup>(2)</sup>	August 31, 2021	\$1.06 <sup>(10)</sup>	\$1.0362 <sup>(3)(10)</sup>	\$64,537
	RSUs	83,3339 <sup>(10)</sup>	N/A <sup>(2)</sup>	November 26, 2021	\$0.66 <sup>(10)</sup>	\$0.69 <sup>(3)(10)</sup>	\$57,500
	RSUs	62,500 <sup>(10)</sup>	N/A <sup>(2)</sup>	November 30, 2021	\$0.60 <sup>(10)</sup>	\$0.66 <sup>(3)(10)</sup>	\$41,250
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	November 30, 2021	\$0.60 <sup>(10)</sup>	\$0.66 <sup>(3)(10)</sup>	\$27,500
<b>Mikel Rutherford<sup>(6)</sup></b> CFO and former VP Finance	RSUs	262,500 <sup>(10)</sup>	N/A <sup>(2)</sup>	November 30, 2021	\$0.60 <sup>(10)</sup>	\$0.66 <sup>(3)(10)</sup>	\$173,250
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	January 4, 2021	\$1.80 <sup>(10)</sup>	\$2.07 <sup>(3)(10)</sup>	\$86,250
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	March 3, 2021	\$3.24 <sup>(10)</sup>	\$2.10 <sup>(3)(10)</sup>	\$87,500
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	July 2, 2021	\$1.53 <sup>(10)</sup>	\$1.50 <sup>(3)(10)</sup>	\$62,500
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	October 6, 2021	\$1.08 <sup>(10)</sup>	\$1.2186 <sup>(3)(10)</sup>	\$50,775
	RSUs	62,500 <sup>(10)</sup>	N/A <sup>(2)</sup>	August 31, 2021	\$1.06 <sup>(10)</sup>	\$1.0362 <sup>(3)(10)</sup>	\$64,537
RSUs	62,500 <sup>(10)</sup>	N/A <sup>(2)</sup>	November 26, 2021	\$0.66 <sup>(10)</sup>	\$0.69 <sup>(3)(10)</sup>	\$43,125	

Exercise of Compensation Securities by Directors and NEOs							
Name and Position	Type of compensation Security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price of security or underlying security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date <sup>(1)</sup>
<b>John Moynan</b> <sup>(7)</sup> COO, General Counsel and Corporate Secretary	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	January 4, 2021	\$1.80 <sup>(10)</sup>	\$2.07 <sup>(3)(10)</sup>	\$86,250
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	March 3, 2021	\$3.24 <sup>(10)</sup>	\$2.10 <sup>(3)(10)</sup>	\$87,500
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	July 2, 2021	\$1.53 <sup>(10)</sup>	\$1.50 <sup>(3)(10)</sup>	\$62,500
	RSUs	41,666 <sup>(10)</sup>	N/A <sup>(2)</sup>	October 6, 2021	\$1.08 <sup>(10)</sup>	\$1.2186 <sup>(3)(10)</sup>	\$50,775
	RSUs	62,500 <sup>(10)</sup>	N/A <sup>(2)</sup>	August 31, 2021	\$1.06 <sup>(10)</sup>	\$1.0362 <sup>(3)(10)</sup>	\$64,537
	RSUs	62,500 <sup>(10)</sup>	N/A <sup>(2)</sup>	November 26, 2021	\$0.66 <sup>(10)</sup>	\$0.69 <sup>(3)(10)</sup>	\$43,125
<b>William Levy</b> <sup>(8)</sup> Former President, Corporate Secretary and Director	RSUs	300,000 <sup>(10)</sup>	N/A <sup>(2)</sup>	August 31, 2021	\$1.06 <sup>(10)</sup>	\$1.0362 <sup>(3)(10)</sup>	\$309,780
<b>Kelly Ehler</b> <sup>(9)</sup> Former Director and CFO	RSUs	62,500 <sup>(10)</sup>	N/A <sup>(2)</sup>	January 4, 2021	\$1.80 <sup>(10)</sup>	\$1.92 <sup>(3)(10)</sup>	\$120,000

Notes:

- (1) For the purposes of this column, the number in the column entitled “Number of underlying securities exercised” is multiplied by the number in the column entitled “Difference between exercise price and closing price on date of exercise”.
- (2) Not applicable in the context of a grant of RSUs.
- (3) On vesting, RSUs are settled by the issuance of Common Shares or Restricted Shares, net of any applicable withholding taxes, at Fair Market Value, determined as the greater of (i) the weighted average of the trading price per Common Share on the CSE for the last five trading days ending on the vesting or trigger date; and (ii) the closing price of the Common Shares on the day before vesting or trigger date. The price provided is the Fair Market Value of the RSUs.
- (4) Mr. Miller resigned as CEO of the Company and was appointed Executive Chairman on August 26, 2020, he resigned as Executive Chairman on November 15, 2021.
- (5) Mr. Driessen was appointed President and CEO of the Company on August 26, 2020, he resigned from the Board and as President and CEO on November 15, 2021.
- (6) Mr. Rutherford was VP Finance from November 27, 2018 until his appointment as CFO on August 26, 2020.
- (7) Mr. Moynan was appointed COO, General Counsel and Corporate Secretary of the Company on August 26, 2020.
- (8) Mr. Levy resigned from the Board on July 8, 2019 and as President and Corporate Secretary on August 26, 2020.
- (9) Mr. Ehler was appointed to the Board on July 8, 2020, he resigned as CFO on August 26, 2020 and from the Board on November 15, 2021.
- (10) On February 18, 2022, the Company received approval from its shareholders for a consolidation of its issued and outstanding Share capital on the basis of one post-consolidation Share for every six pre-consolidation Shares, it was effected on February 28, 2022, with any fractional Shares rounded down to the next nearest whole number, trading on a consolidated basis commenced as of market open on March 3, 2022, the information provided is on a consolidated basis. Figures in this chart are presented on a post-consolidation basis.

***Pension Plans Benefits***

The Company does not currently have any pension plans.

***Employee Agreements, Termination and Change of Control Benefits***

***Compensation of Mr. Drew McManigle, Interim Chief Executive Officer***

On October 9, 2021, the Company and Macco entered into an agreement in respect of Mr. McManigle’s services as Interim Chief Executive Officer effective November 15, 2021 (the “**Macco Agreement**”). Pursuant to the Macco Agreement, Mr. McManigle, through Macco, is paid a monthly fee of USD\$30,000. The Macco Agreement may be terminated at the election of Mr. McManigle or the Company on 10 days written notice.

### ***Compensation of Mr. Johnathan Moynan, Chief Operating Officer, General Counsel and Corporate Secretary***

On August 26, 2020, National Concessions Group, Inc. and Mr. Moynan entered into an executive employment agreement in respect of Mr. Moynan's services as Chief Operating Officer, General Counsel and Secretary, which was amended and restated on November 15, 2021 (the "**Moynan Agreement**"). Pursuant to the Moynan Agreement, Mr. Moynan is entitled to a base salary of USD \$250,000 per annum, eligible for Option and RSU grants and an annual incentive bonus of up to 75% of his base salary, payable in either cash or stock at the discretion of the Board. The Moynan Agreement is for a term of two years, expiring November 14, 2023, during such term, while Mr. Moynan remains actively employed, he is eligible for retention bonuses ("**Retention Bonuses**") as follows: (i) USD\$75,000, less applicable withholding taxes, which is to be settled on or before May 15, 2022 by the issuance of Common Shares at the greater of: (a) the 30 day volume-weighted average trading price (the "**30-day VWAP**") and (b) the minimum price permitted by the CSE, with any fractional shares payable in cash; (ii) (i) USD\$75,000, less applicable withholding taxes, which is to be settled on or before May 15, 2023 by the issuance of Common Shares at the greater of: (a) the 30-day VWAP and (b) the minimum price permitted by the CSE, with any fractional shares payable in cash; and (iii) on or before November 23, 2023, receive USD\$162,500 in cash, less applicable withholding taxes, and USD\$487,500 which is to be settled by the issuance of Common Shares at the greater of: (a) the 30-day VWAP and (b) the minimum price permitted by the CSE, with any fractional shares payable in cash.

Mr. Moynan may terminate his employment by providing the Company with three months' notice. Upon receipt of such notice, Mr. Moynan will only receive the base salary earned to the date of termination. The Company may also terminate Mr. Moynan's employment for cause or without cause. Should the Company terminate Mr. Moynan's employment without cause, the Company must provide Mr. Moynan any vacation accrued but unused, any base salary earned but unpaid, a pro-rated incentive bonus for the fiscal year of termination, any Retention Bonuses owed until such date of termination pursuant to the Moynan Agreement and all unvested Options and RSUs will immediately vest, with any RSUs being settled no later than 14 days after termination.

### ***Compensation of Mr. Mikel Rutherford, Chief Financial Officer***

On August 26, 2020, the Company and Mr. Rutherford entered into an employment agreement in respect of Mr. Rutherford's services as Chief Financial Officer, which was amended and restated on November 15, 2021 (the "**Rutherford Agreement**"). Pursuant to the Rutherford Agreement, Mr. Rutherford is entitled to a base salary of USD \$250,000 per annum, eligible for Option and RSU grants and an annual incentive bonus of up to 75% of his base salary, payable in either cash or stock at the discretion of the Board. The Rutherford Agreement is for a term of two years, expiring November 14, 2023.

Mr. Rutherford may terminate his employment by providing the Company with three months' notice. Upon receipt of such notice, Mr. Rutherford will only receive the base salary earned to the date of termination. The Company may also terminate Mr. Rutherford's employment for cause or without cause. Should the Company terminate Mr. Rutherford's employment without cause, the Company must provide Mr. Rutherford a lump sum payment in lieu of notice of 6 months of his base salary, any vacation accrued but unused, a pro-rated incentive bonus for the fiscal year of termination, remain eligible to receive benefits for the 6 month notice period and be awarded \$375,000, less applicable tax withholdings, paid in Common Shares issued at a deemed price per Common Share of the greater of (i) the 30 day volume-weighted average trading price and (ii) the minimum price permitted by the CSE (the "**Rutherford Term Payment**"). In the event of a change of control, the Rutherford Term Payment is accelerated and must be paid in full prior to the consummation of the change of control.

### ***Compensation of Mr. Hilal Tabsh, Interim Chief Revenue Officer***

On June 1, 2021, National Concessions Group, Inc. and Mr. Tabsh entered into an executive employment agreement in respect of Mr. Tabsh's services as Chief Revenue Officer (the "**Tabsh Agreement**"). Pursuant to the Tabsh Agreement, Mr. Tabsh was entitled to a base salary of USD \$250,000 per annum, eligible for Option and RSU grants and an annual incentive bonus of up to 50% of his base salary, payable in either cash or stock at the discretion of the Board. On January 6, 2022, National Concessions Group, Inc. and Mr. Tabsh entered into a severance agreement

effectively ending Mr. Tabsh's employment on January 14, 2022, pursuant to which Mr. Tabsh received USD\$125,000 paid in cash in twelve equal semi-monthly installments, USD\$28,627.20 paid in cash in twelve equal semi-monthly installments, and his RSUs and Options granted August 3, 2021 immediately vested.

#### ***Compensation of Mr. Peter Miller, Former Chief Executive Officer***

Pursuant to the terms of a consulting agreement dated August 26, 2020 (the "**Miller Agreement**") between the Company, The Purple Company Inc. ("**Miller Holdco**"), and Mr. Miller, Mr. Miller, through Miller Holdco, was paid a lump sum fee of \$112,500 and CAD \$316,128.63 on August 26, 2020 and was entitled to a biweekly payment of \$12,500 (the "**Biweekly Fees**") until such Biweekly Fee equalled \$112,500. In addition, Mr. Miller, through Miller Holdco, received from the Company an unsecured convertible promissory note in favour of Miller Holdco, the principal sum of which was \$807,000, bearing interest at the U.S. Prime Rate (as defined therein) and was to mature on August 26, 2023 (the "**Miller Note**"). The Miller Note was converted on December 1, 2020 into 726,580 Common Shares at a conversion price of \$1.44 per Common Share. The Miller Agreement was terminated on November 15, 2021.

#### ***Compensation of Mr. Christopher Driessen, Former President and Chief Executive Officer***

On August 26, 2020, National Concessions Group, Inc. and Mr. Driessen entered into an executive employment agreement (the "**Driessen Agreement**") in respect of Mr. Driessen's role as President and Chief Executive Officer. Pursuant to the Driessen Agreement, Mr. Driessen was entitled to a base salary of USD \$350,000 per annum, eligible for Option and RSU grants and an annual incentive bonus of up to 75% of his base salary payable in either cash or stock at the discretion of the Board. On November 15, 2021, National Concessions Group, Inc. and Mr. Driessen entered into a severance agreement effectively ending Mr. Driessen's employment, pursuant to which Mr. Driessen received USD\$180,000 paid in cash by November 30, 2021, USD\$25,000 paid in cash on or before May 15, 2022, the immediate vesting of all of his RSUs and his Options immediately vested and were to remain exercisable until November 15, 2022. National Concessions Group, Inc. and Mr. Driessen also entered into a consulting agreement dated November 15, 2021, pursuant to which Mr. Driessen provides his services as a consultant in exchange for (i) USD\$75,000, which was settled by the issuance of 100,080 Common Shares at \$0.942 per share on November 15, 2021; (ii) USD\$100,000 which is to be settled on May 15, 2022 (or first business day thereafter) by the issuance of Common Shares at the greater of: (a) the 30-day VWAP and (b) the minimum price permitted by the CSE, with any fractional shares payable in cash; and (iii) USD\$345,000, which is to be settled on November 15, 2022 (or first business day thereafter) by the issuance of Common Shares at the greater of: (a) the 30-day VWAP and (b) the minimum price permitted by the CSE, with any fractional shares payable in cash.

With exception to the payments or benefits referenced above, the employment agreements that the Company has entered into with its NEOs do not provide for any payments or benefits in the event of a change in control of the Company.

#### ***Directors' Compensation***

The only arrangements that the Company has pursuant to which certain directors (i.e., other than the Chief Executive Officer, President, and Chief Financial Officer) are compensated by the Company for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultant or expert during the most recently completed financial year or subsequently, are by the issuance of incentive stock options pursuant to the Company's Option Plan as well as stipulated fees for directors and committee chairs. All independent directors are entitled to receive total compensation of USD\$85,000 per year, comprised of: an annual fee of USD\$35,000 in cash paid quarterly; and USD\$50,000 in Options granted annually after the annual general meeting, such number of Options to be calculated by using the closing trading price of the Common Shares on the day preceding grant and to vest over a one-year period, expiring 10 years from the date of issuance, unless earlier terminated in accordance with the terms of the Option Plan. Further, a one-time grant to new independent directors of USD\$35,000 in Options is granted following the appointment of such directors. In addition, the independent Chairs of each committee of the Board are entitled to an additional annual fee of USD\$10,000, paid quarterly. The

independent members of each committee of the Board are entitled to an annual fee of USD\$5,000, paid quarterly. The purpose of the compensation structure is to assist the Company in attracting, retaining, and motivating the directors of the Company and to closely align the personal interests of such persons to that of the shareholders.

### SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out information as at the end of the Company's most recently completed financial year ended December 31, 2021 with respect to the Option Plan and RSU Plan, which are the only compensation plans under which equity securities of the Company are authorized for issuance.

Plan Category	Number of securities to be issued upon exercise of outstanding Options, Warrants and rights (a)	Weighted-average exercise price of outstanding Options, Warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by securityholders	3,950,675 <sup>(3)</sup>	\$1.66 <sup>(3)</sup>	2,962,164 <sup>(1)(2)</sup>
Equity compensation plans not approved by securityholders	-	-	-
Total	3,950,675 <sup>(3)</sup>	\$1.66 <sup>(3)</sup>	2,962,164 <sup>(1)(2)(3)(4)</sup>

**Notes:**

1. The Option Plan provides that the aggregate number of securities reserved for issuance under the Option Plan may not exceed 10% of the issued and outstanding shares of the Company at the time of granting of Options.
2. The RSU Plan provides that the aggregate number of securities available for issuance under the RSU Plan shall be 5,000,000 Shares, provided that the aggregate number of Shares available for issuance under the RSU Plan together with the Option Plan may not exceed 10% of the issued Shares at any given time.
3. As at December 31, 2021, there were 69,128,391 Common Shares issued and outstanding, 3,219,562 outstanding Options, with weighted-average exercise price of \$1.66, and 731,113 outstanding RSUs. On February 18, 2022, the Company received approval from its shareholders for a consolidation of its issued and outstanding Share capital on the basis of one post-consolidation Share for every six pre-consolidation Shares, it was effected on February 28, 2022, with any fractional Shares rounded down to the next nearest whole number, trading on a consolidated basis commenced as of market open on March 3, 2022. The numbers as at December 31, 2021 are on a consolidated basis. Figures in this chart are presented on a post-consolidation basis.
4. As at May 12, 2022, there were 71,144,545 Common Shares issued and outstanding, 2,864,933 outstanding Options and 233,333 outstanding RSU's, with the result that 4,016,189 compensation securities were available to the Company to be granted.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of the Company or any of its subsidiaries is, as at the date of this Information Circular, indebted to the Company in connection with the purchase of Shares of the Company or for any other reason and no such person's indebtedness to any other entity is the subject of a guarantee, support agreement or understanding provided by the Company or any of its subsidiaries.

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

The Company is not aware of any of the directors or executive officers of the Company at any time since January 1, 2021, any proposed nominee for election as a director of the Company, or any associate or affiliate of any of these persons having any material interest, direct or indirect, in the matters to be acted upon at the Meeting other than the election of directors or appointment of auditors, by way of beneficial ownership of securities or otherwise.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

To the best of the Company's knowledge, since the commencement of the Company's most recently completed financial year, no informed person of the Company, proposed nominee for director or any associate or affiliate of an informed person or proposed nominee, had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries. For the purposes of this Information Circular, an "informed person" of the Company means: (a) a director or executive officer of the Company; (b) a director or executive officer of a person or Company that is itself an informed person or subsidiary of the Company; (c) any person or Company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company or a combination of both carrying more than 10% of the voting rights other than voting securities held by the person or Company as underwriter in the course of a distribution; and (d) the Company itself, if and for so long as it has purchased, redeemed or otherwise acquired any of its Shares.

## **MANAGEMENT CONTRACTS**

Except as otherwise disclosed in this Information Circular, management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

## **OTHER MATTERS**

Management of the Company is not aware of any other matters which will be brought before the Meeting other than those set forth in the Notice of Meeting. Should any other matters properly come before the Meeting; the Shares represented by the proxies solicited hereby will be voted on those matters in accordance with the best judgement of the persons voting such proxies.

## **REGISTRAR AND TRANSFER AGENT**

Odyssey Trust Company, at Trader's Bank Building, 702, 67 Yonge Street, Toronto ON M5E 1J8, is the registrar and transfer agent for the Shares.

## **SHAREHOLDER PROPOSALS FOR NEXT MEETING**

In accordance with the CBCA, which governs the Company, shareholder proposals must be received between January 17, 2023 and March 18, 2023 to be considered for inclusion in the proxy statement and the form of proxy for the 2023 annual meeting of shareholders.

## **ADDITIONAL INFORMATION AND AVAILABILITY OF DOCUMENTS**

The Company will provide to any person or Company, upon request, one copy of any of the following documents:

- (a) the annual financial statements of the Company for the most recently completed fiscal year, together with the report of the auditor thereon, together with the management's discussion and analysis in respect thereof, and any interim financial statements of the Company subsequent to the financial statements for the Company's most recently completed fiscal year, together with the management's discussion and analysis in respect thereof; and
- (b) the management information circular of the Company in respect of the most recent annual meeting of shareholders of the Company which involved the election of directors.

Copies of the above documents will be provided, upon request, by the Company at 50 Carroll Street, Toronto, Ontario, Canada, M4M 3G3, free of charge to shareholders of the Company. The Company may require the payment of a reasonable charge from any person or Company who is not a shareholder of the Company and who requests a copy of any such document. Financial information relating to the Company is provided in the Company's financial statements and management's discussion and analysis for its most recently completed fiscal year. Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **MULTIPLE SHAREHOLDERS SHARING THE SAME ADDRESS**

Recent changes in the regulations regarding the delivery of copies of proxy materials to shareholders permit the Company and brokerage firms to send copy of the meeting materials to multiple shareholders who share the same address under certain circumstances. Shareholders who hold their Shares through a broker may have consented to reducing the number of copies of materials delivered to their address. In the event that a shareholder wishes to revoke such a consent previously provided to a broker, the shareholder must contact the broker to revoke the consent. In any event, if a shareholder wishes to receive a separate Information Circular and accompanying materials for the Meeting, the shareholder may receive copies by contacting the Company at 50 Carroll Street, Toronto, Ontario, Canada, M4M 3G3, or by telephone at 833-752-6499. Shareholders receiving multiple copies of these documents at the same address can request delivery of a single copy of these documents by contacting the Company in the same manner. Persons holding Shares through a broker can request a single copy by contacting the broker.

#### **BOARD OF DIRECTORS APPROVAL**

The undersigned hereby certifies that the contents and sending of this Information Circular to the shareholders of the Company have been approved by the Board.

DATED at Toronto, Ontario, this 12<sup>th</sup> day of May 2022.

BY ORDER OF THE BOARD OF DIRECTORS

*"/s/ Drew McManigle"*

Drew McManigle

Director, Chair and Interim Chief Executive Officer



**APPENDIX "A"**  
**EQUITY PLAN**

**SLANG WORLDWIDE INC.  
SHARE COMPENSATION PLAN**

**1. DEFINITIONS AND INTERPRETATION**

1.1 **Definitions:** For purposes of the Plan, unless the context requires otherwise, the following words and terms shall have the following meanings:

- (a) **“Account”** has the meaning attributed to that term in section 4.8;
- (b) **“Administrators”** means the Board or such other persons as may be designated by the Board from time to time;
- (c) **“Affiliate”** has the meaning attributed to that term in the *Securities Act* (Ontario)
- (d) **“Associate”** has the meaning attributed to that term in the *Securities Act* (Ontario);
- (e) **“Award Date”** means the date or dates on which an award of Restricted Share Units is made to a Participant in accordance with section 4.1, or, if no such date is specified, the date upon which the Board approves the grant of the Option;
- (f) **“Blackout Period”** means the period during which designated directors, officers and employees of the Corporation cannot trade the Common Shares pursuant to the Corporation’s policy respecting restrictions on directors’, officers’ and employee trading which is in effect at that time (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Corporation or in respect of an insider, that insider is subject);
- (g) **“Board”** means the board of directors of the Corporation from time to time;
- (h) **“Business Day”** means each day other than a Saturday, Sunday or statutory holiday in Toronto, Ontario, Canada;
- (i) **“Change of Control”** means:
  - (i) the acceptance of an Offer by a sufficient number of holders of voting shares in the capital of the Corporation to constitute the offeror, together with persons acting jointly or in concert with the offeror, a shareholder of the Corporation being entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Corporation (provided that prior to the Offer, the offeror was not entitled to exercise more than 50% of the voting rights attaching to the outstanding voting shares in the capital of the Corporation),
  - (ii) the completion of a consolidation, merger or amalgamation of the Corporation with or into any other corporation whereby the voting shareholders of the Corporation immediately prior to the consolidation, merger or amalgamation receive less than 50% of the voting rights attaching to the outstanding voting shares of the consolidated, merged or amalgamated corporation or any parent entity,
  - (iii) the completion of a sale whereby all or substantially all of the Corporation’s undertakings and assets become the property of any other entity and the voting shareholders of the Corporation immediately prior to that sale hold less than 50% of the voting rights attaching to the outstanding voting securities of that other entity immediately following that sale; or

- (iv) any other transaction that is deemed to be a **“Change of Control”** for the purposes of this Plan by the Board at its sole discretion.
- (j) **“Code”** means the United States Internal Revenue Code of 1986, as amended;
- (k) **“Common Shares”** means the common shares of the Corporation;
- (l) **“Consultant”** means a person (other than an employee or a director of the Corporation):
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation or to an Affiliate of the Corporation;
  - (ii) provides the services under a written contract with the Corporation or an Affiliate of the Corporation;
  - (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate of the Corporation; and
  - (iv) has a relationship with the Corporation or an Affiliate of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation;
- (m) **“Corporation”** means SLANG Worldwide Inc., a corporation existing under the *Canada Business Corporations Act* and the successors thereof;
- (n) **“Effective Date”** means April 27, 2022;
- (o) **“Eligible Person”** means:
  - (i) any officer or employee of the Corporation and/or any officer or employee of any Subsidiary of the Corporation and, solely for purposes of the grant of Options, any director of the Corporation and/or any director of any Subsidiary of the Corporation, or a person who is controlled by any of the foregoing persons;
  - (ii) a Consultant; and
  - (iii) such other person as may be designated by the Board in compliance with the requirements of the Exchange and applicable securities laws;
- (p) **“Event of Termination”** means an event whereby a Participant ceases to be an Eligible Person and shall be deemed to have occurred by the giving of any notice of termination of employment or service (whether voluntary or involuntary and whether with or without cause), retirement, or any cessation of employment or service for any reason whatsoever, including disability or death;
- (q) **“Exchange”** means any stock exchange or quotation system in Canada where the Common Shares are listed on or through which the Common Shares are listed or quoted;
- (r) **“Grant Date”** means the date on which a grant of Options is made to a Participant in accordance with section 5.1 or 5.10, or, if not such date is specified, the date upon which the Board approves the grant of the Option;
- (s) **“Incentive Stock Option”** means an Option that is intended to meet the requirements of Section 422 of the Code;

- (t) “insider” has the meaning attributed to that term in the *Securities Act* (Ontario);
- (u) “Investor Relations Activities” means any activities, by or on behalf of the Corporation or shareholder of the Corporation, that promote or reasonably could be expected to promote the purchase or sale of securities of the Corporation, but does not include:
  - (i) the dissemination of information provided, or records prepared, in the ordinary course of business of the Corporation:
    - (A) to promote the sale of products or services of the Corporation, or
    - (B) to raise public awareness of the Corporation,that cannot reasonably be considered to promote the purchase or sale of securities of the Corporation;
  - (ii) activities or communications necessary to comply with the requirements of:
    - (A) applicable securities laws;
    - (B) the by-laws, rules or other regulatory instruments of the Exchange or any other self-regulatory body or exchange having jurisdiction over the Corporation;
  - (iii) communications by a publisher of, or writer for, a newspaper, magazine or business or financial publication, that is of general and regular paid circulation, distributed only to subscribers to it for value or to purchasers of it, if:
    - (A) the communication is only through the newspaper, magazine or publication, and
    - (B) the publisher or writer receives no commission or other consideration other than for acting in the capacity of publisher or writer; or
  - (iv) activities or communications that may be otherwise specified by the Exchange.
- (v) “Market Price” means, as of any date, the greater of: (i) the closing price of the Common Shares on the Exchange for the last market trading day prior to the Grant Date; and (ii) the closing price of the Common Shares on the Exchange on the Grant Date, or such other calculation as determined by the Board, provided that it complies with the requirements of the Exchange, or, if the Common Shares are not listed on a stock exchange, the Market Price shall be determined in good faith by the Administrators;
- (w) “Market Value” means, on any date, the greater of: (i) the volume weighted average price of the Common Shares traded on the Exchange for the five (5) consecutive trading days prior to such date; and (ii) the closing price of the Common Shares on the Exchange on the day before that date;
- (x) “Offer” means a bona fide arm’s length offer made to all holders of voting shares in the capital of the Corporation to purchase, directly or indirectly, voting shares in the capital of the Corporation;
- (y) “Option” means an option granted to an Eligible Person under the Plan to purchase Common Shares;
- (z) “Option Agreement” has the meaning ascribed to that term in section 3.2;

- (aa) **“Participant”** means an Eligible Person selected by the Administrators to participate in the Plan in accordance with section 3.1 hereof;
  - (bb) **“Payout Date”** means the day on which the Corporation pays to a Participant the Market Value of the RSUs that have become vested and payable;
  - (cc) **“Plan”** means this share compensation plan, as amended, replaced or restated from time to time;
  - (dd) **“Related Entity”** means, for the Corporation, a person that controls or is controlled by the Corporation or that is controlled by the same person that controls the Corporation;
  - (ee) **“Related Person”** means, for the Corporation, (i) a director or executive officer of the Corporation or of a Related Entity; (ii) an Associate of a director or executive officer of the Corporation or a Related Entity; or (iii) a permitted assign (as defined in National Instrument 45-106 – *Prospectus Exemptions*) or a director or executive officer of the Corporation or of a Related Entity;
  - (ff) **“reserved for issuance”** refers to Common Shares that may be issued in the future upon the vesting of Restricted Share Units which have been awarded and upon the exercise of Options which have been granted;
  - (gg) **“Restricted Share Unit”** means a right granted in accordance with section 4.1 hereof to receive one Common Share that becomes vested in accordance with section 4.3;
  - (hh) **“Restricted Share Unit Agreement”** has the meaning ascribed to that term in section 3.2;
  - (ii) **“Share Compensation Arrangement”** means a stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to directors, officers and employees of the Corporation and any of its Subsidiaries or to Consultants;
  - (jj) **“Subsidiary”** has the meaning ascribed thereto in the *Securities Act* (Ontario) and **“Subsidiaries”** shall have a corresponding meaning;
  - (kk) **“Subsidiary Corporation”** has the meaning ascribed thereto in Section 424(f) of the Code: and
  - (ll) **“Withholding Obligations”** has the meaning ascribed to that term in section 4.6.
- 1.2 **Headings:** The headings of all articles, sections, and paragraphs in the Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of the Plan.
- 1.3 **Context, Construction:** Whenever the singular or masculine are used in the Plan, the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires.
- 1.4 **References to this Plan:** The words “hereto”, “herein”, “hereby”, “hereunder”, “hereof” and similar expressions mean or refer to the Plan as a whole and not to any particular article, section, paragraph or other part hereof.
- 1.5 **Currency:** All references in this Plan or in any agreement entered into under this Plan to “dollars”, “\$” or lawful currency shall be references to Canadian dollars, unless the context otherwise requires.
- 2. PURPOSE AND ADMINISTRATION OF THE PLAN**
- 2.1 **Purpose:** The purpose of the Plan is to advance the interests of the Corporation and its Subsidiaries, and its shareholders by: (i) ensuring that the interests of Eligible Persons are aligned with the success of the

Corporation and its Subsidiaries; (ii) encouraging stock ownership by Eligible Persons; and (iii) providing compensation opportunities to attract, retain and motivate Eligible Persons.

## 2.2 **Common Shares Subject to the Plan:**

- (a) The total number of Common Shares reserved and available for grant and issuance pursuant to this Plan (inclusive of Common Shares reserved and available pursuant to Section 2.2(a)) to shall not exceed 15% of the issued and outstanding Common Shares (which, for greater certainty, includes the restricted voting shares of the Corporation outstanding) from time to time (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4);
- (b) The total number of Common Shares reserved and available for issuance upon exercise of Incentive Stock Options granted pursuant this Plan shall be 10,000,000.
- (c) Until such time as security holder approval for the Plan is obtained in accordance with Section 2.25(3) of National Instrument 45-106 – *Prospectus Exemptions*:
  - (i) the number of Common Shares issuable under the Plan to Related Persons (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4) shall not, at any time, exceed 10% of the issued and outstanding Common Shares, calculated on a fully diluted basis;
  - (ii) the number of Common Shares issuable under the Plan to any Related Person (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4) shall not, at any time, exceed 5% of the issued and outstanding Common Shares, calculated on a fully diluted basis;
  - (iii) the number of Common Shares issued under the Plan to Related Persons within a 12 month period (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4) shall not, at any time, exceed 10% of the issued and outstanding Common Shares, calculated on a fully diluted basis; and
  - (iv) the number of Common Shares issuable under the Plan to any Related Person within a 12 month period (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4) shall not, at any time, exceed 5% of the issued and outstanding Common Shares, calculated on a fully diluted basis;
- (d) The number of Common Shares issuable pursuant to the exercise of Options under the Plan within a 12 month period to all Eligible Persons retained to provide Investor Relations Activities (together with those Common Shares that are issued pursuant to any other Share Compensation Arrangement) shall not, at any time, exceed 1% of the issued and outstanding Common Shares (which, for greater certainty, includes the restricted voting shares of the Corporation outstanding).

## 2.3 **Administration of the Plan:** The Plan shall be administered by the Administrators. Subject to any limitations of the Plan, the Administrators shall have the power and authority to:

- (a) adopt rules and regulations for implementing the Plan;

- (b) determine the eligibility of persons to participate in the Plan, when Restricted Share Units and Options to Eligible Persons shall be awarded or granted, the number of Restricted Share Units and Options to be awarded or granted, the vesting criteria for each award of Restricted Share Units and the vesting period for each grant of Options;
- (c) interpret and construe the provisions of the Plan and any agreement or instrument under the Plan;
- (d) subject to regulatory requirements, make exceptions to the Plan in circumstances which they determine to be exceptional;
- (e) require that any Participant provide certain representations, warranties and certifications to the Corporation to satisfy the requirements of applicable laws; and
- (f) make all other determinations and take all other actions as they determine to be necessary or desirable to implement, administer and give effect to the Plan.

### **3. ELIGIBILITY AND PARTICIPATION IN PLAN**

3.1 **The Plan and Participation:** The Plan is hereby established for Eligible Persons. Restricted Share Units may be awarded and Options may be granted to any Eligible Person as determined by the Administrators in accordance with the provisions hereof. The Corporation and each Participant acknowledge that they are responsible for ensuring and confirming that such Participant is a bona fide Eligible Person entitled to receive Options or Restricted Share Units, as the case may be.

3.2 **Agreements:** All Restricted Share Units awarded hereunder shall be evidenced by a restricted share unit agreement ("**Restricted Share Unit Agreement**") between the Corporation and the Participant, substantially in the form set out in Exhibit A or in such other form as the Administrators may approve from time to time. All Options granted hereunder shall be evidenced by an option agreement ("**Option Agreement**") between the Corporation and the Participant, substantially in the form as set out in Exhibit B (or, in the case of an Incentive Stock Option, in the form set out in Exhibit C) or in such other form as the Administrators may approve from time to time.

### **4. AWARD OF RESTRICTED SHARE UNITS**

4.1 **Award of Restricted Share Units:** Subject to section 2.2, the total number of Common Shares issuable under the Plan pursuant to settlement of Restricted Share Units that may be awarded pursuant to this section shall not exceed 10,000,000 Common Shares. Restricted Share Units will not be granted to persons providing Investor Relations Activities.

The Administrators may, at any time and from time to time, award Restricted Share Units to Eligible Persons. In awarding any Restricted Share Units, the Administrators shall determine:

- (a) to whom Restricted Share Units pursuant to the Plan will be awarded;
- (b) the number of Restricted Share Units to be awarded and credited to each Participant's Account;
- (c) the Award Date; and
- (d) subject to section 4.3 hereof, the applicable vesting criteria.

Upon the award of Restricted Share Units, the number of Restricted Share Units awarded to a Participant shall be credited to the Participant's Account effective as of the Award Date.

- 4.2 **Restricted Share Unit Agreement:** Upon the award of each Restricted Share Unit to a Participant, a Restricted Share Unit Agreement shall be delivered by the Administrators to the Participant.
- 4.3 **Vesting:**
- (a) Subject to subsections (c) and (d) below, at the time of the award of Restricted Share Units, the Administrators shall determine in their sole discretion the vesting criteria applicable to such Restricted Share Units.
  - (b) For greater certainty, the vesting of Restricted Share Units may be determined by the Administrators to include criteria such as performance vesting, in which the number of Common Shares to be delivered to a Participant for each Restricted Share Unit that vests may fluctuate based upon the Corporation's performance and/or the market price of the Common Shares, in such manner as determined by the Administrators in their sole discretion.
  - (c) Each Restricted Share Unit shall be subject to vesting in accordance with the terms set out in the Restricted Share Unit Agreement.
  - (d) Notwithstanding anything to the contrary in this Plan, all vesting and issuances or payments, as applicable, in respect of a Restricted Share Unit shall be completed no later than December 15 of the third calendar year commencing after the Award Date for such Restricted Share Unit.
- 4.4 **Blackout Periods:** Should the date of vesting of a Restricted Share Unit fall within a Blackout Period or within nine Business Days following the expiration of a Blackout Period, such date of vesting shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Blackout Period, such tenth Business Day to be considered the date of vesting for such Restricted Share Unit for all purposes under the Plan. Notwithstanding section 6.4 hereof, the ten Business Day period referred to in this section 4.4 may not be extended by the Board.
- 4.5 **Vesting and Settlement:** As soon as practicable after the relevant date of vesting of any Restricted Share Units awarded under the Plan, but subject to subsection 4.3(d), a Participant shall be entitled to receive and the Corporation shall issue or pay (at its discretion):
- (a) a lump sum payment in cash equal to the number of vested Restricted Share Units recorded in the Participant's Account multiplied by the Market Value of a Common Share on the Payout Date;
  - (b) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's Restricted Share Units (on the basis of one Common Share for each vested Restricted Share Unit) in the Participant's Account, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares; or
  - (c) any combination of the foregoing.
- 4.6 **Taxes and Source Deductions:** The Corporation or an affiliate of the Corporation may take such reasonable steps for the deduction and withholding of any taxes and other required source deductions which the Corporation or the affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit in connection with this Plan, any Restricted Share Units or any issuance of Common Shares ("**Withholding Obligations**"). Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit pursuant to the Withholding Obligations from any cash remuneration or other amount payable to the Participant, whether or not related to the Plan, the vesting of any Restricted Share Units or the issue of any Common Shares; (ii) allow the Participant to make a cash payment to the Corporation equal to the amount required to be remitted, pursuant to the Withholding Obligations, which amount shall be remitted by the



Corporation to the appropriate governmental authority for the account of the Participant; or (iii) settle a portion of vested Restricted Share Units of a Participant in cash equal to the amount the Corporation is required to remit, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Participant. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to a Participant on vesting of any Restricted Share Units may be made conditional upon the Participant (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment to it in a timely manner of all taxes required to be remitted, pursuant to the Withholding Obligations, for the account of the Participant. The Corporation shall be entitled to make arrangements to sell a sufficient number of Common Shares to be issued pursuant to the vesting of Restricted Share Units to fund the payment and remittance of the Withholding Obligations and any associated costs (including brokerage fees).

**4.7 Rights Upon an Event of Termination:**

- (a) If an Event of Termination has occurred in respect of any Participant, any and all Common Shares corresponding to any vested Restricted Share Units in the Participant's Account shall be issued as soon as practicable after the Event of Termination to the former Participant in accordance with section 4.5 hereof.
- (b) If an Event of Termination has occurred in respect of any Participant, any unvested Restricted Share Units in the Participant's Account shall, unless otherwise determined by the Administrators in their discretion, forthwith and automatically be forfeited by the Participant and cancelled.
- (c) Notwithstanding the foregoing subsection 4.7(b) and subject to the requirements of the Exchange, if a Participant retires in accordance with the Corporation's retirement policy, at such time, any unvested performance-based Restricted Share Units in the Participant's Account shall not be forfeited by the Participant or cancelled and instead shall be eligible to become vested on the earlier of: (i) twelve (12) months from the date of such termination; or (ii) in accordance with the vesting conditions set forth in the applicable Restricted Share Unit Agreement after such retirement (as if retirement had not occurred), but only if the performance vesting criteria, if any, are met on the applicable date.
- (d) For greater certainty, if a Participant's employment is terminated for just cause, each unvested Restricted Share Unit in the Participant's Account shall forthwith and automatically be forfeited by the Participant and cancelled.
- (e) For the purposes of this Plan and all matters relating to the Restricted Share Units, the date of the Event of Termination shall be determined without regard to any applicable severance or termination pay, damages, or any claim thereto (whether express, implied, contractual, statutory, or at common law).

**4.8 Restricted Share Unit Accounts:** A separate notional account for Restricted Share Units shall be maintained for each Participant (an "**Account**"). Each Account will be credited with Restricted Share Units awarded to the Participant from time to time pursuant to section 4.1 hereof by way of a bookkeeping entry in the books of the Corporation. On the vesting of the Restricted Share Units pursuant to section 4.3 hereof and the corresponding issuance of Common Shares to the Participant pursuant to section 4.5 hereof, or on the forfeiture and cancellation of the Restricted Share Units pursuant to section 4.7 hereof, the applicable Restricted Share Units credited to the Participant's Account will be cancelled.

- 4.9 **Record Keeping:** the Corporation shall maintain records in which shall be recorded:
- (a) the name and address of each Participant;
  - (b) the number of Restricted Share Units credited to each Participant's Account;
  - (c) any and all adjustments made to Restricted Share Units recorded in each Participant's Account; and
  - (d) any other information which the Corporation considers appropriate to record in such records.

## 5. GRANT OF OPTIONS

- 5.1 **Grant of Options:** Subject to section 2.2, the total number of Common Shares reserved and available for grant pursuant to this section on exercise of Options (together with those Common Shares issuable pursuant to any other Share Compensation Arrangement, including the Restricted Share Units that may be awarded under Section 4) shall not exceed 15% of the number of issued and outstanding Common Shares (which, for greater certainty, includes the restricted voting shares of the Corporation outstanding) from time to time.

The Administrators may at any time and from time to time grant Options to Eligible Persons. In granting any Options, the Administrators shall determine:

- (a) to whom Options pursuant to the Plan will be granted;
- (b) the number of Options to be granted, the Grant Date and the exercise price of each Option;
- (c) the expiration date of each Option; and
- (d) subject to section 5.3 hereof, the applicable vesting criteria,

provided, however that the exercise price for a Common Share pursuant to any Option shall not be less than the Market Price on the Grant Date in respect of that Option.

- 5.2 **Option Agreement:** Upon each grant of Options to a Participant, an Option Agreement shall be delivered by the Administrators to the Participant.

### 5.3 Vesting:

- (a) Subject to subsection 2.2(d) above with respect to grants to Eligible Persons providing Investor Relations Activities, at the time of the grant of any Options, the Administrators shall determine, in accordance with minimum vesting requirements of the Exchange, the vesting criteria applicable to such Options.
- (b) The Administrators may determine when any Option will become exercisable and may determine that Options shall be exercisable in instalments or pursuant to a vesting schedule. The Option Agreement will disclose any vesting conditions prescribed by the Administrators.

- 5.4 **Term of Option/Blackout Periods:** The term of each Option shall be determined by the Administrators; provided that no Option shall be exercisable after ten years from the Grant Date. Should the term of an Option expire on a date that falls within a Blackout Period or within nine Business Days following the expiration of a Blackout Period, such expiration date shall be automatically extended without any further act or formality to that date which is the tenth Business Day after the end of the Blackout Period, such tenth Business Day to be considered the expiration date for such Option for all purposes under the Plan.

Notwithstanding section 6.4 hereof, the ten Business Day period referred to in this section 5.4 may not be extended by the Board.

**5.5 Exercise of Option:**

Options that have vested in accordance with the provisions of this Plan and the applicable Option Agreement may be exercised at any time, or from time to time, during their term and subject to the provisions of Section 5.9 hereof as to any number of whole Common Shares that are then available for purchase thereunder. Options may be exercised by delivery of a written notice of exercise to the Administrators, substantially in the form attached to this Plan as Exhibit D with respect to the Options, or by any other form or method of exercise acceptable to the Administrators.

**5.6 Payment and Issuance:**

Upon actual receipt by the Corporation or its agent of the materials required by subsection 5.5 and receipt by the Corporation of cash, a cheque, bank draft for the aggregate exercise price, the number of Common Shares in respect of which the Options are exercised will be issued as fully paid and non-assessable shares and the Participant exercising the Options shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares. No person or entity shall enjoy any part of the rights or privileges of a holder of Common Shares which are subject to Options until that person or entity becomes the holder of record of those Common Shares. No Common Shares will be issued by the Corporation prior to the receipt of payment by the Corporation for the aggregate exercise price for the Options being exercised.

**5.7 Cashless Exercise:** Provided that the Common Shares are listed and posted for trading on an Exchange or market that permits cashless exercise, a Participant may elect a cashless exercise in a notice of exercise, in lieu of delivering to the Administrators a cheque or other form of payment for the aggregate exercise price referred to above, such cashless exercise may include:

- (a) a sale of such number of Common Shares as is necessary to raise an amount equal to the aggregate exercise price for all Options being exercised by that Optionee under a notice of exercise and any applicable tax withholdings. The Participant may authorize its broker to sell Common Shares on the open market by means of a short sale and forward the proceeds of such short sale to the Corporation to satisfy the exercise price and any applicable tax withholdings, promptly following which the Corporation shall issue the Common Shares underlying the number of Options as provided for in the notice of exercise; and
- (b) an election to receive that number of Common Shares calculated using the following formula:

$$A = (B * (C-D)) / C$$

Where:

- A = the number of Common Shares to be issued to the Optionee upon exercising such Options, provided that if the foregoing calculation results in a negative number, then no Common Shares shall be issued
- B = the number of Common Shares underlying the Options to be surrendered
- C = the Market Price of the Common Shares as at the date of the surrender
- D = the exercise price of such Options.

5.8 **Taxes and Source Deductions:** The Corporation or an affiliate of the Corporation may take such reasonable steps for the deduction and withholding of any taxes and other required source deductions which the Corporation or the affiliate, as the case may be, is required by any law or regulation of any governmental authority whatsoever to remit pursuant to the Withholding Obligations in connection with this Plan, any Options or any issuance of Common Shares. Without limiting the generality of the foregoing, the Corporation may, at its discretion: (i) deduct and withhold those amounts it is required to remit, pursuant to the Withholding Obligations, from any cash remuneration or other amount payable to the Participant, whether or not related to the Plan, the exercise of any Options or the issue of any Common Shares; or (ii) allow the Participant to make a cash payment to the Corporation equal to the amount required to be remitted, pursuant to the Withholding Obligations, which amount shall be remitted by the Corporation to the appropriate governmental authority for the account of the Participant. Where the Corporation considers that the steps undertaken in connection with the foregoing result in inadequate withholding or a late remittance of taxes, the delivery of any Common Shares to be issued to a Participant on the exercise of Options may be made conditional upon the Participant (or other person) reimbursing or compensating the Corporation or making arrangements satisfactory to the Corporation for the payment in a timely manner of all taxes required to be remitted, pursuant to the Withholding Obligations, for the account of the Participant.

5.9 **Rights Upon an Event of Termination:**

- (a) If an Event of Termination has occurred in respect of a Participant, any unvested Options, to the extent not available for exercise as of the date of the Event of Termination, shall, unless otherwise determined by the Administrators in their discretion, forthwith and automatically be cancelled, terminated and not available for exercise without further consideration or payment to the Participant.
- (b) Except as otherwise stated herein or otherwise determined by the Administrators in their discretion (provided such determination does not exceed a maximum of one year), upon the occurrence of an Event of Termination in respect of a Participant, any vested Options granted to the Participant that are available for exercise may be exercised only before the earlier of:
  - (i) the expiry of the Option; and
  - (ii) thirty (30) days after the date of the Event of Termination, provided that such period shall be extended to one (1) year after the date of the Event of Termination in the event of Participant's death.
- (c) Notwithstanding the foregoing subsections 5.9(a) and (b), if a Participant's employment is terminated for just cause, each Option held by the Participant, whether or not then exercisable, shall forthwith and automatically be cancelled and may not be exercised by the Participant.

- (d) For the purposes of this Plan and all matters relating to the Options, the date of the Event of Termination shall be determined without regard to any applicable severance or termination pay, damages, or any claim thereto (whether express, implied, contractual, statutory, or at common law).

5.10 **Incentive Stock Options:** At the time of the grant of any Option, the Administrators may in its discretion designate that such Option shall be made subject to additional restrictions to permit it to qualify as an Incentive Stock Option. Any Option designated as an Incentive Stock Option:

- (a) shall be granted only to an employee of the Corporation or a Subsidiary Corporation and shall cease to qualify as an Incentive Stock Option three (3) months after the Participant has ceased to be an employee of the Corporation or a Subsidiary Corporation;
- (b) shall have an exercise price that is not less than 100% of the Market Price of a Common Share on the Grant Date, and, if granted to a person who owns capital stock (including stock treated as owned under Section 424(d) of the Code) possessing more than 10% of the total combined voting power of all classes of capital stock of the Company or any Subsidiary Corporation (a **"More Than 10% Owner"**), have an exercise price not less than 110% of the Market Price of a Common Share on its Grant Date;
- (c) shall be for a period of not more than 10 years (five years if the Participant is a More Than 10% Owner) from its Grant Date, and shall be subject to earlier termination as provided herein or in the applicable Option Agreement;
- (d) shall not have an aggregate value (based on the Market Price as of the Grant Date) of the Common Shares with respect to which Incentive Stock Options (whether granted under the Plan or any other stock option plan of the Corporation or any Subsidiary Corporation (**"Other Plans"**)) are exercisable for the first time by such Participant during any calendar year (**"Current Grant"**), determined in accordance with the provisions of Section 422 of the Code, which exceeds U.S. \$100,000 (the **"\$100,000 Limit"**);
- (e) shall, if the aggregate value of the Common Shares (based on the Market Price as of the Grant Date) with respect to the Current Grant and all Incentive Stock Options previously granted under the Plan and any Other Plans which are exercisable for the first time during a calendar year (**"Prior Grants"**) would exceed the \$100,000 Limit, be, as to the portion in excess of the \$100,000 Limit, exercisable as a separate option that is not an Incentive Stock Option at such date or dates as are provided in the Current Grant;
- (f) shall require the Participant to notify the Administrators of any disposition of any Shares delivered pursuant to the exercise of the Incentive Stock Option under the circumstances described in Section 421(b) of the Code (relating to holding periods and certain disqualifying dispositions) (**"Disqualifying Disposition"**) within 10 days of such a Disqualifying Disposition;
- (g) shall by its terms not be assignable or transferable other than by will or the laws of descent and distribution and may be exercised, during the Participant's lifetime, only by the Participant; provided, however, that the Participant may, to the extent provided in the Plan in any manner specified by the Administrators, designate in writing a beneficiary to exercise his or her Incentive Stock Option after the Participant's death; and
- (h) shall, if such Option nevertheless fails to meet the foregoing requirements, or otherwise fails to meet the requirements of Section 422 of the Code for an Incentive Stock Option, be treated for all purposes of this Plan, except as otherwise provided in subsections (d) and (e) above, as an Option that is not an Incentive Stock Option.

Notwithstanding the foregoing, any Incentive Stock Option granted hereunder prior to shareholder approval of this Plan within 12 months of the Effective Date, shall be subject to and conditioned upon such shareholder approval and may not be exercised unless and until the shareholders approve the adoption of this Plan.

The Administrators may, without the consent of the Participant, at any time before the exercise of an Option (whether or not an Incentive Stock Option), take any action necessary to prevent such Option from being treated as an Incentive Stock Option.

This section 5.10 and the Administrators' authorization to grant Incentive Stock Options under this Plan shall expire on the 10<sup>th</sup> anniversary of the Effective Date.

5.11 **Record Keeping:** The Corporation shall maintain an Option register in which shall be recorded:

- (a) the name and address of each holder of Options;
- (b) the number of Common Shares subject to Options granted to each holder of Options;
- (c) the term of the Option and exercise price, including adjustments for each Option granted; and
- (d) any other information which the Corporation considers appropriate to record in such register.

## 6. GENERAL

6.1 **Effective Date of Plan:** The Plan shall be effective as of the Effective Date.

6.2 **Change of Control:** If there is a Change of Control transaction then, notwithstanding any other provision of this Plan except subsection 4.3(d) which will continue to apply in all circumstances, the Administrators may, in their sole discretion, determine that any or all unvested Restricted Share Units and any or all Options (whether or not currently exercisable) shall vest or become exercisable, as applicable, at such time and in such manner as may be determined by the Administrators in their sole discretion such that Participants under the Plan shall be able to participate in the Change of Control transaction, including, at the election of the holder thereof, by surrendering such Restricted Share Units and Options to the Corporation or a third party or exchanging such Restricted Share Units or Options, for consideration in the form of cash and/or securities, to be determined by the Administrators in their sole discretion, subject to prior Exchange acceptance. In the event of a Change of Control, the Administrators shall be empowered to make any other arrangements as they shall deem appropriate, including without limitation, to amend any Option Agreement or Restricted Share Unit Agreement or this Plan.

6.3 **Reorganization Adjustments:**

- (a) In the event of any declaration by the Corporation of any stock dividend payable in securities (other than a dividend which may be paid in cash or in securities at the option of the holder of Common Shares), or any subdivision or consolidation of Common Shares, reclassification or conversion of Common Shares, or any combination or exchange of securities, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin off involving the Corporation, distribution (other than normal course cash dividends) of company assets to holders of Common Shares, or any other corporate transaction or event involving the Corporation or the Common Shares, the Administrators, in the Administrators' sole discretion, may, subject to any relevant resolutions of the Board, and without liability to any person, make such changes or adjustments, if any, as the Administrators consider fair or equitable, in such manner as the Administrators may determine, to reflect such change or event including, without limitation, adjusting the number of Options and Restricted Share Units outstanding under this Plan, the type and number of securities or other property to be received upon exercise or redemption thereof,

and the exercise price of Options outstanding under this Plan, provided that the value of any Option or Restricted Share Unit immediately after such an adjustment, as determined by the Administrators, shall not exceed the value of such Option or Restricted Share Unit prior thereto, as determined by the Administrators.

- (b) The Corporation shall give notice to each Participant in the manner determined, specified or approved by the Administrators of any change or adjustment made pursuant to this section and, upon such notice, such adjustment shall be conclusive and binding for all purposes.
- (c) The Administrators may from time to time adopt rules, regulations, policies, guidelines or conditions with respect to the exercise of the power or authority to make changes or adjustments pursuant to section 6.2 or section 6.3(a). The Administrators, in making any determination with respect to changes or adjustments pursuant to section 6.2 or section 6.3(a) shall be entitled to impose such conditions as the Administrators consider or determine necessary in the circumstances, including conditions with respect to satisfaction or payment of all applicable taxes (including, but not limited to, withholding taxes).

#### 6.4 **Amendment or Termination of Plan:**

The Board may amend this Plan or any Restricted Share Unit or any Option at any time without the consent of Participants provided that such amendment shall:

- (a) be subject to any regulatory approvals including, where required, the approval of the Exchange; and
- (b) be subject to shareholder approval, where required by the requirements of the Exchange, provided that shareholder approval shall not be required for the following amendments:
  - (i) amendments of a “housekeeping nature”, including any amendment to the Plan or a Restricted Share Unit or Option that is necessary to comply with applicable laws, tax or accounting provisions or the requirements of any regulatory authority or stock exchange and any amendment to the Plan or a Restricted Share Unit or Option to correct or rectify any ambiguity, defective provision, error or omission therein, including any amendment to any definitions therein;
  - (ii) amendments that are necessary or desirable for Restricted Share Units or Options to qualify for favourable treatment under any applicable tax law;
  - (iii) a change to the vesting provisions of any Restricted Share Unit or any Option (including any alteration, extension or acceleration thereof);
  - (iv) the introduction of features to the Plan that would permit the Corporation to, instead of issuing Common Shares from treasury upon the vesting of the Restricted Share Units, retain a broker and make payments for the benefit of Participants to such broker who would purchase Common Shares in the open market for such Participants;
  - (v) the amendment of this Plan as it relates to making lump sum payments to Participants upon the vesting of the Restricted Share Units;
  - (vi) the amendment of the cashless exercise feature set out in this Plan; and
  - (vii) such other amendment that is allowable by the Exchange without shareholder approval.

For greater certainty and subject to approval by the Exchange (if applicable), shareholder approval shall be required in circumstances where an amendment to the Plan would:

- (a) change from a fixed maximum percentage of issued and outstanding Common Shares to a fixed maximum number of Common Shares;
- (b) increase the limits in section 2.2; or
- (c) amend this section 6.4.

6.5 **Termination:** The Administrators may terminate this Plan at any time in their absolute discretion. If the Plan is so terminated, no further Restricted Share Units shall be awarded and no further Options shall be granted, but the Restricted Shares Units then outstanding and credited to Participants' Accounts and the Options then outstanding shall continue in full force and effect in accordance with the provisions of this Plan.

6.6 **Transferability:** A Participant shall not be entitled to transfer, assign, charge, pledge or hypothecate, or otherwise alienate, whether by operation of law or otherwise, the Participant's Restricted Share Units or Options or any rights the Participant has under the Plan except: (a) by will or by the laws of descent and distribution; or (b) in the case of non-Incentive Stock Options only, with the prior written consent of the Board, to a permitted assign (as defined in National Instrument 45-106 – *Prospectus Exemptions*).

6.7 **Rights as a Shareholder:** Under no circumstances shall the Restricted Share Units or Options be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares (including, but not limited to, the right to dividend equivalent payments).

6.8 **Credits for Dividends:** Unless otherwise determined by the Administrators, whenever cash or other dividends are paid on Common Shares, additional Restricted Share Units will be automatically granted to each Participant who holds Restricted Share Units on the record date for such dividends. The number of such Restricted Share Units (rounded to the nearest whole Restricted Share Units) to be credited to such Participant as of the date on which the dividend is paid on the Common Shares shall be an amount equal to the quotient obtained when (i) the aggregate value of the cash or other dividends that would have been paid to such Participant if the Participant's Restricted Share Units as of the record date for the dividend had been Common Shares, is divided by (ii) the Market Value of the Common Shares as of the date on which the dividend is paid on the Common Shares. Restricted Share Units granted to a Participant shall be subject to the same vesting conditions (time and performance (as applicable)) as the Restricted Share Units to which they relate.

6.9 **No Effect on Employment, Rights or Benefits:**

- (a) The terms of employment shall not be affected by participation in the Plan.
- (b) Nothing contained in the Plan shall confer or be deemed to confer upon any Participant the right to continue as a director, officer, employee or Consultant nor interfere or be deemed to interfere in any way with any right of the Corporation, the Board or the shareholders of the Corporation to remove any Participant from the Board or of the Corporation or any Subsidiary to terminate any Participant's employment or agreement with a Consultant at any time for any reason whatsoever.
- (c) Under no circumstances shall any person who is or has at any time been a Participant be able to claim from the Corporation or any Subsidiary any sum or other benefit to compensate for the loss of any rights or benefits under or in connection with this Plan or by reason of participation in this Plan.



6.10 **Market Value of Common Shares:** The Corporation makes no representation or warranty as to the future market value of any Common Shares. No Participant shall be entitled, either immediately or in the future, either absolutely or contingently, to receive or obtain any amount or benefit granted to or to be granted for the purpose of reducing the impact, in whole or in part, of any reduction in the market value of the shares of the Corporation or a corporation related thereto.

6.11 **Compliance with Applicable Law:**

- (a) If any provision of the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.
- (b) The award of Restricted Share Units, the grant of Options and the issuance of Common Shares under this Plan shall be carried out in compliance with applicable statutes and with the regulations of governmental authorities and the Exchange. If the Administrators determine in their discretion that, in order to comply with any such statutes or regulations, certain action is necessary or desirable as a condition of or in connection with the award of a Restricted Share Unit, the grant of an Option or the issue of a Common Share upon the vesting of a Restricted Share Unit or exercise of an Option, as applicable, that Restricted Share Unit may not vest in whole or in part and that Option may not be exercised in whole or in part, as applicable, unless that action shall have been completed in a manner satisfactory to the Administrators.
- (c) If the Common Shares are listed on the Exchange and the award of Restricted Share Units or grant of Options and the issuance of Common Shares under this Plan is made to a director, officer, promoter or other insider of the Corporation, and unless the respective award, grant or issuance or is qualified by prospectus, or issued under a securities take-over bid, rights offering, amalgamation, or other statutory procedure, then the Restricted Share Unit Agreement or Option Agreement will bear an Exchange Hold Period, and the following legend will be inserted onto the first page of the Restricted Share Unit Agreement or Option Agreement:

“WITHOUT PRIOR WRITTEN APPROVAL OF THE CANADIAN SECURITIES EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL \_\_\_\_\_, 20\_\_\_\_ [i.e., four months and one day after the date of grant].”

6.12 **Governing Law:** This Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

## EXHIBIT A

[Insert if required: **WITHOUT PRIOR WRITTEN APPROVAL OF THE CANADIAN SECURITIES EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].**

### RESTRICTED SHARE UNIT AGREEMENT

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "**Restricted Share Grant Date**") SLANG Worldwide Inc. (the "**Corporation**") has granted to \_\_\_\_\_ (the "**Participant**"), \_\_\_\_\_ Restricted Share Units pursuant to the Corporation's Share Compensation Plan (the "**Plan**"), a copy of which has been provided to the Participant.

Restricted Share Units are subject to the following terms:

- (a) Pursuant to the Plan and as compensation to the Participant, the Corporation hereby grants to the Participant, as of the Restricted Share Grant Date, the number of Restricted Share Units set forth above.
- (b) The granting and vesting of the Restricted Share Units and the payment by the Corporation of any payout in respect of any Vested Restricted Share Units (as defined below) are subject to the terms and conditions of the Plan, all of which are incorporated into and form an integral part of this Restricted Share Unit Agreement.
- (c) The Restricted Share Units shall become vested restricted share units (the "**Vested Restricted Share Units**") in accordance with the following schedule:
  - (i) **[insert vesting provisions, if applicable]** (each a "**Vesting Date**").
- (d) As soon as reasonably practicable and no later than 60 days following the Vesting Date, the Participant shall be entitled to receive, and the Corporation shall issue or provide, a payout with respect to those Vested Restricted Share Units in the Participant's Account to which the Vesting Date relates (each a "**Payout Date**"):
  - (i) a lump sum payment in cash equal to the number of vested Restricted Share Units recorded in the Participant's Account multiplied by the Market Value of a Common Share on the Payout Date;
  - (ii) the number of Common Shares required to be issued to a Participant upon the vesting of such Participant's Restricted Share Units in the Participant's Account, duly issued as fully paid and non-assessable shares and such Participant shall be registered on the books of the Corporation as the holder of the appropriate number of Common Shares; or
  - (iii) any combination of the foregoing.subject to any applicable Withholding Obligations.
- (e) The Participant acknowledges that:
  - (i) he or she has received and reviewed a copy of the Plan; and

- (ii) the Restricted Share Units have been granted to the Participant under the Plan and are subject to all of the terms and conditions of the Plan to the same effect as if all of such terms and conditions were set forth in this Restricted Share Unit Agreement, including with respect to termination and forfeiture as set out in Section 4.7 of the Plan.

Notwithstanding anything to the contrary in this Restricted Share Unit Agreement all vesting and issuances or payments, as applicable, in respect of a Restricted Share Unit evidenced hereby shall be completed no later than December 15 of the third calendar year commencing after the Restricted Share Grant Date;

The grant of the Restricted Share Units evidenced hereby is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Restricted Share Units and the vesting of the Restricted Share Units. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel.

The Participant represents and warrants to the Corporation that under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) entitled to receive Restricted Share Units. The Corporation may condition awards and elections under the Plan upon receiving from the undersigned such representations and warranties as is satisfactory to the Corporation, acting in its sole discretion.

In the event of any inconsistency between the terms of this Restricted Share Unit Agreement and the Plan, the terms of the Plan shall prevail unless otherwise determined in the Plan.

**SLANG WORLDWIDE INC.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Name of Participant

**EXHIBIT B**

[Insert if required: **WITHOUT PRIOR WRITTEN APPROVAL OF THE CANADIAN SECURITIES EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL \_\_\_\_\_, 20\_\_\_\_ [FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].**

**OPTION AGREEMENT**

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Effective Date**”) SLANG Worldwide Inc. (the “**Corporation**”) has granted to \_\_\_\_\_ (the “**Participant**”), Options to acquire \_\_\_\_\_ Common Shares (the “**Optioned Shares**”) up to 4:30 p.m. Eastern Time on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the “**Option Expiry Date**”) at an exercise price of Cdn\$\_\_\_\_\_ per Optioned Share pursuant to the Corporation’s Share Compensation Plan (the “**Plan**”), a copy of which is attached hereto.

Optioned Shares may be acquired as follows:

- (f) **[insert vesting provisions, if applicable]; and**
- (g) **[insert hold period when required].**

The grant of the Options evidenced hereby and the Option Expiry Date thereof, is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Options, the exercise of the Options and the disposition of Optioned Shares. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel.

The Participant represents and warrants that under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) entitled to receive Options. The Corporation may condition the exercise of the Options upon receiving from the Participant such representations and warranties as is satisfactory to the Corporation, acting in its sole discretion.

In the event of any inconsistency between the terms of this Option Agreement and the Plan, the terms of the Plan shall prevail.

**SLANG WORLDWIDE INC.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Name of Participant

## EXHIBIT C

[Insert if required: **WITHOUT PRIOR WRITTEN APPROVAL OF THE CANADIAN SECURITIES EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS AGREEMENT AND ANY SECURITIES ISSUED UPON EXERCISE THEREOF MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL \_\_\_\_\_, 20\_\_\_\_ [FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].**

### INCENTIVE STOCK OPTION AGREEMENT

Notice is hereby given that, effective this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Effective Date") SLANG Worldwide Inc. (the "Corporation") has granted to \_\_\_\_\_ (the "Participant"), Incentive Stock Options to acquire \_\_\_\_\_ Common Shares (the "Optioned Shares") up to 4:30 p.m. Eastern Time on the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (the "Option Expiry Date") at an exercise price of Cdn\$\_\_\_\_\_ per Optioned Share pursuant to the Corporation's Share Compensation Plan (the "Plan"), a copy of which is attached hereto.

Optioned Shares may be acquired as follows:

- (a) **[insert vesting provisions, if applicable]; and**
- (b) **[insert hold period when required].**

The Options granted hereby are intended to qualify as incentive stock options within the meaning of Section 422 of the Code. The Participant hereby agrees that within 10 days after any Disqualifying Disposition (as defined in section 5.10(f) of the Plan) of Optioned Shares acquired upon exercise of this Option, the Participant shall notify the Company of such Disqualifying Disposition.

The grant of the Options evidenced hereby and the Option Expiry Date thereof, is made subject to the terms and conditions of the Plan. The Participant agrees that he/she may suffer tax consequences as a result of the grant of these Options, the exercise of the Options and the disposition of Optioned Shares. The Participant acknowledges that he/she is not relying on the Corporation for any tax advice and has had an adequate opportunity to obtain advice of independent tax counsel.

The Participant represents and warrants that under the terms and conditions of the Plan the Participant is a bona fide Eligible Person (as defined in the Plan) and an employee of the Corporation or a Subsidiary Corporation who is entitled to receive Options. The Corporation may condition the exercise of the Options upon receiving from the Participant such representations and warranties as is satisfactory to the Corporation, acting in its sole discretion.

*[Signatures on the following page]*

In the event of any inconsistency between the terms of this Option Agreement and the Plan, the terms of the Plan shall prevail.

**SLANG WORLDWIDE INC.**

\_\_\_\_\_  
Authorized Signatory

\_\_\_\_\_  
Signature of Participant

\_\_\_\_\_  
Name of Participant

**EXHIBIT D**

**NOTICE OF OPTION EXERCISE**

TO: **SLANG Worldwide Inc. (the "Corporation")**

FROM: \_\_\_\_\_

DATE: \_\_\_\_\_

The undersigned hereby irrevocably gives notice, pursuant to the Corporation's Share Compensation Plan (the "**Plan**"), of the exercise of the Options to acquire and hereby subscribes for:

*[check one]*

- (a) all of the Optioned Shares; or
- (b) \_\_\_\_\_ of the Optioned Shares,

which are the subject of the Option Agreement attached hereto.

Calculation of total Exercise Price:

- (i) number of Optioned Shares to be acquired on exercise \_\_\_\_\_ Optioned Shares
  - (ii) multiplied by the Exercise Price per Optioned Share: \$ \_\_\_\_\_
- TOTAL EXERCISE PRICE, enclosed herewith (unless this is a cashless exercise): \$ \_\_\_\_\_

I hereby:

- (a) unless this is a cashless exercise, enclose a cheque payable to "SLANG Worldwide Inc." for the aggregate Exercise Price plus the amount of the estimated Withholding Obligations and agree that I will reimburse the Corporation for any amount by which the actual Withholding Obligations exceed the estimated Withholding Obligations; or
- (b) advise the Corporation that I am exercising the above Options on a cashless exercise basis, in compliance with the procedures established from time to time by the Administrators for cashless exercises of Options under the Plan. I will consult with the Corporation to determine what additional documentation, if any, is required in connection with my cashless exercise of the above Options. I agree to comply with the procedures established by the Corporation for cashless exercises and all terms and conditions of the Plan. Please prepare the Optioned Shares certificates, if any, issuable in connection with this exercise in the following name(s):

\_\_\_\_\_  
\_\_\_\_\_

---

Signature of Participant

---

Name of Participant

Letter and consideration/direction received on \_\_\_\_\_, 20 \_\_\_\_.



By: \_\_\_\_\_  
[Name]  
[Title]



**APPENDIX "B"**  
**AUDIT COMMITTEE CHARTER**

**SLANG WORLDWIDE INC.**  
**AUDIT COMMITTEE CHARTER**

**I. GENERAL**

**1. Mandate and Purpose of the Committee**

The purpose of the Audit Committee (the “**Committee**”) is to assist the board of directors (the “**Board**”) of SLANG Worldwide Inc. (the “**Company**”) in fulfilling its oversight responsibilities relating to:

- (a) the integrity of the Company’s financial statements;
- (b) the Company’s compliance with legal and regulatory requirements, as they relate to the Company’s financial statements;
- (c) the qualifications, independence and performance of the external auditor;
- (d) internal controls and disclosure controls;
- (e) the performance of the Company’s internal audit function; and
- (f) performing the additional duties set out in this Charter or otherwise delegated to the Committee by the Board.

**2. Authority of the Committee**

- (a) The Committee has the authority to:
  - (i) engage independent counsel and other advisors as it determines necessary to carry out its duties;
  - (ii) set and pay the compensation for any advisors employed by the Committee; and
  - (iii) communicate directly with the internal and external auditors.
- (b) The Committee has the authority to delegate to individual members or subcommittees of the Committee.

**II. PROCEDURAL MATTERS**

**1. Composition**

The Committee will be composed of a minimum of three members.

**2. Member Qualifications**

- (a) Every Committee member must be a director of the Company.
- (b) A majority of the members of the Committee must be “independent” as defined in NI 52-110.

- (c) Every Committee member must be “financially literate” as defined in NI 52-110.
- (d) At least one member of the Committee will have accounting or related financial management experience or expertise.

### **3. Member Appointment and Removal**

Members of the Committee will hold office until the next annual meeting of the shareholders.

### **4. Committee Structure and Operations**

#### **(a) Chair**

Each year, the Board will appoint one member of the Committee to act as Chair of the Committee. The Chair of the Committee may be removed at any time at the discretion of the Board. If, in any year, the Board does not appoint a Chair, the incumbent Chair will continue in office until a successor is appointed.

If the Chair of the Committee is absent from any meeting, the Committee will select one of the other members of the Committee to preside at that meeting.

#### **(b) Meetings**

The Chair of the Committee will be responsible for developing and setting the agenda for Committee meetings. The Chair, in consultation with the Committee members, will determine the schedule and frequency of the Committee meetings. However, the Committee will meet at least four times per year.

#### **(c) Notice**

(i) Notice of the time and place of every meeting will be given by email or by phone to each member of the Committee at least 24 hours before the time fixed for that meeting.

(ii) The external auditor of the Company will be given notice of every meeting of the Committee and, at the expense of the Company, will be entitled to attend and be heard at that meeting.

(iii) If requested by a member of the Committee, the external auditor will attend every meeting of the Committee held during the term of office of the external auditor.

#### **(d) Quorum**

A majority of the Committee will constitute a quorum. No business may be transacted by the Committee except at a meeting of its members at which a quorum of the Committee is present in person or by means of such telephonic, electronic or other communications facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

#### **(e) Attendees**

The Committee may invite any of the directors, officers and employees of the Company and any advisors as it sees fit to attend meetings of the Committee.

During each meeting of the Committee, the Committee will meet with only Committee members present in person or by other permitted means.

(f) **Secretary**

Unless otherwise determined by resolution of the Board, the corporate secretary of the Company, or his or her nominee, will act as the Secretary to the Committee.

(g) **Records**

Minutes of meetings of the Committee will be recorded and maintained by the Secretary to the Committee and will be subsequently presented to the Committee for review and approval.

(h) **Liaison**

The Chief Financial Officer will act as management liaison with the Committee.

**5. Committee and Charter Review**

The Committee will conduct an annual review and assessment of its performance, effectiveness and contribution, including a review of its compliance with this Charter, in accordance with the process developed by the Board. The Committee will conduct that review and assessment in such manner as it deems appropriate and report the results to the Board.

The Committee will also review and assess the adequacy of this Charter on an annual basis, taking into account all legislative and regulatory requirements applicable to the Committee, as well as any best practice guidelines recommended by regulators or an applicable stock exchange, and will recommend any required or desirable changes to the Board.

**6. Reporting to the Board**

The Committee will report to the Board in a timely manner with respect to each of its meetings held. This report may take the form of circulating copies of the minutes of each meeting held.

**III. RESPONSIBILITIES**

**1. Financial Reporting**

- (a) The Committee is responsible for reviewing and recommending approval to the Board of:
  - (i) the Company's financial statements, MD&A and annual and interim profit or loss news releases; and
  - (ii) prospectus type documents.
- (b) The Committee is also responsible for:

- (i) discussing with management and the external auditor the quality of generally accepted accounting principles (“**GAAP**”), not just the acceptability of GAAP;
- (ii) discussing with management any significant variances between comparative reporting periods and across comparable business units;
- (iii) in the course of discussion with management and the external auditor, identifying problems or areas of concern and ensuring those matters are satisfactorily resolved;
- (iv) engaging the external auditor to perform a review of the interim financial reports and reviewing their findings, however, no formal report from the external auditor will be required;
- (v) reviewing the financial statements of the Company’s subsidiaries, as well as the consolidated financial statements and financial statements for the Company pension plans, joint ventures and the like;
- (vi) requiring a representation letter from management similar to that provided by the external auditor; and
- (vii) reviewing all financial information and earnings guidance provided to analysts and rating agencies.

**2. External Auditor**

- (a) The Company’s external auditor is required to report directly to the Committee.
- (b) The Committee is responsible for recommending to the Board:
  - (i) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company; and
  - (ii) the compensation of the external auditor.
- (c) The Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, including the resolution of disagreements between management and the external auditor regarding financial reporting.

**3. Relationship with the External Auditor**

- (a) The Committee is responsible for reviewing the proposed audit plan and the proposed audit fees (to ensure fee containment).
- (b) The Committee is also responsible for:

- (i) establishing effective communication processes with management and the external auditor so that it can objectively monitor the quality and effectiveness of the external auditor's relationship with management and the Committee;
- (ii) receiving and reviewing regular reports from the external auditor on the progress against the approved audit plan, important findings, recommendations for improvements and the auditors' final report;
- (iii) reviewing, at least annually, a report from the external auditor on all relationships and engagements for non-audit services that may reasonably be thought to bear on the independence of the auditor;
- (iv) meeting regularly in private with the external auditor; and
- (v) receiving at least annually a report by the external auditor on the audit firm's internal quality control.

#### **4. Accounting Policies**

The Committee is responsible for:

- (a) reviewing the Company's accounting policy note to ensure completeness and acceptability with GAAP as part of the approval of the financial statements;
- (b) proactively discussing and reviewing the impact of proposed changes in accounting standards or securities policies or regulations;
- (c) reviewing with management and the external auditor any proposed changes in major accounting policies and key estimates and judgments that may be material to financial reporting;
- (d) ensuring by discussion with management and the external auditor that the underlying accounting policies, disclosures and key estimates and judgments are considered to be the most appropriate in the circumstances (within the range of acceptable options and alternatives);
- (e) discussing with management and the external auditor the clarity and completeness of the Company's financial disclosures made under continuous disclosure requirements; and
- (f) reviewing benchmarks of the Company's accounting policies to those followed in its industry.

#### **5. Risk and Uncertainty**

- (a) The Committee is responsible for reviewing, as part of its approval of the financial statements, uncertainty notes and disclosures.
- (b) The Committee, in consultation with management, will identify the principal business risks and decide on the Company's "appetite" for risk. The Committee is responsible for reviewing related risk management policies and recommending those policies for

approval by the Board. The Committee is then responsible for communicating and assigning to the applicable Board committee those policies for implementation and ongoing monitoring.

- (c) The Committee is responsible for requesting the external auditor's opinion of management's assessment of significant risks facing the Company and how effectively they are being managed or controlled.

## **6. Controls and Control Deviations**

- (a) The Committee is responsible for reviewing:
  - (i) the plan and scope of the annual audit with respect to planned reliance and testing of controls; and
  - (ii) major points contained in the auditor's management letter resulting from control evaluation and testing.
- (b) The Committee is also responsible for:
  - (i) receiving reports from management when significant control deviations occur;
  - (ii) establishing a Company-wide culture that conveys basic values of ethical integrity as well as legal compliance and strong financial reporting and control;
  - (iii) reviewing plans of the internal and external auditors to ensure the combined evaluation and testing of control is comprehensive, well-coordinated, cost effective and appropriate to risks, business activities and changing circumstances;
  - (iv) participating in the review and appointment of key people involved in financial reporting (i.e., the Chief Financial Officer, the manager of internal audit, etc.);
  - (v) reviewing Chief Executive Officer and Chief Financial Officer certification matters including matters relating to disclosure controls and procedures;
  - (vi) reviewing annually a formal report prepared by management on the effectiveness of the Company's control systems;
  - (vii) reviewing fraud prevention policies and programs and monitoring their implementation; and
  - (viii) examining whether extension of its oversight of control systems into non-financial areas (e.g., operations) is appropriate.

## **7. Compliance with Laws and Regulations**

- (a) The Committee is responsible for discussing the Company's compliance with tax and financial reporting laws and regulations, if and when issues arise.

- (b) The Committee is responsible for reviewing regular reports from management and others (e.g., internal and external auditors) concerning the Company's compliance with financial related laws and regulations, such as:
  - (i) tax and financial reporting laws and regulations;
  - (ii) legal withholdings requirements;
  - (iii) environmental protection laws; and
  - (iv) other matters for which directors face liability exposure.
- (c) The Committee is responsible for providing input to and reviewing the Company's Code of Business Conduct and Ethics.
- (d) The Committee is responsible for expanding its review to include a broader set of laws and regulations that must be complied with (e.g., compliance with privacy laws in electronic commerce systems).
- (e) The Committee with other Board committees is responsible for annually reviewing reports from other Board committees on management's processes to ensure compliance with the Company's Code of Business Conduct and Ethics.

## **8. Relationship with the Internal Auditor**

- (a) The Committee is responsible for reviewing:
  - (i) the appointment of the internal auditor;
  - (ii) the internal auditor's terms of reference;
  - (iii) the overall scope of the internal audit;
  - (iv) the majority of reports issued by the internal auditor; and
  - (v) management's response to the internal auditor's reports.
- (b) The Committee is responsible for approving the reporting relationship of the internal auditor to ensure appropriate segregation of duties is maintained and the internal auditor has direct access to the Committee.
- (c) The Committee is responsible for ensuring that the internal auditor's involvement with financial reporting is coordinated with the activities of the external auditor.
- (d) If no internal audit function exists, the Committee is responsible for regularly reviewing the need for such a function.



## **9. Other Responsibilities and Issues**

- (a) The Chair of the Committee is responsible for ensuring the information received by the Committee is responsive to important performance measures and to the key risks the Committee oversees.
- (b) The Committee is responsible for the investigation of any matters that fall within the Committee's responsibilities and has the explicit authority to do so.
- (c) The Committee is responsible for receiving and reviewing reports from the internal and external auditors on their review of the officer and senior executive expense accounts.
- (d) The Committee is responsible for approving policies on political donations and commissions paid to suppliers or customers and for receiving reports from the internal and/or external auditors on their review of those donations and commissions.
- (e) The Committee is responsible for reviewing and providing management with its views on funding matters, financing strategies, capital structure etc., as well as appropriate accounting and presentation issues related thereto.

## **10. Pre-Approval of Non-Audit Services**

The Committee is responsible for pre-approving all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor.

## **11. Review of Public Disclosure**

The Committee will review the following disclosures in advance of their public release by the Company:

- (a) the Company's financial statements, MD&A and annual and interim profit or loss news releases;
- (b) earnings guidance; and
- (c) financial outlooks and future-oriented financial information;

The Committee is responsible for being satisfied that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements and must periodically assess the adequacy of those procedures.

## **12. Submission Systems and Treatment of Complaints**

The Committee is responsible for establishing procedures for:

- (a) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

**13. Hiring Policies**

The Committee is responsible for reviewing and approving the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company.