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# HIKU

HIKU BRANDS COMPANY LTD.

ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

TO BE HELD ON JUNE 25, 2018

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NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

MANAGEMENT INFORMATION CIRCULAR

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MAY 24, 2018

**RECOMMENDATION TO SHAREHOLDERS**

**The Board of Directors of Hiku Brands Company Ltd. unanimously recommends that Shareholders VOTE FOR the approval of each of the matters described in the accompanying Management Information Circular.**

## HIKU BRANDS COMPANY LTD.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the 2018 Annual and Special Meeting (the “**Meeting**”) of holders of common shares (the “**Shareholders**”) of Hiku Brands Company Ltd. (“**Hiku**”) will be held at 421 Cawston Avenue, Kelowna, British Columbia V1Y 6Z1, on Monday, June 25, 2018 at 10:00 a.m. (Kelowna time) for the following purposes:

1. to receive and consider the audited financial statements of Hiku for the nine-months ended December 31, 2017 and the twelve months ended March 31, 2017, together with the independent auditor’s report thereon;
2. to elect the board of directors (the “**Board**”) who will hold office until the next annual meeting of Shareholders or until their successors are elected or appointed;
3. to elect, conditional upon, and effective as of the completion of the transactions contemplated in the arrangement agreement dated April 19, 2018 between Hiku and WeedMD Inc., Alan Gertner, Charles Broderick, Keith Merker, Tahira Rehmatullah, Kevin McGovern and Lorne Gertner to the Board to hold office until the next annual meeting of Shareholders or until their successors are elected or appointed;
4. to appoint MNP LLP as auditors of Hiku for the ensuing year at such remuneration as may be fixed by the Board;
5. to consider, and, if deemed advisable, to pass, with or without variation, an ordinary resolution, the full text of which is set forth in the accompanying management information circular prepared for purposes of the Meeting (the “**Information Circular**”) approving Hiku’s stock option plan;
6. to consider, and, if deemed advisable, to pass, with or without variation, an ordinary resolution of Disinterested Shareholders (as defined below), the full text of which is set forth in the accompanying Information Circular, approving Hiku’s restricted share unit plan, including the reservation for issuance thereunder of all unallocated restricted share units, rights and other entitlements; and
7. to transact such further or other business as may properly come before the Meeting and any adjournment or adjournments thereof.

Approval of the restricted share unit plan will require Disinterested Shareholder approval, being the approval of a majority of the votes cast by Shareholders at the Meeting excluding Insiders and Associates of Insiders. An “Insider” includes all directors and senior officers of the Corporation and its subsidiaries and any person who beneficially owns or controls, directly or indirectly, more than 10% of the issued and outstanding common shares of the Corporation; and “Associates of Insiders” includes an Insider’s spouse, children and any relative who lives in the same residence as the Insider.

The record date for determination of Shareholders entitled to receive notice of and attend and vote at the Meeting is Thursday, May 17, 2018 (the “**Record Date**”). Only Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting.

Whether or not you are able to attend the Meeting in person, you are encouraged to provide voting instructions on the enclosed form of proxy as soon as possible. Hiku's transfer agent, AST Trust Company (Canada), must receive your proxy no later than June 21, 2018 at 10:00 a.m. (Toronto time), or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) before any adjourned or postponed Meeting. You must send your proxy to Hiku's transfer agent by mailing the proxy to AST Trust Company (Canada), PO Box 721, Agincourt, ON M1S 0A1. You may vote by phone at 1-888-489-7352, by facsimile at 1-866-781-3111 (toll-free within North America) or 1-416-368-2502 (international), or by email at [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com), Attention: Proxy Department. You may also vote on the internet by going to [www.astvotemyproxy.com](http://www.astvotemyproxy.com) and following the instructions. You will need your 13 digit control number located on the form of proxy.

If you are a non-registered holder of shares and have received these materials from your broker or another intermediary, please complete and return the voting instruction form or other authorization form provided to you by your broker or intermediary in accordance with the instructions provided. Failure to do so may result in your Common Shares not being eligible to be voted at the Meeting.

The form of proxy confers discretionary authority with respect to: (i) amendments or variations to the matters of business to be considered at the Meeting; and (ii) other matters that may properly come before the Meeting. As of the date hereof, management of Hiku knows of no amendments, variations or other matters to come before the Meeting other than the matters set forth in this Notice of Annual and Special Meeting. Shareholders who are planning on returning the accompanying form of proxy are encouraged to review the Information Circular carefully before submitting the proxy form.

DATED this 24<sup>th</sup> day of May, 2018.

**BY ORDER OF THE BOARD OF DIRECTORS OF  
HIKU BRANDS COMPANY LTD.**

"Alan Gertner" (Signed)

Alan Gertner

Chief Executive Officer and Director

**HIKU BRANDS COMPANY LTD.  
MANAGEMENT INFORMATION CIRCULAR**

**GENERAL**

This Management Information Circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Hiku Brands Company Ltd. (“**Hiku**” or the “**Company**”) for use at the annual and special meeting of the holders (“**Shareholders**”) of common shares (“**Shares**”) of the Company (and any adjournment thereof) to be held on Monday, June 25, 2018 (the “**Meeting**”) at the time and place and for the purposes set forth in the accompanying Notice of Annual and Special Meeting (the “**Notice of Meeting**”).

The information contained herein is given as of May 24, 2018, except where otherwise indicated. Enclosed herewith is a form of proxy for use at the Meeting. Each Shareholder who is entitled to attend at meetings of Shareholders is encouraged to participate in the Meeting and Shareholders are urged to vote on matters to be considered in person or by proxy.

Shareholders should not construe the contents of this Information Circular as legal, tax or financial advice and should consult with their own professional advisors in considering the relevant legal, tax, financial or other matters contained in this Information Circular.

**Persons Making the Solicitation**

This solicitation is made on behalf of the management of the Company. The costs incurred in the preparation of both the form of proxy and this Information Circular will be borne by the Company. In addition to the use of mail, proxies may be solicited by personal interviews, personal delivery, telephone or any form of electronic communication or by directors, officers and employees of the Company who will not be directly compensated therefor.

This Information Circular and other proxy-related materials are not being sent to registered or beneficial owners using the Notice-and-Access procedures contained in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”).

The Corporation does not intend to pay for intermediaries to deliver proxy-related materials or Form 54-101F7 – *Request for Voting Instructions Made by Intermediary* to the objecting beneficial owners of Shares (“**OBOs**”) and as such, OBOs will not receive such materials unless their intermediary assumes the costs thereof. See also “Proxy Related Information – Information for Non-Registered Shareholders” in this Information Circular.

**Quorum**

Under the Corporation’s articles, a quorum of Shareholders is present at a meeting if at least two (2) persons are present in person, each of whom is entitled to vote at the Meeting, and who hold or represent by proxy in the aggregate of not less than 5% of the outstanding shares of the Corporation entitled to vote at the Meeting.

## PROXY RELATED INFORMATION

### Appointment and Revocation of Proxies

The individuals named in the accompanying form of proxy, Trent Kitsch and Alan Gertner (the “**Management Designees**”), are directors of the Company and have indicated their willingness to represent, as proxies, the Shareholders who appoint them.

**A Shareholder has the right to designate some other person (who need not be a Shareholder) other than the Management Designees to represent him, her or it at the Meeting. Such right may be exercised by striking out the names of the Management Designees in the accompanying form of proxy and inserting the desired person's name in the blank space provided in the form of proxy or by completing another form of proxy. Such Shareholder should notify the nominee of the appointment, obtain his consent to act as proxy and should provide instructions on how the Shareholder's Shares are to be voted. In any case, the form of proxy should be dated and executed by the Shareholder or an attorney authorized in writing, with proof of such authorization where an attorney has executed the form of proxy.**

**Whether or not you are able to attend the Meeting in person, you are encouraged to provide voting instructions on the enclosed form of proxy as soon as possible. Hiku's transfer agent, AST Trust Company (Canada) (the “Transfer Agent”), must receive your proxy no later than June 21, 2018 at 10:00 a.m. (Toronto time), or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of British Columbia) before any adjourned or postponed Meeting. You must send your proxy to the Transfer Agent by mailing the proxy to AST Trust Company (Canada), PO Box 721, Agincourt, ON M1S 0A1. You may vote by phone at 1-888-489-7352, by facsimile at 1-866-781-3111 (toll-free within North America) or 1-416-368-2502 (international), or by email at [proxyvote@astfinancial.com](mailto:proxyvote@astfinancial.com), Attention: Proxy Department. You may also vote on the internet by going to [www.astvotemyproxy.com](http://www.astvotemyproxy.com) and following the instructions. You will need your 13 digit control number located on the form of proxy.**

### Revocation of Proxies

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by his attorney duly authorized in writing or, where the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the Transfer Agent at the place specified above at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, any reconvening thereof, in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

### Information for Non-Registered Shareholders

Only registered Shareholders or duly appointed proxy holders are permitted to vote at the Meeting. Some Shareholders of the Company are "non-registered" Shareholders (“**Beneficial Shareholders**”) because the Shares they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary (each an “**Intermediary**”) or in the name of a clearing agency. Beneficial Shareholders should note that only registered Shareholders may vote at the Meeting. If Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Shares will not be registered in such Shareholder's name on the records of the

Company. Such Shares will more likely be registered in the name of an Intermediary or an agent or nominee thereof. In Canada, the vast majority of such Shares are registered under the name CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which company acts as nominee for many Intermediaries). Shares held by Intermediaries (or their agents or nominees) on behalf of Beneficial Shareholders can only be voted (for or against resolutions) at the direction of the applicable Beneficial Shareholder. Without specific instructions, Intermediaries and their agents or nominees are prohibited from voting Shares on behalf of Beneficial Shareholders. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Existing regulatory policy requires Intermediaries to forward all proxy-related materials to and seek voting instructions from Beneficial Shareholders in advance of Shareholder meetings. The various Intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by an Intermediary is identical to the form of proxy provided by the Company to registered Shareholders. However, its purpose is limited to instructing the registered Shareholder (i.e., the Intermediary or agent or nominee thereof) how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to non-registered shareholders and asks non-registered shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at a meeting. For the purposes hereof, a Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form to vote Shares directly at the Meeting. **The voting instruction form must be returned to Broadridge (or instructions respecting the voting of Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Shares voted.**

There are two kinds of non-registered shareholders, (a) those who object to their identity being known to the issuers of securities which they own ("**Objecting Beneficial Owners**", or "**OBOs**") and (b) those who do not object to their identity being made known to the issuers of securities which they own ("**Non-Objecting Beneficial Owners**", or "**NOBOs**"). Subject to the provisions of National Instrument 54-101 - *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**") issuers may deliver proxy-related materials directly to their NOBOs.

The Company has decided to take advantage of the provisions of NI 54-101 that permit it to deliver proxy-related materials directly to its NOBOs. If you are a Beneficial Shareholder, and the Company or its agent has sent these materials directly to you, your name, address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding Shares on your behalf. By choosing to send these materials to its NOBOs directly, the Company (and not the Intermediaries holding Shares on their behalf) has assumed responsibility for (a) delivering these materials to its NOBOs, and (b) executing their proper voting instructions. As a result, if you are a NOBO of the Company, you can expect to receive a scannable voting instruction form from the transfer agent. Please complete and return the voting instruction form to the transfer agent. In addition, internet voting information can be found in the voting instruction form. The transfer agent will tabulate the results of the voting instruction forms received from the Company's NOBOs and will provide appropriate instructions at the Meeting with respect to the Shares

represented by the voting instruction forms it receives. This Information Circular and all accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders.

The Company's OBOs can expect to be contacted by Broadridge or their Intermediaries or an agent or nominee thereof as set out above.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of an Intermediary or an agent or nominee thereof, a Beneficial Shareholder may attend the Meeting as proxy holder for the registered Shareholder and vote its Shares in that capacity. Should a Beneficial Shareholder wish to attend the Meeting and indirectly vote its Shares as proxy holder for an applicable registered Shareholder, such Beneficial Shareholder should enter its own name in the blank space on the voting instruction form provided to such Beneficial Shareholder and return same in accordance with the instructions provided thereon.

All references to Shareholders in this Information Circular and the accompanying form of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

### **Voting of Proxies**

The Shares represented by a properly executed proxy in favour of persons designated as proxy holders in the enclosed form of proxy will: (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxy holder on any ballot that may be called for; and (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy. **On a poll, such Shares will be voted in favour of each matter for which no choice has been specified or where both choices have been specified by the Shareholder.**

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy holder thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. In the event that amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the Management Designees to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, the management of the Company knows of no such amendment, variation or other matter that may be presented at the Meeting.

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

Other than the election of directors and the approval of the Company's stock option plan, and restricted share unit plan, no person who has been a director or executive officer of the Company, nor any proposed nominee for election as a director of the Company, nor any associates or affiliates of any of the foregoing, have a material interest, directly or indirectly, by way of beneficial ownership of securities or otherwise, in the matters to be acted upon at the Meeting.

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Shares without par value. As at May 17, 2018 (the “Record Date”), the Company had 142,591,447 Shares issued and outstanding, with each Share carrying the right to one vote.

Only Shareholders of record holding Shares at the close of business on the Record Date who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders, or who is holding a valid proxy on behalf of a Shareholder who is not present at the Meeting, will have one vote, and on a poll every individual who is present and is entitled to vote as a Shareholder or as a representative of one or more corporate Shareholders, or who is represented by a valid proxy, will have one vote, for each Share registered in that Shareholder's name on the list of Shareholders, which is available for inspection during normal business hours at the offices of the Transfer Agent and will be available at the Meeting. Shareholders represented by proxy holders are not entitled to vote on a show of hands.

To the knowledge of the directors and senior officers of the Company, the following persons beneficially owns, directly or indirectly, or exercises control or direction over, Shares carrying more than 10% of the voting rights attached to all outstanding Shares:

Name of Shareholder	Number of Shares having ownership, control or direction over	% of issued Share Capital
2441124 Ontario Inc. <sup>(1)</sup>	19,771,713	13.87

NOTE:

- (1) 2441124 Ontario Inc. is a corporation of which Alan Gertner and Lorne Gertner are the sole shareholders. Lorne Gertner is also a shareholder of Hill & Gertner Capital Corp., a corporation which owns 318,906 Shares.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person (within the meaning of applicable securities laws) of the Company and no proposed nominee for election as a director of the Company, or any of their respective associates or affiliates had any material interest, direct or indirect, in any transaction involving the Company during the year ended December 31, 2017 or in any proposed transaction which affected or would materially affect the Company or any of its subsidiaries.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. Receiving the Audited Financial Statements

The Company's audited financial statements for the nine-months ended December 31, 2017 and the twelve months ended March 31, 2017, together with the auditor's report thereon, will be presented to Shareholders at the Meeting. A copy of the Company's financial statements is also available on the Company's profile on the SEDAR website at [www.sedar.com](http://www.sedar.com).

## 2. Election of Directors

The term of office of each of the present directors of the Company expires at the Meeting. All of management's nominees have consented to act as a director of the Company, and management does not contemplate that any of such nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his successor is elected or appointed, unless his office is earlier vacated in accordance with the Articles of the Company or the provisions of the *Business Corporations Act* (British Columbia).

The following table and notes thereto set out the name of each person proposed to be nominated by management for election as a director, the province or state and country in which he is ordinarily resident, all offices of the Company now held by him, his principal occupation, the period of time for which he has been a director of the Company, and the number of Shares beneficially owned or directly or indirectly controlled or directed by him, as at May 24, 2018.

Name, Position, Province or State, and Country of Residence <sup>(1)</sup>	Principal Occupation and Occupation During Past 5 Years <sup>(1)</sup>	Director Since	# of Shares Beneficially Owned or Directly or Indirectly Controlled or Directed <sup>(2)</sup>
Trent Kitsch Director & CEO British Columbia, Canada <sup>(3)</sup>	Entrepreneur. Mr. Kitsch co-founded Northern Lights Marijuana Company Limited (“ <b>Northern Lights</b> ”) in 2013. Prior thereto, Mr. Kitsch founded SAXX Underwear in 2007 and successfully built SAXX into a globally recognizable brand before exiting the business in 2015. In 2013 Mr. Kitsch co-founded Kitsch Wines in the Okanagan Valley.	August 3, 2017	7,523,750
Ryan Foreman Director & President British Columbia, Canada	Mr. Foreman co-founded Northern Lights in 2013. Mr. Foreman has spent over 15 years developing e-commerce operations within the consumer goods space working with influential brands and industry disrupters in the lifestyle and action sports markets.	August 3, 2017	7,231,532
Alan Gertner Chief Executive Officer and Director Ontario, Canada	Mr. Gertner co-founded TS Brandco Holdings Inc. (“ <b>Tokyo Smoke</b> ”), prior to which Mr. Gertner was employed by Google.	January 30, 2018	9,885,857 <sup>(4)</sup>
Lorne Gertner Director	Mr. Gertner is a board member and venture capitalist as well as a	January 30, 2018	10,204,763 <sup>(4)(5)</sup>

Ontario, Canada <sup>(3)</sup>	co- founder Tokyo Smoke.		
Charles Broderick Director New York, USA <sup>(3)</sup>	Mr. Broderick is the founder of Uji Capital LLC, a family office based in NYC, and Koicha Partners LP, an Ontario partnership focused on the cannabis space.	January 30, 2018	5,625,749 <sup>(6)</sup>

NOTES:

- (1) The information as to the province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by each respective director individually.
- (2) The information as to Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by each respective director individually.
- (3) Member of the audit committee (the “**Audit Committee**”) of the Company’s board of directors (the “**Board**”).
- (4) These Shares are held by 2441124 Ontario Inc., a corporation of which Alan Gertner and Lorne Gertner each hold 50% of the issued and outstanding shares. 2441124 Ontario Inc. holds an aggregate of 19,771,713 Shares.
- (5) 318,906 of these Shares are held by Hill & Gertner Capital Corp., a corporation of which Lorne Gertner is a shareholder.
- (6) Such Shares are held by Koicha Partners LP, of which Charles Broderick is the managing director of the general partner.

**Unless otherwise directed, it is the intention of the Management Designees to vote IN FAVOUR of the election of the nominees set forth in the table above as directors of the Corporation. In order to be effective, the ordinary resolution in respect of the election of each nominee director must be passed by not less than a majority of the votes cast by Shareholders who vote in respect of this ordinary resolution.**

For the purposes of this section, “**Order**” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for more than 30 consecutive days.

To the knowledge of the Company, no proposed director of the Company is, as of the date of this Information Circular, or has been, within ten years before the date of this Information Circular a director or executive officer of any company that:

- (a) was subject to an Order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer;
- (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 a director, chief executive officer or chief financial officer; or
- (c) 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 proceeding, arrangement, or

compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Company, none of the proposed directors has, within the ten years prior to 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 proceeding, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

To the knowledge of the Company, none of the proposed directors 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 which would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

Prior to the appointment of the current Hiku Board, Hiku was subject to a cease trade order issued by the BC Securities Commission on May 10, 2011, as a result of a failure to file its financial statements for the year ended December 31, 2010. Hiku filed the required statements and the cease trade was revoked on June 6, 2011.

The Better Software Company, a company of which Charles Broderick is a director, was placed into receivership on April 12, 2018.

### **Background – The WeedMD Arrangement**

As announced in the press release of the Company dated April 19, 2018 (a copy of which is available under the Company's profile on SEDAR, at [www.sedar.com](http://www.sedar.com)), the Company has entered into an arrangement agreement dated April 19, 2018 with WeedMD Inc. ("**WeedMD**"), a reporting issuer listed on the TSX Venture Exchange, pursuant to which the Company has agreed, subject to the satisfaction of certain conditions, to a business combination with WeedMD (the "**WeedMD Arrangement**").

### **3. Conditional Election of Directors**

At the Meeting, Shareholders will be asked to elect, conditional upon and effective as of the effective date of the WeedMD Arrangement, six (6) nominees of Hiku set forth in the table below (the "**Additional Nominees**") as directors of the Company to hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed (the "**Conditional Election**"). Management of the Company believes that the Conditional Election, if approved by Shareholders, will reduce the expenses incurred by the Company when completing the WeedMD Arrangement. If the Company completes the WeedMD Arrangement, it is currently contemplated that Trent Kitsch and Ryan Foreman, each a current director of the Company, shall resign effective immediately upon such completion and the Company's Board shall be comprised of the six (6) Additional Nominees. The following table sets forth a brief background regarding the Additional Nominees. The information contained herein is based upon information furnished by the respective nominees.

Name, Position, Province or State, and Country of Residence <sup>(1)(6)</sup>	Principal Occupation and Occupation During Past 5 Years	Director Since	# of Shares Beneficially Owned or Directly or Indirectly Controlled or Directed <sup>(2)</sup>
Keith Merker President and Director Ontario, Canada	Mr. Merker is the Chief Financial Officer of WeedMD, prior to which, he was a consultant.	N/A	1,125,000 <sup>(3)(7)</sup>
Alan Gertner Chief Executive Officer and Director Ontario, Canada	Mr. Gertner co-founded Tokyo Smoke, prior to which Mr. Gertner was employed by Google.	January 30, 2018	9,885,857 <sup>(4)</sup>
Charles Broderick Director New York, USA	Mr. Broderick is the founder of Uji Capital LLC, a family office based in NYC, and Koicha Partners LP, an Ontario partnership focused on the cannabis space.	January 30, 2018	8,516,349 <sup>(3)(5)</sup>
Tahira Rehmatullah	Ms. Rehmatullah has been the Chief Financial Officer of MTech Acquisition Corp. since January 2018, a Managing Director of Hypur Ventures since June 2017, and the President of T3 Ventures since August 2017. Prior to that, Ms. Rehmatullah was the General Manager of Marley Natural between November 2014 and May 2016 and Investment Associate at Privateer Holdings between July 2014 and May 2016.	N/A	Nil
Kevin McGovern	Chairman of McGovern Capital, a global investment, strategy and licensing provider which provides investments and business strategy to emerging companies.	N/A	185,000
Lorne Gertner Director Ontario, Canada	Mr. Gertner is a board member and venture capitalist as well as a co-founder Tokyo Smoke.	January 30, 2018	10,204,763 <sup>(4)(8)</sup>

NOTES:

- (1) The information as to the province or state and country of residence and principal occupation, not being within the knowledge of the Company, has been furnished by each respective director individually.
- (2) The information as to Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by each respective director individually.
- (3) Assuming completion of the WeedMD Arrangement.

- (4) These Shares are held by 2441124 Ontario Inc., a corporation of which Alan Gertner and Lorne Gertner each hold 50% of the issued and outstanding shares. 2441124 Ontario Inc. holds an aggregate of 19,771,713 Shares..
- (5) These Shares are held by Koicha Partners LP, of which Charles Broderick is the managing director of the general partner.
- (6) The composition of the Audit Committee following completion of the WeedMD Arrangement has not yet been determined by the Company.
- (7) These shares are held by 2245790 Ontario Ltd., a corporation of which Keith Merker is the sole holder of all the issued and outstanding shares.
- (8) 318,906 of these Shares are held by Hill & Gertner Capital Corp., a corporation of which Lorne Gertner is a shareholder.

**Unless otherwise directed, it is the intention of the persons named in the enclosed form of proxy to vote proxies IN FAVOUR of the election of the Additional Nominees as directors of the Corporation conditional upon, and effective as of the completion WeedMD Arrangement. In order to be effective, the ordinary resolution in respect of the election of each nominee director must be passed by not less than a majority of the votes cast by Shareholders who vote in respect of this ordinary resolution.**

For the purposes of this section, “**Order**” means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation;

that was in effect for more than 30 consecutive days.

To the knowledge of the Company, none of the Additional Nominees are, as of the date of this Information Circular, or has been, within ten years before the date of this Information Circular a director or executive officer of any company that:

- (a) was subject to an Order that was issued while the proposed director was acting in the capacity as a director, chief executive officer or chief financial officer;
- (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 a director, chief executive officer or chief financial officer; or
- (c) 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 proceeding, arrangement, or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

To the knowledge of the Company, none of the Additional Nominees is, and has not been within the ten years prior to 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 proceeding, arrangement, or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

To the knowledge of the Company, none of the Additional Nominees 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 which would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **4. Appointment of Auditor**

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution which appoints MNP LLP, as the external auditor of the Company for the ensuing year at remuneration to be fixed by the Board and to hold such office until the next annual meeting of Shareholders or until MNP LLP is removed from office or resigns. MNP LLP was first appointed auditors of the Corporation by the Board on February 5, 2018 and replaced the Company's former auditor, Morgan & Company LLP, who resigned February 5, 2018.

The Company's determination to change auditors was not a result of any "reportable event" as such term is defined in section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations* ("NI 51-102"). Attached to this Information Circular as Schedule "D" is a copy of the "reporting package", as defined in section 4.11 of NI 51-102, that has been filed with the requisite regulatory authorities.

**Unless otherwise directed, it is the intention of the persons designated in the accompanying form of proxy to vote IN FAVOUR of the ordinary resolution to approve MNP LLP as auditors of the Corporation for the ensuing year and to authorize the Board to fix the remuneration paid to the auditors. In order to be effective, the ordinary resolution must be passed by not less than a majority of the votes cast by Shareholders who are vote in respect of this ordinary resolution.**

#### **5. Approval of Option Plan**

The Company has adopted an incentive stock option plan (the "**Option Plan**"), substantially in the form attached hereto as Schedule "A", which provides that the Board may from time to time, in its discretion, grant to directors, senior officers, employees, management company employees, consultants and others providing services to the Company and its subsidiaries, non-transferable incentive stock options (the "**Options**") to purchase Shares.

The Option Plan's purpose is to attract and motivate directors, senior officers, employees, management company employees, consultants and others providing services to the Company and its subsidiaries, and thereby advance the Company's interests, by affording such persons with an opportunity to acquire an equity interest in the Company, through the issuance of Options.

The Option Plan was last approved by shareholders on October 3, 2017 and was amended effective January 30, 2018 in connection with the three-cornered amalgamation of the Company with Tokyo Smoke and 2614070 Ontario Inc. on January 30, 2018 (the "**Tokyo Smoke Merger**").

The Option Plan contains the following provisions:

1. The aggregate number of Shares which may be issued pursuant to options granted under the Option Plan, unless otherwise approved by Shareholders, may not exceed that number which is

equal to 10% of the Shares issued and outstanding at the time of the grant (excluding a fixed number of Shares issuable upon the exercise of Options granted in connection with the Tokyo Smoke Merger to former holders of stock options in the capital of Tokyo Smoke, which are in addition to the 10% rolling maximum, but which when exercised or cancelled are not reloaded).

2. The number of Shares subject to an option granted to any one Participant (as defined in the Option Plan) shall be determined by the Board, but no one Participant shall be granted an option which exceeds such maximum number, if any, permitted by the stock exchange or exchanges on which the Shares are then listed (the “**Exchange**”).
3. If prohibited by the Exchange, no single participant will be granted options to purchase a number of Shares equaling more than 5% of the issued Shares of the Company, in any twelve-month period, unless the Corporation obtains such required approvals as prescribed by the Exchange, if applicable.
4. Options shall not be granted if the exercise thereof would result in the issuance of Shares of the Company, in any twelve-month period to any one consultant of the Company (or any of its subsidiaries), which exceeds the maximum number of Shares permitted by the Exchange, if any, unless the Company obtains such required approvals as prescribed by the Exchange, if applicable.
5. Options shall not be granted if the exercise thereof would result in the issuance of Shares of the Company, in any twelve-month period to persons employed to provide investor relation activities, which exceeds the maximum number of Shares permitted by the Exchange, if any, unless the Company obtains such required approvals as prescribed by the Exchange, if applicable. Options granted to consultants performing investor relations activities may contain vesting provisions, as determined by the Board.
6. Each Option and all rights thereunder shall be expressed to expire on the date set out in an option agreement and shall be subject to earlier termination as provided in the Option Plan, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange.
7. The Options are non-assignable and non-transferable. The Options can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Option Plan or within a period of not more than 90 days after ceasing to be an eligible optionee (30 days in the case of a person engaged in investor relations activities) or, if the optionee dies, within one year from the date of the optionee's death.
8. On the occurrence of a Change of Control (as defined in the Option Plan), the Board will have the right to accelerate the date on which any option becomes exercisable.

The foregoing is only a summary of the salient features of the Option Plan, and is qualified in its entirety by reference to the actual terms and conditions of the Option Plan as attached hereto as Schedule “A”.

At the Meeting, Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution to approve the Option Plan. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the Option Plan is as follows:

"BE IT RESOLVED, as an ordinary resolution, that:

1. the stock option plan of the Company, substantially in the form attached as Schedule "A" to the management information circular of the Company dated May 24, 2018 (the "**Option Plan**"), be and is hereby approved and adopted as the stock option plan of the Company;
2. all issued and outstanding stock options previously granted are hereby continued under and governed by the Option Plan;
3. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, including any stock exchange, without requiring further approval of the shareholders of the Company; and
4. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution."

**The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Shareholders voting in person or by proxy. Unless otherwise directed, it is the intention of the persons named in the enclosed form of proxy to vote proxies IN FAVOUR of the ordinary resolution approving the Option Plan for the ensuing year.**

## **6. Approval of RSU Plan**

The Company has adopted a restricted stock unit plan (the "**RSU Plan**"), substantially in the form attached hereto as Schedule "B", which provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants to the Company non-transferable restricted stock units (the "**RSUs**").

The RSU Plan's purpose is to attract and motivate directors, officers, employees or consultants, and thereby advance the Company's interests, by affording such persons with an opportunity to acquire an equity interest in the Company, through the issuance of RSUs.

The number of Shares reserved for issuance under the RSU Plan in combination with the aggregate number of Shares issuable under all of the Company's other equity incentive plans in existence from time to time, including the Option Plan, shall not exceed 20% of the issued and outstanding Shares.

The RSU Plan contains the following provisions:

1. the maximum number of Shares which may be reserved for issuance to related persons (as a group) under the RSU Plan, together with any other share compensation arrangement, may not exceed 10% of the issued Shares;

2. the aggregate number of RSUs which may be granted to any one person (and companies wholly owned by that person) in a 12 month period must not exceed 5% of the issued Shares, calculated on the grant date;
3. the aggregate number of RSUs granted to any one consultant in a 12 month period must not exceed 2% of the issued Shares, calculated at the grant date;
4. the aggregate number of RSUs granted to all persons retained to provide investor relations activities must not exceed 2% of the issued Shares in any 12 month period, calculated at the grant date;
5. at the time a grant of a RSU is made, the Board may, in its sole discretion, establish performance conditions for the vesting of RSUs (the “**Performance Conditions**”). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions and may exercise its discretion to reduce the amounts payable under any award subject to Performance Conditions. The Board may determine that an award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an award. Performance Conditions may differ for awards granted to any one recipient or to different recipients;
6. in the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of RSUs outstanding under the RSU Plan, any proportionate adjustments as it considers appropriate to reflect that change; and
7. the Company, in its discretion and as may be determined by the Board, will pay out vested RSUs issued under the RSU Plan and credited to the account of a recipient by paying or issuing (net of any applicable withholding tax) to such recipient, on or subsequent to the trigger date but no later than the expiry date of such vested RSU, an award payout of either:
  - (a) subject to receipt of the required approvals, one Share for such whole vested RSU, or
  - (b) a cash amount equal to the vesting date value as at the trigger date of such vested RSU.

The foregoing is only a summary of the salient features of the RSU Plan, and is qualified in its entirety by reference to the actual terms and conditions of the RSU Plan as attached hereto as Schedule “B”.

The approval of the RSU Plan will require “**Disinterested Shareholder**” approval, being the approval of a majority of the votes cast by Shareholders at the Meeting excluding Insiders and Associates of Insiders.

An **"Insider"** includes all directors and senior officers of the Company and its subsidiaries and any person who beneficially owns or controls, directly or indirectly, more than 10% of the issued and outstanding Shares; and **"Associates of Insiders"** includes an Insider's spouse, children and any relative who lives in the same residence as the Insider.

At the Meeting, Disinterested Shareholders will be asked to consider, and, if deemed advisable, to approve, with or without variation, an ordinary resolution to approve the RSU Plan. The text of the ordinary resolution which management intends to place before the Meeting for the approval of the RSU Plan is as follows:

"BE IT RESOLVED, as an ordinary resolution, that:

1. the restricted share unit plan of the Company, substantially in the form attached as Schedule "B" to the management information circular of the Company dated May 24, 2018 (the **"RSU Plan"**), be and is hereby approved, including the reservation for issuance thereunder at any time of a maximum of 15,283,874 common shares of the Company, and adopted as the restricted share unit plan of the Company;
2. the form of the RSU Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, including any stock exchange, without requiring further approval of the shareholders of the Company;
3. any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things (whether under corporate seal of the Company or otherwise) that may be necessary or desirable to give effect to this ordinary resolution; and
4. the directors of the Company may revoke this resolution before it is acted upon without further approval of the Shareholders."

**The foregoing ordinary resolution must be approved by a simple majority of the votes cast at the Meeting by the Disinterested Shareholders voting in person or by proxy. Unless otherwise directed, it is the intention of the persons named in the enclosed form of proxy to vote proxies IN FAVOUR of the ordinary resolution approving the RSU Plan for the ensuing year.**

#### **STATEMENT OF EXECUTIVE COMPENSATION**

In this section:

**"Named Executive Officer"** or **"NEO"** means: (a) each individual who served as the Chief Executive Officer or the Chief Financial Officer of the Company, or an individual who acted in a similar capacity during the financial year ended December 31, 2017, regardless of the amount of compensation of that individual; (b) each of the Company's or the Company's subsidiaries' most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, who were serving as executive officers, or acting in a similar capacity, as at December 31, 2017 and whose total compensation, individually, amounted to \$150,000 or more for the financial year ended December 31, 2017; and (c) any additional individual who would have been included under (b) but for the fact that the

individual was neither an executive officer of the Company, nor acting in a similar capacity, as at December 31, 2017.

As at December 31, 2017, the Named Executive Officers at that time were Trent Kitsch, Chief Executive Officer and Jeff Barber, Chief Financial Officer.

On August 3, 2017, the Company completed a reverse take-over transaction which included a three-cornered amalgamation, pursuant to which the Company's wholly-owned subsidiary amalgamated with Northern Lights under the provisions of the *Business Corporations Act* (British Columbia) (the "**DOJA Amalgamation**"). In connection with the completion of the DOJA Amalgamation, the then current directors of the Company, Richard Ko, Richard Grayston and Mark Ferguson, resigned from the Company's board of directors and each of Trent Kitsch, Ryan Foreman, Jeff Barber, Stewart Thornhill and Patrick Brauckmann were appointed to the board of directors.

### Summary Compensation Table

The following table is a summary of compensation paid, payable, awarded or granted to each director and NEO in the financial years of the Company ended December 31, 2017 and 2016.

Table of Compensation Excluding Compensation Securities							
Name & position	Year	Salary, Consulting Fee, Retainer or Commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of Perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Trent Kitsch, NEO and Director <sup>(1)(2)(4)</sup>	2017	50,000	Nil	Nil	Nil	Nil	50,000
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Ryan Foreman, NEO and Director <sup>(1)(2)(5)</sup>	2017	50,000	Nil	Nil	Nil	Nil	50,000
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Jeffrey Barber, NEO and Director <sup>(1)(2)(3)</sup>	2017	50,000	Nil	Nil	Nil	Nil	50,000
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Patrick Brauckmann, Director <sup>(2)(3)</sup>	2017	220,000 <sup>(12)</sup>	Nil	Nil	Nil	Nil	220,000
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Stewart Thornhill, Director <sup>(1)(2)(3)</sup>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Richard Ko, Director <sup>(6)</sup>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil
Richard Grayston, NEO and Director <sup>(1)(7)</sup>	2017	17,500	Nil	Nil	Nil	Nil	17,500
	2016	7,500	Nil	Nil	Nil	Nil	7,500
Mark Ferguson, NEO and Director <sup>(8)</sup>	2017	Nil	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil	Nil

Stephen Brohman, NEO and Director <sup>(9)</sup>	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	19,000	Nil	Nil	Nil	Nil	19,000
Marco Parente, Director <sup>(10)</sup>	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	5,000	Nil	Nil	Nil	Nil	5,000
Ryan Cheung, NEO and Director <sup>(11)</sup>	2017	N/A	N/A	N/A	N/A	N/A	N/A
	2016	5,000	Nil	Nil	Nil	Nil	5,000

NOTES:

- (1) Of the total compensation received by Messrs. Kitsch, Foreman, Barber, Thornhill and Grayston, nil was received in their capacities as Directors.
- (2) Messrs. Kitsch, Foreman, Barber, Brauckmann and Thornhill became directors of the Corporation on August 3, 2017.
- (3) Messrs. Barber, Brauckmann and Thornhill and resigned as directors of the Corporation on January 30, 2018.
- (4) Mr. Kitsch resigned as CEO and was appointed President on January 30, 2018.
- (5) Mr. Foreman resigned as President on January 30, 2018.
- (6) Mr. Ko joined the Board on February 9, 2016 and resigned effective August 3, 2017.
- (7) Mr. Grayston joined the Board on September 30, 2016 and resigned effective August 3, 2017.
- (8) Mr. Ferguson joined the Board on September 30, 2016 and resigned effective August 3, 2017.
- (9) Mr. Brohman resigned as an officer and director of the Company on September 30, 2016.
- (10) Mr. Parente resigned as a director of the Company on September 30, 2016.
- (11) Mr. Cheung resigned as an officer and director of the Company on September 30, 2016.
- (12) The fee payable to Mr. Brauckmann was satisfied in full by the Company on December 20, 2017 through the issuance of 151,724 Shares.

### Stock Options and Other Compensation Securities Table

The following table provides information disclosing the compensation securities granted or issued to each NEO and director during the financial year ending December 31, 2017:

Compensation Securities							
Name and position	Type of compensation security	# of compensation securities, # of underlying securities & % of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Jeffrey Barber, CFO and Director <sup>(1)(2)(9)</sup>	Hiku Share purchase warrants <sup>(8)</sup>	1,800,000	January 1, 2017	0.10	N/A <sup>(10)</sup>	2.38	January 1, 2020
Patrick Brauckmann, Director <sup>(1)(2)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Stewart Thornhill, Director <sup>(1)(2)</sup>	Options <sup>(11)</sup>	100,000	May 5, 2017	0.42	0.42	2.38	May 5, 2022
Richard Ko, Director <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Richard Grayston, CEO & Director <sup>(6)</sup>	Options <sup>(11)</sup>	33,333	August 3, 2017	1.26	N/A <sup>(10)</sup>	2.38	August 3, 2018
Mark	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Ferguson, CFO & Director <sup>(7)</sup>							
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NOTES:

- (1) Messrs. Kitsch, Foreman, Barber, Brauckmann and Thornhill became directors of the Corporation on August 3, 2017.
- (2) Messrs. Barber, Brauckmann and Thornhill and resigned as directors of the Corporation on January 30, 2018.
- (3) Mr. Kitsch resigned as CEO and was appointed President on January 30, 2018.
- (4) Mr. Foreman resigned as President on January 30, 2018.
- (5) Mr. Ko joined the Board on February 9, 2016 and resigned effective August 3, 2017.
- (6) Mr. Grayston joined the Board on September 30, 2016 and resigned effective August 3, 2017.
- (7) Mr. Ferguson joined the Board on September 30, 2016 and resigned effective August 3, 2017.
- (8) Each such Hiku share purchase warrant entitles the holder thereof to purchase one Hiku Share until the expiry date listed.
- (9) The amount of compensation securities listed represents the total amount of compensation securities and underlying securities held by this individual at the end of the last financial year.
- (10) The Shares were not listed on a stock exchange at the time of grant.
- (11) Each such Option entitles the holder thereof to purchase one Share until expiry date, pursuant to the vesting schedule described in each individual option agreement.

**Exercise of Compensation Securities by Directors and NEO’s**

During the financial year ended December 31, 2017, none of the NEO’s or directors exercised any compensation securities.

**Stock Option Plans and Other Incentive Plans**

The Company intends to seek Shareholder approval at the Meeting for the Option Plan in substantially the form attached hereto as Schedule “A”. Please see “*Particulars of Matters to Be Acted Upon*” - *Approval of Stock Option Plan*” for specific details concerning the Option Plan.

The Company intends to seek Shareholder approval at the Meeting for the RSU Plan in substantially the form attached hereto as Schedule “B”. Please see “*Particulars of Matters to Be Acted Upon*” - *Approval of RSU Plan*” for specific details concerning the RSU Plan.

**Employment, Consulting and Management Agreements**

During the financial year ended December 31, 2017, Hiku did not have any employment agreements with NEOs or directors.

The following employment agreements have been entered into with NEOs subsequent to December 31, 2017 (the “**Employment Agreements**”):

- Employment agreement dated March 26, 2018 between Hiku and Alan Gertner.
- Employment agreement dated January 17, 2018 between Hiku and Trent Kitsch.
- Employment agreement dated January 17, 2018 Hiku and Jeff Barber.
- Employment agreement dated January 17, 2018 between Hiku and Ryan Foreman.

The termination and change of control benefits for the NEOs contained in the Employment Agreements are summarized below:

Mr. Gertner is entitled to payments following or in connection with any termination (without cause) or a change of control of Hiku. Upon a termination for cause or termination by Mr. Gertner on a change of control, Mr. Gertner would be entitled to twelve months base salary and bonus, paid as a lump sum. For

every partial or completed year after three years of employment, Mr. Gertner is entitled to an additional one month base salary and bonus, paid as a lump sum, up to a maximum of twenty-four months. Additionally, Mr. Gertner's existing shareholdings would be released from escrow and all unvested options would immediately vest.

Messrs. Kitsch, Barber and Foreman have identical termination and change of control provisions in their employment agreement. Upon termination without just cause, the employee is entitled to a lump sum payment equal to twelve months of base salary. Upon a change of control, the employee is entitled to terminate their employment agreement within twelve months which would entitle such employee to twelve months base salary (in addition to all accrued and unpaid wage and vacation pay).

### **Oversight and Description of Director and Named Executive Officer Compensation**

The determination of director and NEO compensation and how and when such compensation is to be determined is subject to the consideration of the Board as disclosed in more detail below under "*Corporate Governance Disclosure Pursuant to National Instrument 58-101*".

During the financial year ended December 31, 2017, the Company provided the following compensation to its NEOs:

Salary – Mr. Kitsch, CEO of the Company for a portion of the financial year ended December 31, 2017 received salary of \$50,000 (Mr. Kitsch was appointed as an officer of the Company on August 3, 2017). Mr. Grayston, CEO of the Company for a portion of the financial year ended December 31, 2017 received salary of \$17,500 (Mr. Grayston became an NEO on September 30, 2016 and resigned on August 3, 2017). Jeff Barber, CFO of the Company for a portion of the financial year ended December 31, 2017 received a salary of \$50,000 (Mr. Barber was appointed as an officer of the Company on August 3, 2017). Mr. Ferguson, CFO of the Company for a portion of the financial year ended December 31, 2017 received no salary (Mr. Ferguson became an NEO on September 30, 2016 and resigned on August 3, 2017). The Company does not provide an annual salary to its directors.

Options - Mr. Grayston, as the CEO of the Company for a portion of the financial year ended December 31, 2017 earned options to purchase up to and aggregate of 33,333 Shares at \$1.26 per Share until August 3, 2019. Mr. Grayston exercised these options on January 4, 2018.

### **Pension Benefits**

During the financial year ended December 31, 2017, the Company did not provide any pension benefits to its NEOs or directors.

### **Corporate Governance Disclosure Pursuant to National Instrument 58-101**

The current objectives of the Company's compensation policies and practices are to attract and retain highly qualified individuals, align the interests of its directors and officers with those of Shareholders and ensure all compensation paid is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development.

The Board has the ultimate responsibility for the Company's compensation policies and practices. The current Board consists of five (5) members of whom one (Charles Broderick) is independent as

determined in accordance with the provisions of National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”). Trent Kitsch, Ryan Foreman and Alan Gertner are not independent for the purposes of NI 58-101, because they are also officers of the Company. Lorne Gertner is not independent for the purposes of NI 58-101, because he is an immediate family member of Alan Gertner.

The current Board of the Company was established on January 30, 2018 upon completion of the Tokyo Smoke Merger. Further information concerning the Tokyo Smoke Merger is available on the Company’s profile on the SEDAR website at [www.sedar.com](http://www.sedar.com). The Board is in the process of evaluating the Company’s current position to determine whether the implementation of a formal compensation program and the appointment of a corporate governance committee is appropriate at this time.

Until such time as an evaluation has been conducted as to the merits of a formal compensation program, the Board intends to annually review the following factors when determining the applicable compensation issuable to the Company’s NEO’s and directors:

- nature and quantity of duties and responsibilities;
- past performance of those responsibilities;
- involvement in the success of material transactions;
- comparable compensation paid by other issuers to similar positions; and
- financial resources of the Company available to be allocated to compensation.

### **Option-based Awards**

Options are currently granted by the Company pursuant to the Option Plan which Shareholders will be asked to ratify and approve at the Meeting. The Option Plan is more particularly described under “*Particulars of Matters To Be Acted Upon*”. The Company will continue to issue option-based awards to its executive officers in order to maintain qualified officers and in order to be competitive with similar companies. The Board may, from time to time, review the accomplishments achieved by the Company as at that time, and grant option-based awards to those directors, officers and employees who have contributed to such accomplishments. In addition, when asked and if appropriate, the CEO will provide the Board with an overview of the Company’s achievements and progress, as well as information on the employee’s ongoing roles in those efforts. At that time, the CEO may also provide the Board with recommendations for their consideration. The CEO’s recommendations are then reviewed and discussed by the Board as a whole, after which time a directors’ resolution to approve the agreed upon compensation will be passed.

All option-based awards granted are issued at an exercise price that is not lower than the price allowable pursuant to the policies applicable stock exchanges.

### **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth, as of December 31, 2017, certain information regarding equity compensation plans under which securities of the Company are authorized for issuance. As at December 31, 2017, the only equity compensation plan of the Company was the Option Plan.

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	863,333	\$0.97	5,266,774
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	863,333		5,266,774

**NOTES:**

- (1) The Option Plan was approved by Hiku shareholders on October 3, 2017, and was subsequently amended on January 30, 2018.
- (2) Pursuant to the Option Plan, the number of authorized but unissued Shares that may be issued upon the exercise of Options granted under the Option Plan at any time shall not exceed 10% of the issued and outstanding Shares at any time, excluding the fixed number of options granted in connection with the Tokyo Smoke Merger. As at May 24, 2018, there were 152,838,739 Shares issued and outstanding.
- (3) As at May 24, 2018, the number of Shares to be issued upon exercise of the outstanding options under the Option Plan was 10,954,224 and 4,329,650 Shares remain available for future issuances under the Option Plan.

At the Meeting, Shareholders will be asked to approve the Company's Option Plan. For a summary of the Company's Option Plan, please see *"Particulars of Matters to be Acted Upon –Approval of Stock Option Plan"* and refer to Schedule "A" for a full copy of the Option Plan.

At the Meeting, Shareholders will be asked to approve the Company's RSU Plan. For a summary of the Company's RSU Plan, please see *"Particulars of Matters to be Acted Upon –Approval of RSU Plan"* and refer to Schedule "B" for a full copy of the RSU Plan

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

At no time during the Company's last completed financial year was any director, executive officer, employee, proposed management nominee for election as a director of the Company or any associate of any such director, executive officer, or proposed management nominee of the Company or any former director, executive officer or employee of the Company or any of its subsidiaries indebted to the Company or any of its subsidiaries or is or has been indebted to another entity where such indebtedness is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

**MANAGEMENT CONTRACTS**

There are no management functions of the Company or any of its subsidiaries which are to any substantial degree performed by a person other than the directors or executive officers of the Company or its subsidiaries.

## **Any Other Matters**

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of the Management Designees to vote on such matters in accordance with their best judgment of such matters.

## **AUDIT COMMITTEE**

### **Audit Committee Charter**

The text of the charter of the Audit Committee is attached hereto as Schedule "C".

### **Composition of the Audit Committee**

The Hiku Audit Committee is currently comprised of Charles Broderick, Lorne Gertner and Trent Kitsch, each of whom is financially literate as determined in accordance with NI 52-110. Charles Broderick serves as the Chair of the Hiku Audit Committee and is independent as determined in accordance with NI 52-110.

Conditional upon and effective as of the effective date of the WeedMD Arrangement, and assuming the Conditional Election is approved by Shareholders, the Audit Committee is expected to be comprised of three individuals each of whom will be financially literate as determined in accordance with NI 52-110. The composition of the Audit Committee subsequent to the WeedMD Arrangement will be determined by the Board following the completion of the WeedMD Arrangement.

### **Relevant Education and Experience**

*Lorne Gertner* – Director: Mr. Gertner is a serial entrepreneur with experience in start-ups, IPOs, fashion, retail, architecture, real estate, finance and the emerging cannabis industry. Mr. Gertner is a co-founder and former chairman of PharmaCan Capital Corporation (MMJ.V), cofounder of Tokyo Smoke and the current Chairman of HG2 Capital Corp., an investment/merchant bank in the cannabis sector. Mr. Gertner is currently on the board of Emblem Corp. (EMC.V), Green Acre Capital and the Design Exchange; he is also an adjunct professor at the John H. Daniels Faculty of Architecture, University of Toronto. Mr. Gertner is a graduate of The John H. Daniels Faculty of Architecture, University of Toronto and has completed the ICD.D designation at the Rotman School of Management, University of Toronto.

*Charles (Bob) Broderick* – Director: Mr. Broderick is one of the largest early investors in Canada's medical marijuana market. He is the founder of Uji Capital LLC, a family office based in NYC, and Koicha Partners LP, an Ontario partnership focused on the cannabis space, which together hold significant equity or equity-linked stakes in major Canadian producers. Bob earned a Bachelor of Science and Master of Engineering in Computer Science from the Massachusetts Institute of Technology, and a Master of Arts in East Asian Regional Studies from Harvard University

*Trent Kitsch* – President and Director: Trent Kitsch co-founded NLMCO in 2013. Prior thereto, Mr. Kitsch founded SAXX Underwear in 2007 and successfully built SAXX into a globally recognizable brand and the fastest growing underwear brand in North America before exiting the business in 2015. In 2013, Mr. Kitsch and his wife, Ria Kitsch, founded Kitsch Wines in the Okanagan Valley. Trent is a proven entrepreneur who graduated from the Richard Ivey School of Business with a major in entrepreneurship.

As a result of their education and experience, each member or proposed member of the Audit Committee has familiarity with, an understanding of, and experience in:

- (a) the accounting principles used by the Company to prepare its financial statements, and the ability to assess the general application of those principles in connection with estimates, accruals and reserves;
- (b) reviewing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, and
- (c) an understanding of internal controls and procedures for financial reporting.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of Hiku's most recently completed financial year has Hiku relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), section 6.1.1(4) of NI 52-110 (*Circumstances Affecting the Business or Operations of the Venture Issuer*), section 6.1.1(5) of NI 52-110 (*Events Outside Control of Member*), section 6.1.1(6) of NI 52-110 (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

### **Pre-Approval Policies and Procedures**

The Hiku Audit Committee is required to review the performance of Hiku's external auditor and to approve in advance the provision of services other than auditing. The Hiku Audit Committee is also required to consider the independence of the external auditor, including reviewing the range of services provided in the context of all consulting services bought by Hiku. The Chair of the Hiku Audit Committee is authorized to approve any non-audit services or additional work that the Chair of the Hiku Audit Committee deems as necessary. In such a case, the Chair of the Hiku Audit Committee is to notify the other members of the Hiku Audit Committee of such non-audit or additional work.

### **Reliance on Exemption in Section 6.1 of NI 52-110**

The Company is currently a "venture issuer", as defined in Section 1.1 of NI 52-110. Accordingly, in providing the disclosure contained herein, the Company is relying upon the exemption in Section 6.1 of NI 52-110 (which is available to all venture issuers) whereby the Company's audit committee members are not required to be either "independent" or "financially literate".

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the Company's external auditor in each of the last two financial years are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees <sup>(1)</sup></b>	<b>Audit Related Fees <sup>(2)</sup></b>	<b>Tax Fees <sup>(3)</sup></b>	<b>All Other Fees <sup>(4)</sup></b>
December 31, 2016	\$10,200	\$Nil	\$970	\$5,000
December 31, 2017	\$74,776	\$Nil	\$Nil	\$2,764

NOTES:

- (1) The aggregate audit fees billed.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not included under the heading "Audit Fees".
- (3) The aggregate fees billed for professional services rendered for tax compliance and preparation of corporate income tax returns.
- (4) The aggregate fees billed for products and services other than as set out under the headings "Audit Fees", "Audit Related Fees" and "Tax Fees".

## CORPORATE GOVERNANCE DISCLOSURE

### Board of Directors

The Board facilitates its exercise of independent supervision over the Company's management through meetings of the Board and, both directly and indirectly, its committees and independent members. The Board believes that adequate structures and processes are in place to facilitate the functioning of the Board with a level of independence from the Company's management.

The Board currently consists of five directors, one of whom (Charles Broderick) is considered to be an independent directors as defined in NI 58-101. Trent Kitsch, Ryan Foreman and Alan Gertner are not considered to be independent directors pursuant to NI 58-101 by virtue of being the executive officers of the Company. Lorne Gertner is not considered to be an independent director pursuant to NI 58-101 by virtue of being an immediate family member of Alan Gertner, the Company's Chief Executive Officer.

### Directorships

Other than as set forth below, no current or proposed director of the Company is a director of any other issuer that is a reporting issuer (or equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

<b>Director</b>	<b>Other Reporting Issuers</b>
Lorne Gertner	Director – Buzz Capital Corp. (TSXV)
Jeff Barber	Director – Standard Lithium Ltd. (TSXV)

Other than as set forth below, no current or proposed Additional Director is a director of any other issuer that is a reporting issuer (or equivalent) in a jurisdiction of Canada or a foreign jurisdiction:

Director	Other Reporting Issuers
Lorne Gertner	Director – Buzz Capital Corp. (TSXV)
Keith Merker	WeedMD Inc. (TSXV) MJ Opportunity Corp. (TSXV)
Kevin McGovern	WeedMD Inc. (TSXV)

### **Orientation and Continuing Education**

It is the intention that the Board will consider and determine an orientation process for new members of the Board and continuing education and development for incumbent members of the Board, including specific education for members of each committee, if necessary. In addition, the Board will oversee the arrangement for its members to annually participate in a continuing education event addressing current developments and best practices in corporate governance, if deemed to be appropriate and beneficial.

### **Ethical Business Conduct**

The Board may choose to adopt a written Code of Business Conduct and Ethics, which will apply to all employees, officers, directors and outside advisors of the Company and its affiliates. The purpose of such Code of Business Conduct and Ethics will be to create a culture in the Company and its affiliates that values high ethical standards, honesty and compliance with laws, rules and regulations. Such Code of Business Conduct and Ethics will contain prohibitions on discrimination and harassment as well as provisions that require the directors, officers and other employees of the Company and its affiliates to avoid situations where their personal interests conflict, or appear to conflict, with the interests of the Company and/or its affiliates.

### **Nomination of Directors**

The Board as a whole will be responsible for annually identifying and recommending to the Board an annual slate of nominees for membership on the Board. In recommending the annual slate of nominees, the Board takes into account the number of directors required to carry out the Board's duties effectively and to maintain a diversity of views and experience and identifies and screens individuals to determine potential candidates.

### **Compensation**

The Board, as a whole, will determine the amount and type of compensation to be paid to the Company's executive officers, including base salary, annual incentives, long-term incentives, and other forms of compensation. In reviewing and recommending an individual's compensation, the Board

considers the skill and level of responsibility involved in the individual's position, the individual's experience and qualifications, the Company's resources, industry practice and the existing stage of the Company's development. The Board will also annually review and determine the remuneration of directors of the Company.

#### **Other Board Committees**

The Board has no other committees other than the Audit Committee.

#### **Assessments**

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and process of the Board and Audit Committee. During the year end audit, both the Board and the Audit Committee review the information contained within the financial statements, express any opinions which they may have and make self-assessments regarding whether the information is accurate and representative of clear communications between the Board and management of the Company.

#### **ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the SEDAR website located at [www.sedar.com](http://www.sedar.com). The Company's financial information is provided in the Company's audited consolidated financial statements and related management discussion and analysis for its most recently completed financial year which may be viewed on the SEDAR website. Shareholders may request copies of the Company's audited financial statements and related management discussion and analysis by contacting Alan Gertner, Chief Executive Officer, by telephone at 647-347-6653, or by e-mail at [agertner@hiku.com](mailto:agertner@hiku.com) or by sending a written request to the Chief Executive Officer of the Company at the head office of the Company, 358 Dufferin Street, Unit 9, Toronto, Ontario M6K 1Z8.

#### **BOARD APPROVAL**

The directors of the Company have approved the contents of this Information Circular and the distribution of this Information Circular to Shareholders.

DATED this 24<sup>th</sup> day of May, 2018.

On behalf of the Board of Directors of

**HIKU BRANDS COMPANY LTD.**

*"Alan Gertner" (Signed)* \_\_\_\_\_

Alan Gertner

## SCHEDULE "A"

### STOCK OPTION PLAN OF HIKU BRANDS COMPANY LTD.

#### 1. PURPOSE

The purpose of the Stock Option Plan (the "**Plan**") of Hiku Brands Company Ltd., a corporation existing under the *Business Corporations Act* (British Columbia) (the "**Corporation**") is to advance the interests of the Corporation by encouraging the directors, officers, employees and consultants of the Corporation, and of its subsidiaries and affiliates, if any, to acquire common shares in the share capital of the Corporation (the "**Shares**"), thereby increasing their proprietary interest in the Corporation, encouraging them to remain associated with the Corporation and furnishing them with additional incentive in their efforts on behalf of the Corporation in the conduct of its affairs.

#### 2. ADMINISTRATION

The Plan shall be administered by the Board of Directors of the Corporation or by a special committee of the directors appointed from time to time by the Board of Directors of the Corporation pursuant to rules of procedure fixed by the Board of Directors (such committee or, if no such committee is appointed, the Board of Directors of the Corporation, is hereinafter referred to as the "**Board**"). A majority of the Board shall constitute a quorum, and the acts of a majority of the directors present at any meeting at which a quorum is present, or acts unanimously approved in writing, shall be the acts of the directors.

Subject to the provisions of the Plan, the Board shall have authority to construe and interpret the Plan and all option agreements entered into thereunder, to define the terms used in the Plan and in all option agreements entered into thereunder, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board shall be binding and conclusive on all participants in the Plan and on their legal personal representatives and beneficiaries.

Each option granted hereunder may be evidenced by an agreement in writing, signed on behalf of the Corporation and by the optionee, in such form as the Board shall approve. Each such agreement shall recite that it is subject to the provisions of this Plan.

#### 3. STOCK EXCHANGE RULES

All options granted pursuant to this Plan shall be subject to rules and policies of any stock exchange or exchanges on which the Shares are then listed and any other regulatory body having jurisdiction (hereinafter collectively referred to as, the "**Exchange**").

#### 4. SHARES SUBJECT TO PLAN

Subject to adjustment as provided in Section 17 hereof, the Shares to be offered under the Plan shall consist of common shares of the Corporation's authorized but unissued common shares. The aggregate number of Shares issuable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding common shares of the Corporation from time to time (the "**Rolling 10%**").

**Maximum**”), other than the Shares issuable upon the exercise of Tokyo Smoke Options (as hereinafter defined), which shall be in addition to the Rolling 10% Maximum, provided that such number of Shares issuable upon exercise of options granted under the Plan plus the number of Shares reserved for issuance under all other equity incentive plans of the Corporation, including, but not limited to, the restricted share unit plan of the Corporation, shall not exceed 20% of the issued and outstanding Shares on a non-diluted basis at any time. If any option granted hereunder, other than a Tokyo Smoke Option, shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall again be available for the purpose of this Plan. If any Tokyo Smoke Option shall expire or terminate for any reason in accordance with the terms of the Plan without being exercised, the unpurchased Shares subject thereto shall not be available for the purpose of this Plan. For the purposes of this Plan, **“Tokyo Smoke Options”** shall mean the options in the capital of the Corporation granted to former holders of options of TS Brandco Holdings Inc. in connection with the business combination involving the Corporation and TS Brandco Holdings Inc. completed on January 30, 2018.

## **5. MAINTENANCE OF SUFFICIENT CAPITAL**

The Corporation shall at all times during the term of the Plan reserve and keep available such numbers of Shares as will be sufficient to satisfy the requirements of the Plan.

## **6. ELIGIBILITY AND PARTICIPATION**

Directors, officers, consultants, and employees of the Corporation or its subsidiaries, and employees of a person or company which provides management services to the Corporation or its subsidiaries (**“Management Company Employees”**) shall be eligible for selection to participate in the Plan (such persons hereinafter collectively referred to as **“Participants”**). Subject to compliance with any applicable requirements of the Exchange, Participants may elect to hold options granted to them in an incorporated entity wholly owned by them and such entity shall be bound by the Plan in the same manner as if the options were held by the Participant.

Subject to the terms hereof, the Board shall determine to whom options shall be granted, the terms and provisions of the respective option agreements, the time or times at which such options shall be granted and vested, and the number of Shares to be subject to each option. In the case of employees or consultants of the Corporation or Management Company Employees, the option agreements to which they are party must contain a representation of the Corporation that such employee, consultant or Management Company Employee, as the case may be, is a bona fide employee, consultant or Management Company Employee of the Corporation or its subsidiaries.

A Participant who has been granted an option may, if such Participant is otherwise eligible, and if permitted under the policies of the Exchange, be granted an additional option or options if the Board shall so determine.

## **7. EXERCISE PRICE**

- (a) The exercise price of the Shares subject to each option shall be determined by the Board, subject to applicable Exchange approval, at the time any option is granted. In no event shall such exercise price be lower than the exercise price permitted by the Exchange.

- (b) Once the exercise price has been determined by the Board, accepted by the Exchange, if applicable, and the option has been granted, the exercise price of an option may only be amended pursuant to the policies of the Exchange.

## **8. NUMBER OF OPTIONED SHARES**

- (a) The number of Shares subject to an option granted to any one Participant shall be determined by the Board, but no one Participant shall be granted an option which exceeds such maximum number, if any, permitted by the Exchange.
- (b) If prohibited by the Exchange, no single Participant will be granted options to purchase a number of Shares equaling more than 5% of the issued common shares of the Corporation, in any twelve-month period, unless the Corporation obtains such required approvals as prescribed by the Exchange, if applicable.
- (c) Options shall not be granted if the exercise thereof would result in the issuance of Shares of the Corporation, in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries), which exceeds the maximum number of Shares permitted by the Exchange, if any, unless the Corporation obtains such required approvals as prescribed by the Exchange, if applicable.
- (d) Options shall not be granted if the exercise thereof would result in the issuance of Shares of the Corporation, in any twelve-month period to persons employed to provide investor relation activities, which exceeds the maximum number of Shares permitted by the Exchange, if any, unless the Corporation obtains such required approvals as prescribed by the Exchange, if applicable. Options granted to Consultants performing investor relations activities may contain vesting provisions, as determined by the Board.

## **9. U.S. SECURITIES LAWS**

Neither the options which may be granted pursuant to the provisions of the Plan nor the Shares which may be purchased pursuant to the exercise of options have been registered under the U.S. Securities Act or under any securities law of any state of the United States of America. Accordingly, any option holder who is a "U.S. person" (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) or who is holding or exercising options in the United States (collectively, "**U.S. Option Holders**") or becomes a U.S. Option Holder, who is granted an option in the United States, who is a resident of the United States or who is otherwise subject to the U.S. Securities Act or the securities laws of any state of the United States shall by acceptance of the options be deemed to represent, warrant, acknowledge and agree that:

- (a) the option holder is acquiring the options and any Shares acquired upon the exercise of such options as principal and for the account of the option holder;
- (b) in granting the options and issuing the Shares to the option holder upon the exercise of such options, the Corporation is relying on the representations and warranties of the option holder contained in this Plan relating to the options to support the conclusion of the Corporation that the granting of the options and the issue of Shares

upon the exercise of such options do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;

- (c) each certificate representing Shares issued upon the exercise of such options to a U.S. Option Holder shall bear the following legends:

“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”). THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND THE HOLDER HAS, PRIOR TO SUCH SALE, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

provided that if such Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act the foregoing legends may be removed by providing a written declaration by the holder to the registrar and transfer agent for the Shares to the following effect:

"The undersigned (A) acknowledges that the sale of \_\_\_\_\_ common shares represented by Certificate Number(s) \_\_\_\_\_, to which this declaration relates, is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (B) certifies that (1) the undersigned is not an "affiliate" (as defined in Rule 405 under the U.S. Securities Act) of the Company or a "distributor", as defined in Regulation S, or an affiliate of a "distributor"; (2) the offer of such securities was not made to a person in the United States and either (a) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believe that the buyer was outside the United States, or (b) the transaction was executed on or through the facilities of a "designated offshore securities market" within the meaning of Rule 902(b) of Regulation S under the U.S. Securities Act, and neither the seller nor any person acting on its behalf knows that the transaction

has been prearranged with a buyer in the United States; (3) neither the seller nor any person acting on its behalf engaged in any directed selling efforts in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S under the U.S. Securities Act with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S, is part of a plan or a scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings as used in Regulation S.”;

- (d) other than as contemplated by subsection (c) of this Section 9, prior to making any disposition of any Shares acquired pursuant to the exercise of such options which might be subject to the requirements of the U.S. Securities Act, the U.S. Option Holder shall give written notice to the Corporation describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Corporation to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by subsection (c) of this Section 9, the U.S. Option Holder will not attempt to effect any disposition of the Shares owned by the U.S. Option Holder and acquired pursuant to the exercise of such options or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Corporation that such disposition would not constitute a violation of the U.S. Securities Act or any securities laws of any state of the United States of America and then will only dispose of such Shares in the manner so proposed;
- (f) the Corporation may place a notation on the records of the Corporation to the effect that none of the Shares acquired by the U.S. Option Holder pursuant to the exercise of such options shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Shares acquired by the U.S. Option Holder pursuant to the exercise of such options is such that the U.S. Option Holder may not be able to sell or otherwise dispose of such Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by subsection (c) of this Section 9.

## 10. U.S. TAXES

- (a) Notwithstanding anything in this Plan to the contrary, any option granted under this Plan to an optionee who is a citizen or resident of the United States of America, including its territories, possessions, and all areas subject to jurisdiction (a “**U.S. Optionee**”) shall have a purchase price of the Shares subject to the option not less than the fair market value of such Shares at the time the option is granted (whether the option is an option granted under this Plan that is intended to qualify as an “incentive stock option” in accordance with the terms of section 422 of the United States Internal Revenue Code of 1986, as amended from time to time, and any regulations promulgated thereunder (the “**Code**”) or any successor provision (an “**Incentive Stock Option**”) or an option granted under this Plan that is not an Incentive Stock Option (a “**Non-Qualified Stock Option**”)), unless the option is granted in substitution for a stock option previously granted by an entity that is acquired by or merged with the Corporation, in which case any such substituted option shall be adjusted as required to comply with sections 409A and 422 of the Code. The purchase price of options granted to a U.S. Optionee may not be amended to reduce such purchase price below the fair market value of the underlying Shares at the time the option was granted, except as in a manner that complies with section 409A of the Code. Any option granted to a U.S. Optionee who, at the time of grant, is an employee of the Corporation or any “parent” or “subsidiary” of the Corporation (as defined in section 424 of the Code) shall be an Incentive Stock Option within the meaning of the Code, unless the Corporation expressly determines that the option is to be a Non-Qualified Stock Option.
- (b) Notwithstanding anything in this Plan to the contrary, the following provisions shall apply to each Incentive Stock Option:
- (i) the option shall be an Incentive Stock Option to the extent that the aggregate fair market value (determined as of the time the option is granted) of the Shares with respect to which options are exercisable for the first time by such U.S. Optionee during any calendar year under this Plan and all other incentive stock option plans, within the meaning of section 422 of the Code, of the Corporation and any “parent” or “subsidiary” of the Corporation (as defined in section 424 of the Code) does not exceed One Hundred Thousand Dollars in U.S. funds (US\$100,000);
  - (ii) to the extent that the aggregate fair market value (determined as of the time the option is granted) of the Shares with respect to which Incentive Stock Options (determined without reference to this subsection) are exercisable for the first time by a U.S. Optionee during any calendar year under this Plan and all other incentive stock option plans, within the meaning of section 422 of the Code, of the Corporation and any “parent” or “subsidiary” of the Corporation (as defined in section 424 of the Code) exceeds One Hundred Thousand Dollars in U.S. funds (US\$100,000), such options will be treated as Non-Qualified Stock Options in accordance with section 422(d) of the Code;
  - (iii) Incentive Stock Options shall only be available to employees as defined above (and not available to non-employee service providers);
  - (iv) no Incentive Stock Option may be granted following the expiry of 10 years after the

date on which this Plan is adopted by the board of directors of the Corporation and no Incentive Stock Option may be exercisable following the expiry of 10 years after the date of grant (notwithstanding anything in this Plan to the contrary);

- (v) if any U.S. Optionee to whom an Incentive Stock Option is to be granted under this Plan is at the time of the grant of such Incentive Stock Option the owner of shares possessing more than 10% of the total combined voting power of all classes of the shares of the Corporation or any “parent” or “subsidiary” of the Corporation (as defined in section 424 of the Code), then the following special provisions shall be applicable to the option granted to that U.S. Optionee:
    - a. the purchase price of the Shares subject to such Incentive Stock Option shall not be less than 110% of the fair market value of one Share at the time of the grant; and
    - b. the term of such option shall in no event exceed five (5) years from the date of the grant;
  - (vi) the total number of Shares which may be issued under the Plan as Incentive Stock Options shall not exceed 20,000,000, subject to adjustment as provided in Section 17 hereof and subject to the maximum number of Shares reserved under the Plan as set out in Section 4 hereof;
  - (vii) no Incentive Stock Option granted under this Plan shall become exercisable until this Plan is approved by the shareholders of the Corporation;
  - (viii) any Incentive Stock Option may be exercised during the U.S. Optionee’s lifetime only by the U.S. Optionee;
  - (ix) the determination of the option exercise price and the number of shares subject to the option after any adjustment provided for in Section 17 hereof shall be made in accordance with the rules set forth in sections 409A and 424 of the Code and regulations promulgated thereunder; and
  - (x) each of the foregoing provisions of this Section 10 is intended to qualify any option as an Incentive Stock Option to the greatest extent possible, and such provisions shall be interpreted consistently with such intent. No provision of this Plan, as it may be applied to an Incentive Stock Option, shall be construed so as to be inconsistent with any provision of section 422 of the Code.
- (c) Unless otherwise approved by the Board, the aggregate value of Shares issued to all Optionees within any consecutive 12 month period pursuant to the exercise of options granted under this Plan and any of the Corporation’s other security based compensation arrangements shall not exceed the greatest of:
- (i) USD\$1,000,000;

- (ii) 15% of the total assets of the Corporation, measured at its most recent annual balance sheet date; or
- (iii) 15% of the outstanding Common Shares, measured at the Corporation's most recent annual balance sheet date.

For purposes of this Section 10, the method of calculating the aggregate value of Common Shares issued pursuant to the exercise of options shall be made in compliance with Rule 701 of the U.S. Securities Act.

#### **11. DURATION OF OPTION**

- (a) Each option and all rights thereunder shall be expressed to expire on the date set out in the option agreement and shall be subject to earlier termination as provided in Sections 13 and 14, provided that in no circumstances shall the duration of an option exceed the maximum term permitted by the Exchange.
- (b) Subject to compliance with applicable Exchange policy, the expiry date of an option granted hereunder will be automatically extended if such expiry date falls within a blackout period during which the Corporation prohibits optionees from exercising their options. Such automatic extension shall in no event exceed 10 business days following the end of such blackout period.

#### **12. OPTION PERIOD, CONSIDERATION AND PAYMENT**

- (a) The option period shall be a period of time fixed by the Board not to exceed the maximum term permitted by the Exchange, provided that the option period shall be reduced with respect to any option as provided in Sections 13 and 14 covering cessation as a director, officer, consultant, employee or Management Company Employee of the Corporation or its subsidiaries, or death of the Participant.
- (b) Subject to any vesting restrictions imposed by the Exchange, the Board may, in its sole discretion, determine the time during which options shall vest and the method of vesting, or that no vesting restriction shall exist.
- (c) Subject to any vesting restrictions imposed by the Board, options may be exercised in whole or in part at any time and from time to time during the option period.
- (d) Except as set forth in Sections 13 and 14, no option may be exercised unless the Participant is at the time of such exercise a director, officer, consultant, or employee of the Corporation or any of its subsidiaries, or a Management Company Employee of the Corporation or any of its subsidiaries.
- (e) The exercise of any option will be contingent upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Shares with respect to which the option is being exercised, accompanied by cash payment, certified cheque, bank draft or electronic money transfer for the full purchase price of such Shares with respect to which the option is exercised. No Participant or his legal representatives, legatees or distributees will

be, or will be deemed to be, a holder of any common shares of the Corporation unless and until the certificate(s) for Shares issuable pursuant to options under the Plan are issued to him or them under the terms of the Plan.

### **13. CEASING TO BE A DIRECTOR, OFFICER, CONSULTANT OR EMPLOYEE**

- (a) If a Participant shall cease to be a director, officer, consultant or employee of the Corporation, or its subsidiaries, or ceases to be a Management Company Employee, for any reason (other than death), such Participant may exercise his option to the extent that the Participant was entitled to exercise it at the date of such cessation, provided that such exercise must occur within 90 days after the Participant ceases to be a director, officer, consultant, employee or a Management Company Employee, unless such Participant was engaged in investor relations activities, in which case such exercise must occur within 30 days after the cessation of the Participant's services to the Corporation.
- (b) Nothing contained in the Plan, nor in any option granted pursuant to the Plan, shall as such confer upon any Participant any right with respect to continuance as a director, officer, consultant, employee or Management Company Employee of the Corporation or of any of its subsidiaries or affiliates.

### **14. DEATH OF PARTICIPANT**

Notwithstanding section 13, in the event of the death of a Participant, the option previously granted to him shall be exercisable only within the one (1) year after such death and then only:

- (a) by the person or persons to whom the Participant's rights under the option shall pass by the Participant's will or the laws of descent and distribution; and
- (b) if and to the extent that such Participant was entitled to exercise the option at the date of his death.

### **15. RIGHTS OF OPTIONEE**

No person entitled to exercise any option granted under the Plan shall have any of the rights or privileges of a shareholder of the Corporation in respect of any Shares issuable upon exercise of such option until the certificate(s) representing such Shares shall have been issued and delivered.

### **16. PROCEEDS FROM SALE OF SHARES**

The proceeds from the sale of Shares issued upon the exercise of options shall be added to the general funds of the Corporation and shall thereafter be used from time to time for such corporate purposes as the Board may determine.

### **17. ADJUSTMENTS**

If the outstanding common shares of the Corporation are increased, decreased, changed into or exchanged for a different number or kind of shares or securities of the Corporation or another corporation or entity through re-organization, merger, re-capitalization, re-classification, stock

dividend, subdivision or consolidation, any adjustments relating to the Shares optioned or issued on exercise of options and the exercise price per Share as set forth in the respective stock option agreements shall be made in accordance to the terms of such agreements. Any adjustments made to options held by U.S. Optionees shall be made in accordance with sections 409A and 422 of the Code, as applicable.

Adjustments under this Section shall be made by the Board whose determination as to what adjustments shall be made, and the extent thereof, shall be final, binding and conclusive. No fractional Share shall be required to be issued under the Plan on any such adjustment.

#### **18. TRANSFERABILITY**

All benefits, rights and options accruing to any Participant in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein or the extent, if any, permitted by the Exchange. During the lifetime of a Participant any benefits, rights and options may only be exercised by the Participant.

#### **19. AMENDMENT AND TERMINATION OF PLAN**

Subject to the policies, rules and regulations of any lawful authority having jurisdiction (including any exchange on which the Shares are listed for trading), the Board may at any time, without further action by the shareholders, amend the Plan or any option granted hereunder in such respects as it may consider advisable and, without limiting the generality of the foregoing, it may do so to ensure that options granted hereunder will comply with any provisions respecting stock options in the income tax or other laws in force in any country or jurisdiction of which a person to whom an option has been granted may from time to time be resident or citizen or the Board may at any time, without action by shareholders, terminate the Plan. The Board may not, however, without the consent of the option holder, alter or impair any of the rights or obligations under any option theretofore granted.

#### **20. NECESSARY APPROVALS**

The ability of a Participant to exercise options and the obligation of the Corporation to issue and deliver Shares in accordance with the Plan is subject to any approvals which may be required from shareholders of the Corporation and the Exchange having jurisdiction over the securities of the Corporation. If any Shares cannot be issued to any Participant for whatever reason, the obligation of the Corporation to issue such Shares shall terminate and any option exercise price paid to the Corporation will be returned to the Participant. Notwithstanding any provision of the Plan to the contrary, no option shall qualify as an Incentive Stock Option unless a majority of shareholders of the Corporation approves the Plan within 12 months before or after the adoption of the Plan by the Board of the Corporation.

#### **21. WITHHOLDING TAXES**

The Corporation's obligation to deliver Shares issuable on the exercise of an option shall be subject to a Participant's satisfaction of all applicable income, employment and non-resident withholding tax obligations. Without limiting the generality of the foregoing, if the Corporation determines in its sole discretion that under the requirements of applicable taxation laws or regulations of any governmental authority whatsoever it is obliged to withhold for remittance to a taxing authority any

amount upon exercise of an option, the Corporation may take any steps it considers necessary or appropriate in the circumstances to withhold in connection with any option or other benefit under the Plan including, without limiting the generality of the foregoing:

- (a) requiring the Participant exercising the option to pay the Corporation, in the same manner as the exercise price for the Shares issuable on exercise of an option, such amount as the Corporation is obliged to remit to such taxing authority in respect of the exercise of the option, with any such additional payment, in any event, being due no later than the date as of which any amount with respect to the option exercised first becomes included in the gross income of the Participant for tax purposes; or
- (b) issuing the Shares issuable on the exercise of an option to an agent on behalf of the Participant and directing the agent to sell a sufficient number of such Shares on behalf of the Participant to satisfy the amount of any such withholding obligation, with the agent paying the proceeds of any such sale to the Corporation for this purpose;

to the extent permitted by law, deducting the amount of any such withholding obligation from any payment of any kind otherwise due to the Participant.

## **22. CHANGE IN CONTROL**

Notwithstanding anything contained to the contrary in the Plan, in any resolution of the Board in implementation thereof or in any option agreement, the Board has the right to provide for the conversion or exchange of any outstanding options granted hereunder into or for options, rights or other securities in any entity participating in or resulting from a Change in Control (as defined below).

Upon the Corporation entering into an agreement relating to, or otherwise becoming aware of, a transaction which, if completed, would result in a Change in Control, the Corporation shall give written notice of the proposed Change in Control to the holders of options, together with a description of the effect of such Change in Control on outstanding options, not less than fourteen (14) days before proposed closing of the transaction resulting in the Change in Control.

The Board may, in its sole discretion, accelerate the vesting of any or all outstanding options to provide that, notwithstanding the vesting provisions of such options or any Option Agreement, such outstanding options shall be fully vested and conditionally exercisable upon (or before) the completion of the Change in Control; provided that the Board shall not, in any case, authorize the exercise of options pursuant to this Section 22 beyond the expiry date of the options. If the Board elects to accelerate the vesting of the options, then if any of such options are not exercised within fourteen (14) days after the holders of options are given the notice contemplated in this Section 22, such unexercised options shall terminate and expire upon the completion of the proposed Change in Control. If, for any reason, the Change in Control does not occur within the contemplated time period, the acceleration of the vesting of the options shall be retracted and vesting shall instead revert to the manner provided in the Option Agreement.

To the extent a Change in Control would also result in a capital reorganization, arrangement, amalgamation or reclassification of the share capital of the Corporation and the Board does not accelerate the vesting of options pursuant to this Section 22, the Corporation shall make adequate provisions to ensure that, upon completion of the proposed Change in Control, the number and kind of

shares subject to outstanding Options and/or the option price per share shall be appropriately adjusted in such manner as the Board considers equitable to prevent substantial dilution or enlargement of the rights granted to holders of options granted hereunder.

For purposes of the Plan, a “**Change in Control**” means the occurrence of any of the following events:

- (a) any transaction pursuant to which: (i) the Corporation ceases to exist, or (ii) any person, or any “associated” or “affiliated” (as each of those terms is defined in the *Business Corporations Act* (British Columbia)) corporation of which such person (other than the Corporation, a subsidiary of the Corporation or any employee benefit plan of the Corporation (including any trustee of such plan acting as trustee)) hereafter acquires the direct or indirect “beneficial ownership” (as defined in the *Business Corporations Act* (British Columbia)) of securities of the Corporation representing fifty per cent (50%) or more of the aggregate voting power of all of the Corporation’s then issued and outstanding securities;
- (b) the sale of all or substantially all of the assets of the Corporation, any subsidiary, or any business entity managed or controlled by the Corporation to a person other than a person that was an affiliate of the Corporation;
- (c) the dissolution or liquidation of the Corporation, except in connection with the distribution of assets of the Corporation to one or more persons which were affiliated corporations before such event; or
- (d) the occurrence of a transaction requiring approval of the Corporation’s shareholders involving the acquisition of the Corporation by any entity through purchase of assets, by amalgamation or otherwise.

### **23. EFFECTIVE DATE OF PLAN**

The Plan has been adopted by the Board of the Corporation.

### **24. INTERPRETATION**

The Plan will be governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein.

## SCHEDULE "B"

### HIKU BRANDS COMPANY LTD. RESTRICTED SHARE UNIT PLAN

#### PART 1 GENERAL PROVISIONS

##### Establishment and Purpose

1.1 The Company hereby establishes a restricted share unit plan known as the "Hiku Restricted Share Unit Plan".

1.2 The purpose of this Plan (defined below) is to allow for certain discretionary bonuses and similar awards as an incentive and reward for selected Eligible Persons related to the achievement of long-term financial and strategic objectives of the Company and the resulting increases in shareholder value. This Plan is intended to promote a greater alignment of interests between the shareholders of the Company and the selected Eligible Persons by providing an opportunity to participate in increases in the value of the Company.

##### Definitions

1.3 In this Plan:

- (a) **Affiliate** means a Company that is affiliated with another company. A Company is an "Affiliate" of another Company if:
  - (i) one of them is the subsidiary of the other, or
  - (ii) each of them is controlled by the same Person;
- (b) **Applicable Withholding Tax** has the meaning set forth in Section 3.7;
- (c) **Award** means an agreement evidencing the grant of a Restricted Share Unit;
- (d) **Award Payout** means the applicable Share issuance or cash payment in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;
- (e) **Blackout Period** means the period of time when, pursuant to any policies of the Company or any resolution of the Board, any Shares may not be traded by certain persons as designated by the Company, including a holder of any Restricted Share Unit;
- (f) **Board** means the board of directors of the Company;
- (g) **Change of Control** means:

- (i) any Merger and Acquisition Transaction in which voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities are to be transferred to a Person or Persons (other than any of its Affiliates) different from the Persons holding those securities immediately prior to such transaction and the composition of the Board following such transaction is to be such that such directors prior to the transaction constitute less than fifty percent (50%) of the directors of the Company following the transaction;
- (ii) any Merger or Acquisition Transaction, directly or indirectly, by any Person or related group of Persons (other than the Company or a Person that directly or indirectly controls, is controlled by, or is under common control with, the Company and other than by any or its Affiliates) involving a change in the beneficial ownership of voting securities of the Company possessing more than fifty percent (50%) of the total combined voting power of the Company's outstanding securities;
- (iii) any acquisition, directly or indirectly, by a Person or related group of Persons of the right to appoint a majority of the directors of the Company or otherwise directly or indirectly control the management, affairs and business of the Company (other than any or its Affiliates);
- (iv) any Merger or Acquisition Transaction involving the disposition of all or substantially all of the assets of the Company;
- (v) a complete liquidation or dissolution of the Company; and
- (vi) any other transaction that is deemed to be a "**Change of Control**" for the purposes of this Plan by the Board in its sole discretion;

provided however, that a Change in Control shall not be deemed to have occurred if such Change in Control results solely from the issuance, in connection with a *bona fide* financing or series of financings by the Company or any of its Affiliates, of voting securities of the Company or any of its Affiliates or any rights to acquire voting securities of the Company or any of its Affiliates which are convertible into voting securities;

- (h) **Committee** means the Board or, if the Board so determines in accordance with Section 1.5, the committee of the Board authorized to administer the Plan which includes any compensation committee of the Board;
- (i) **Company** means Hiku Brands Company Ltd., and includes any successor company thereto;
- (j) **Consultant** means an individual who:
  - (i) is engaged to provide, on an ongoing bona fide basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company other than services provided in relation to a "distribution" (as that term is described in the *Securities Act*);

- (ii) provides the services under a written contract between the Company or an Affiliate of the Company and the individual or a Consultant Entity (as defined below);
- (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
- (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable regulatory rules to be granted Options as a Consultant or as an equivalent thereof,

and includes:

- (v) a corporation of which the individual is an employee or shareholder or a partnership of which the individual is an employee or partner (a “**Consultant Entity**”); or
  - (vi) an RRSP or RRIF established by or for the individual under which he or she is the beneficiary.
- (k) **CSE** means the Canadian Securities Exchange;
  - (l) **Director** means a member of the Board or of the board of directors of a Related Entity;
  - (m) **Disinterested Shareholder** means a holder of Shares that is not an Eligible Person nor an associate (as defined in the *Securities Act* (British Columbia)) of an Eligible Person;
  - (n) **Eligible Person** means any person who is a *bona fide* Director, Employee, Officer or Consultant;
  - (o) **Employee** means an employee of the Company or of a Related Entity;
  - (p) **Expiry Date** means the third anniversary of the Grant Date, or such earlier date as may be established by the Board in respect of an Award at the time of grant of the Award;
  - (q) **Fair Market Value** means, as at a particular date, for the purpose of calculating the applicable Vesting Date Value and Award Payout,
    - (i) if the Shares are listed on a Stock Exchange, the greater of: (i) the weighted average of the trading price per Share on the Stock Exchange for the last five trading days ending on that date; and (ii) the closing price of the Shares on the day before that date, or

- (ii) if the Shares are not listed on any public exchange, the value per Share established by the Board based on its determination of the fair value of a Share;
- (r) **Grant Date** means the date of grant of any Restricted Share Unit;
- (s) **IFRS** means the International Financial Reporting Standards as adopted by the Accounting Standards Board of Canada;
- (t) **Merger and Acquisition Transaction** means:
  - (i) any merger;
  - (ii) any acquisition;
  - (iii) any amalgamation;
  - (iv) any offer for Shares which if successful would entitle the offeror to acquire all of the voting securities of the Company; or
  - (v) any arrangement or other scheme of reorganization;
- (u) **Officer** means an individual who is an officer of the Company or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;
- (v) **Person** means an individual, body corporate, partnership, joint venture, limited liability company or trust and the heirs, beneficiaries, executors, legal representatives or administrators of an individual;
- (w) **Plan** means this Hiku Restricted Share Unit Plan, as amended from time to time;
- (x) **Recipient** means an Eligible Person who may be granted Restricted Share Units from time to time under this Plan;
- (y) **Related Entity** means a person that is controlled by the Company. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
  - (i) ownership of or direction over voting securities in the second person,
  - (ii) a written agreement or indenture,
  - (iii) being the general partner or controlling the general partner of the second person, or
  - (iv) being a trustee of the second person;
- (z) **Related Person** means:

- (i) a Related Entity of the Company;
  - (ii) a partner, director or officer of the Company or Related Entity;
  - (iii) a promoter of or person who performs Investor Relations Activities for the Company or Related Entity; and
  - (iv) any person that beneficially owns, either directly or indirectly, or exercises voting control or direction over at least 10% of the total voting rights attached to all voting securities of the Company or Related Entity;
- (aa) **Required Approvals** has the meaning contained in Section 1.7;
- (bb) **Restricted Period** means the period of time: (i) during a Blackout Period; and (ii) within five Business Days following the end of a Blackout Period;
- (cc) **Restricted Share Unit** means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in Section 3.1;
- (dd) **Securities Act** means the *Securities Act*, R.S.B.C. 1996, c. 418, as amended from time to time;
- (ee) **Share** means a common share in the capital of the Company as from time to time constituted;
- (ff) **Share Compensation Arrangement** means any share option, share option plan, employee Share purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares to Directors, Officers or Employees of the Company;
- (gg) **Shareholder Approval** means approval by the shareholders of the Company shareholders;
- (hh) **Stock Exchange** means the CSE, or any other stock exchange on which the Shares are then listed for trading, as applicable;
- (ii) **Termination** means, with respect to a Recipient, that the Recipient has ceased to be an Eligible Person, other than as a result of retirement, and has ceased to fulfill any other role as employee or officer of the Company or any Related Entity, including as a result of termination of employment, resignation from employment, removal as an officer, death or Total Disability;
- (jj) **Total Disability** means, with respect to a Recipient, that, solely because of disease or injury the Recipient is deemed by a qualified physician selected by the Company to be unable to work at any occupation which the Recipient is reasonably qualified to perform for the Company;

- (kk) **Trigger Date** means, with respect to a Restricted Share Unit, the date set by the Board at the time of grant, and if no date is set by the Board, then the third anniversary following the Grant Date of the Restricted Share Unit, as such may be amended in accordance with Section 2.6; and
- (ll) **Vesting Date Value** means the notional value, as at a particular date, of the Fair Market Value of one Share.

#### **Administration**

1.4 The Board will, in its sole and absolute discretion, but taking into account relevant corporate, securities and tax laws and subject to Stock Exchange rules and policies,

- (a) interpret and administer this Plan,
- (b) establish, amend and rescind any rules and regulations relating to this Plan, and
- (c) make any other determinations that the Board deems necessary or appropriate for the administration of this Plan.

The Board may correct any defect or any omission or reconcile any inconsistency in this Plan in the manner and to the extent the Board deems, in its sole and absolute discretion, necessary or appropriate. Any decision of the Board in the interpretation and administration of this Plan will be final, conclusive and binding on all parties concerned. All expenses of administration of this Plan will be borne by the Company.

#### **Delegation to Committee**

1.5 All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, any compensation committee of the Board, without limiting the generality of the foregoing, those referred to under Section 1.4.

#### **Incorporation of Terms of Plan**

1.6 Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each Restricted Share Unit granted under this Plan.

#### **Effective Date**

1.7 This Plan will be effective as of March 18, 2018. Subject to the terms and conditions of the Plan, the Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units to Eligible Persons as it determines appropriate under this Plan. However, any such issued Restricted Share Units may not be paid out in Shares in any event until receipt of the necessary approvals, including Shareholder Approval of the Company, applicable stock exchange(s), and any other regulatory bodies (the "**Required Approvals**").

## **Shares Reserved**

1.8 The aggregate number of Shares available for issuance from treasury under this Plan, subject to adjustment pursuant to Section 2.9 or as required by the Stock Exchange, shall be 15,283,874 Shares. Any Share which was reserved for issuance pursuant to a Restricted Share Unit, which Restricted Share Unit has been cancelled or terminated in accordance with the terms of the Plan without being paid out as provided for in PART 3 shall also be terminated or cancelled and will no longer be available under the Plan.

1.9 Restricted Share Units issued prior to the adoption of the Plan will be subject to the terms of the Plan, provided that any prior written agreements with respect to such Restricted Share Units will govern to the extent of any inconsistency between the Plan and such Agreements. Restricted Share Units issued prior to the adoption of the Plan will be included in the Shares reserved for issuance for the purposes of Section 1.8.

## **Limitations on Restricted Share Units to any One Person and to Related Persons**

1.10 Unless shareholder approval is obtained (or unless permitted otherwise by the rules of the Stock Exchange):

- (a) the maximum number of Shares which may be reserved for issuance to Related Persons (as a group) under the Plan, together with any other Share Compensation Arrangement, may not exceed 10% of the issued Shares;
- (b) the aggregate number of Restricted Share Units which may be granted to any one Person (and companies wholly owned by that Person) in a 12 month period must not exceed 5% of the issued Shares, calculated on the Grant Date;
- (c) the aggregate number of Restricted Share Units granted to any one Consultant in a 12 month period must not exceed 2% of the issued Shares, calculated at the Grant Date; and
- (d) the aggregate number of Restricted Share Units granted to all Persons retained to provide investor relations activities must not exceed 2% of the issued Shares in any 12 month period, calculated at the Grant Date.

## **PART 2 AWARDS UNDER THIS PLAN**

### **Recipients**

2.1 Only Eligible Persons are eligible to participate in this Plan and receive one or more Restricted Share Units. Restricted Share Units that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions) represent a right to a bonus or similar award to be received for services rendered by such Eligible Person to the Company or a

Related Entity, as the case may be, in the Company's or the Related Entity's fiscal year ending in, or coincident with, such calendar year, as determined by the Board in its discretion.

### **Grant**

2.2 The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan. In making such grants the Board may, in its sole discretion but subject to Section 2.4(ii), in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

### **Performance Conditions**

2.3 At the time a grant of a Restricted Share Unit is made, the Board may, in its sole discretion, establish such performance conditions for the vesting of Restricted Share Units as may be specified by the Committee in the Award (the "**Performance Conditions**"). The Board may use such business criteria and other measures of performance as it may deem appropriate in establishing any Performance Conditions, and may exercise its discretion to reduce the amounts payable under any Award subject to Performance Conditions. The Board may determine that an Award shall vest in whole or in part upon achievement of any one performance condition or that two or more Performance Conditions must be achieved prior to the vesting of an Award. Performance Conditions may differ for Awards granted to any one Recipient or to different Recipients.

### **Vesting**

2.4 Except as provided in this Plan, Restricted Share Units issued under this Plan will vest on the date (the "**Vesting Date**") that is the later of:

- (a) the Trigger Date; and
- (b) the date upon which the relevant Performance Condition or other vesting condition set out in the Award has been satisfied, provided that
  - (i) Restricted Share Units shall only vest on the Trigger Date to the extent that the Performance Conditions or other vesting conditions set out in an Award have been satisfied on or before the Trigger Date;
  - (ii) if the date in Section (a) or Section (b) occurs during a Restricted Period, the Vesting Date shall be extended to a date which is the earlier of: (i) one business day following the end of such Restricted Period; and (ii) the Expiry Date; and
  - (iii) no Restricted Share Unit will remain outstanding for any period which exceeds the Expiry Date of such Restricted Share Unit.

### **Forfeiture and Cancellation upon Expiry Date**

2.5 Restricted Share Units which do not vest on or before the Expiry Date of such Restricted Share Unit will be automatically cancelled, without further act or formality and without compensation.

### **Amendment of Trigger Date**

2.6 The Board of Directors may, at any time after a grant of a Restricted Share Unit, accelerate the Trigger Date of such Restricted Share Unit.

### **Account**

2.7 Restricted Share Units issued pursuant to this Plan (including fractional Restricted Share Units, computed to three digits) will be credited to a notional account maintained for each Recipient by the Company for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Recipient's account will be sent by the Company to the Recipient upon request of the Recipient.

### **Dividend Equivalents**

2.8 On any date on which a cash dividend is paid on Shares, a Recipient's account will be credited with the number and type of Restricted Share Units (including fractional Restricted Share Units, computed to three digits) calculated by:

- (a) multiplying the amount of the dividend per Share by the aggregate number of Restricted Share Units that were credited to the Eligible Person's account as of the record date for payment of the dividend, and
- (b) dividing the amount obtained in Section (a) by the Fair Market Value on the date on which the dividend is paid.

### **Adjustments and Reorganizations**

2.9 In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Company assets to shareholders, or any other change in the capital of the Company affecting Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of Restricted Share Units outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

### **Notice and Acknowledgement**

2.10 No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Eligible Person will, prior to being granted any Restricted Share Units, deliver to the Company a signed acknowledgement substantially in the form of Schedule "A" to this Plan.

## **PART 3**

### **PAYMENTS UNDER THIS PLAN PAYMENT OF RESTRICTED SHARE UNITS**

3.1 Subject to the terms of this Plan and, in particular, Section 3.7 of this Plan, the Company, in its discretion and as may be determined by the Board of Directors, will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Recipient by paying or issuing (net of any

Applicable Withholding Tax) to such Recipient, on or subsequent to the Trigger Date but no later than the Expiry Date of such Vested Restricted Share Unit, an Award Payout of either:

- (a) subject to receipt of the Required Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Recipient would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit and the Recipient shall not be entitled to any compensation (cash or otherwise) in lieu of any such fractional Share. Each Share issued by the Company pursuant to this Plan shall be issued as fully paid and non- assessable, or
- (b) a cash amount equal to the Vesting Date Value as at the Trigger Date of such vested Restricted Share Unit.

#### **Limitation on Issuance of Shares to Related Persons**

3.2 Notwithstanding anything in this Plan, the Company shall not issue Shares under this Plan to any Eligible Person who is an Related Person of the Company where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Related Persons, or when combined with all other Shares issuable to Related Persons under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis; and
- (b) the total number of Shares that may be issued to Related Persons during any one year period under this Plan, or when combined with all other Shares issued to Related Persons under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Company on a non-diluted basis.

Where the Company is precluded by this Section 3.2 from issuing Shares to a Related Person of the Company, the Company will pay to the relevant Related Person a cash Award Payout in an amount equal to the Vesting Date Value as at the Trigger Date of the Restricted Share Unit.

#### **Experts and Advisors**

3.3 The Board may engage such experts (“**Experts**”) and advisors as it considers appropriate, including compensation or human resources experts or advisors, to provide advice and assistance in determining the amounts to be paid under this Plan and other amounts and values to be determined hereunder or in respect of this Plan including, without limitation, those related to a particular Fair Market Value.

### **Cancellation on Termination for Cause, Retirement or Voluntary Resignation**

3.4 Unless the Board at any time otherwise determines, all unvested Restricted Share Units held by any Recipient and all rights in respect thereof will be automatically cancelled, without further act or formality and without compensation, immediately in the event of a Termination arising from the termination of employment or removal from service by the Company or a Related Entity for cause, retirement of the Recipient or the voluntary resignation by the Recipient. In situations where the Board exercises its discretion under this Section 3.4, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

### **Total Disability, Death and Termination without Cause**

3.5 Unless the Board at any time otherwise determines, if a Recipient ceases to be an Eligible Person for any of the following reasons, unvested Restricted Share Units will immediately vest on the date the Recipient ceases to be an Eligible Person

- (a) death or Total Disability of a Recipient;
- (b) the Termination of employment or removal from service by the Company or a Related Entity without cause; and
- (c) the Termination of employment by the Recipient other than by way of retirement of the Recipient or voluntary resignation by the Recipient.

In situations where the Board exercises its discretion under this Section **Error! Reference source not found.**, in no case shall the Restricted Share Units, subject to such discretion, be valid beyond one year from the date of Termination.

### **Change of Control**

3.6 In the event of a Change of Control, subject to approval of the Stock Exchange, all Restricted Share Units credited to an account of a Recipient that have not otherwise previously been cancelled pursuant to the terms of the Plan shall vest on the date on which the Change of Control occurs (the “**Change of Control Date**”).

### **Tax Matters and Applicable Withholding Tax**

3.7 The Company does not assume any responsibility for or in respect of the tax consequences of the receipt by Recipients of Restricted Share Units, or payments received by Recipients pursuant to this Plan. The Company or relevant Related Entity, as applicable, is authorized to deduct such taxes and other amounts as it may be required or permitted by law to withhold (“**Applicable Withholding Tax**”), in such manner (including, without limitation, by selling Shares otherwise issuable to Recipients, on such terms as the Company determines) as it determines so as to ensure that it will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Company or relevant Related Entity, as applicable, may require Recipients, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Company

or Related Entity, as applicable, respecting the payment by such Recipients of applicable income or other taxes.

**PART 4**  
**MISCELLANEOUS COMPLIANCE WITH APPLICABLE LAWS**

4.1 The issuance by the Company of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Recipient agrees to comply with all such applicable laws and agrees to furnish to the Company all information and undertakings as may be required to permit compliance with such applicable laws. The Company will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.

**Non-Transferability**

4.2 Restricted Share Units and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Recipient dies the legal representatives of the Recipient will be entitled to receive the amount of any payment otherwise payable to the Recipient hereunder in accordance with the provisions hereof.

**No Right to Service**

4.3 Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Recipient a right to be retained in the service or to continue in the employment of the Company or any Related Entity, or affect in any way the right of the Company or any Related Entity to terminate his or her employment at any time.

**Successors and Assigns**

4.4 This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person.

**Plan and Restricted Share Unit Amendment**

4.5 Subject to any necessary approvals of the Stock Exchange, the Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of the Recipient or unless required by law, adversely affect the rights of a Recipient with respect to Restricted Share Units to which the Recipient is then entitled under this Plan.

**Plan Termination**

4.6 The Board reserves the right, in its sole discretion, to amend, suspend or terminate this Plan or any portion thereof at any time, subject to and in accordance with applicable legislation and Stock Exchange rules and policies, without obtaining the approval of shareholders. Notwithstanding the foregoing, the Corporation shall be required to obtain Disinterested Shareholder approval for any amendment related to:

- (a) the number or percentage of issued and outstanding Shares available for grant under this Plan;
- (b) a change in the method of calculation of redemption of Restricted Share Units held by Eligible Persons; and
- (c) an extension to the term for redemption of Restricted Share Units held by Eligible Persons.

4.7 In no event will a termination of this Plan accelerate the vesting of Restricted Share Units or the time at which a Recipient would otherwise be entitled to receive any payment in respect of Restricted Share Units hereunder.

4.8 Subject to Stock Exchange rules and policies, without limiting the generality of the foregoing, the Board may make the following amendments to this Plan, without obtaining shareholder approval:

- (a) amendments to the terms and conditions of this Plan necessary to ensure that this Plan complies with the applicable regulatory requirements, including the rules of the Stock Exchange;
- (b) amendments to the provisions of this Plan respecting administration of this Plan;
- (c) amendments to the provisions of this Plan to clarify existing provisions that do not have the effect of altering the scope, nature and intent of such provisions;
- (d) amendments to the provisions of this Plan respecting the terms and conditions on which Restricted Share Units may be granted pursuant to this Plan, including the provisions relating to the payment of the Restricted Share Units; and
- (e) amendments to this Plan that are ministerial or administrative.

#### **Governing Law**

4.9 This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of British Columbia and the federal laws of Canada applicable therein.

#### **Reorganization of the Company**

4.10 The existence of this Plan or Restricted Share Units will not affect in any way the right or power of the Company or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, or to create or issue any bonds, debentures, Shares or other securities of the Company or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Company, or any amalgamation, combination, merger or consolidation involving the Company or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

### **No Shareholder Rights**

4.11 Restricted Share Units are not considered to be Shares or securities of the Company, and a Recipient who is issued Restricted Share Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Company, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Company, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.

### **No Other Benefit**

4.12 No amount will be paid to, or in respect of, a Recipient under this Plan to compensate for a downward fluctuation in the Fair Market Value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Recipient for such purpose.

### **Unfunded Plan**

4.13 For greater certainty, this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Recipient to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Company with respect to any relevant rights that may arise thereunder.

**SCHEDULE "A"**

**FORM OF RESTRICTED SHARE UNIT AGREEMENT**

Hiku Brands Company Ltd. (the "**Corporation**") hereby confirms the grant to the undersigned Recipient of Restricted Share Units ("**RSUs**") described in the table below pursuant to the Corporation's Restricted Share Unit Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Recipient.

No. of RSUs	Trigger Date	Expiry Date

***[include any specific/additional vesting period or Performance Conditions]***

In consideration of the grant of the RSUs pursuant to the Plan (the receipt and sufficiency of which are hereby acknowledged), the Recipient hereby agrees and confirms that:

1. The Recipient has received a copy of the Plan, has read and understands the Plan and will abide by its terms and conditions, which terms and conditions include the right of the Corporation to amend or terminate the Plan or any of its terms and to determine vesting and other matters in respect of an RSU.
2. The Recipient acknowledges and agrees that this Agreement amends and restates in its entirety, and supersedes, any and all agreements, commitments and understandings between the Corporation and the Recipient with respect to the grant of restricted share units of the Corporation prior to the date hereof.
3. The Recipient recognizes that (A) during the period between the Grant Date and the Trigger Date, the value of the RSUs and any Shares issuable in respect thereof may be subject to a number of factors; and (B) the Corporation accepts no responsibility for any fluctuations in the value of the RSUs or any Shares issuable in respect thereof.
4. The Recipient accepts and consents to and shall be deemed conclusively to have accepted and consented to, and agreed to be bound by, the provisions and all terms of the Plan and all *bona fide* actions or decisions made by the Board or any person to whom the Board may delegate administrative duties and powers in relation to the Plan, which terms and consent shall also apply to and be binding on the legal representatives, permitted assigns, beneficiaries and successors of the Recipient.
5. The Recipient will not make any claim under any consulting, employment or other agreement for any rights or entitlement under the Plan or damages in lieu thereof except as expressly provided in the Plan.
6. The Recipient represents and warrants to, and covenants with, the Corporation (and agrees to execute an instrument in a form acceptable to the Corporation confirming the following, if so requested by the Corporation) that if you are or become a resident of the United States of

America, that you:

- (a) will acquire any shares upon the redemption of your RSUs as an investment and not with a view to distribution;
  - (b) undertake not to offer or sell or otherwise dispose of the common shares issuable in respect of the RSUs unless such shares are subsequently registered under the Securities Act of 1933 (United States), as amended, or an exemption from registration is available;
  - (c) consent to the placing of a restrictive legend on any share certificates issued to you should such be necessary in order to comply with securities laws and stock exchange rules applicable to you and/or the Corporation; and
  - (d) acknowledge that securities laws applicable to you and/or the Corporation may require you to hold any shares issued to you for a certain period prior to resale thereof.
7. You acknowledge that neither the Corporation nor its affiliates or associates (as such term is defined in the *Securities Act* (British Columbia), "**Associates**"), nor their respective advisors, assume any responsibility in regards to the tax consequences that participation in the Plan, issuance of RSUs hereunder and/or the vesting and redemption thereof will have for the Recipient and the Recipient is urged to consult his or her own tax advisors in such regard.
8. You acknowledge that you are solely liable for any taxes or penalties which may be payable pursuant to the U.S. Internal Revenue Code of 1986, as amended (the "**Code**") or to the Canada Revenue Agency under the *Income Tax Act* (Canada) or any other taxing authority in respect of the grant, vesting or settlement of the RSUs (including any taxes or penalties that may arise under Section 409A of the Code) and agree to make arrangements satisfactory to the Corporation for the payment of cash to the Corporation sufficient to satisfy any income or employment taxes in respect of the grant, vesting or delivery of the RSUs or any shares issuable in respect thereof, and provided further that the delivery of common shares and/or cash, as applicable, pursuant to the vesting of the RSUs is contingent upon satisfaction of applicable withholding requirements and applicable taxes may be withheld from any payments due to you, including such payment in settlement of the RSUs.
9. You agree that you will, at all times, act in strict compliance with applicable laws and all policies of the Corporation applicable to you in connection with the Plan and the RSUs, which applicable laws and policies shall include, without limitation, those governing "insiders" and "reporting issuers" as those terms are defined in applicable securities laws.
10. You confirm and acknowledge that you have not been induced to enter into this Restricted Share Unit Award Agreement or acquire any RSUs by expectation of employment or continued employment with the Corporation or any of its Affiliates or Associates.
11. You agree and consent to the Corporation:
  - (a) collecting your Personal Information (as hereinafter defined) for the purposes of this Agreement;

- (b) retaining the Personal Information for as long as permitted or required by applicable law or business practices; and
  - (c) providing to various governmental and regulatory authorities, as may be required by applicable laws, including securities laws, stock exchange rules, and the rules of the Investment Industry Regulatory Organization of Canada (IIROC), or to give effect to this agreement any Personal Information provided by you, including (a) the disclosure of Personal Information by the Corporation to the Stock Exchange including Personal Information contained in certain forms or for purposes as otherwise identified by the Stock Exchange. **“Personal Information”** means any information about an identifiable individual.
12. To the extent applicable, the grant of the RSUs are intended to be exempt from the requirements of Section 409A of the Code and applicable regulations and guidance under the statute and shall be construed and interpreted to be exempt from Section 409A; provided however, that the Corporation does not guarantee the tax result of participation in the Plan.
13. The grant of the RSUs and the issuance/and or delivery of the common shares and/or cash issuable in respect thereof are subject to the terms and conditions of the Plan (as modified or varied by this Agreement), all of which are incorporated into and form an integral part of this Agreement.
14. This Agreement shall enure to the benefit of and be binding upon the Corporation and the Recipient and their respective successors (including any successor by reason of amalgamation), transferees, permitted assigns, legal representatives and beneficiaries, as applicable.
15. This Agreement, the grant of the RSUs hereunder and under the Plan, and the vesting and redemption of the RSUs and delivery of the Shares issuable in respect thereof shall be, as applicable, governed by and construed in accordance with the laws of the Province of British Columbia and the federal laws of Canada applicable therein without regard to principles of conflicts of laws that would impose the laws of another jurisdiction. The Courts of the Province of British Columbia shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom. Capitalized terms used herein and not otherwise defined shall have the respective meanings ascribed to them in the Plan.
16. In the event of any conflict or inconsistency between the provisions of this Agreement and the Plan, the provisions of this Agreement shall govern and rank paramount.
17. Any terms used herein but not otherwise defined shall have the meaning ascribed thereto in the Plan.

*[signature page follows]*

**The Company and the undersigned Recipient hereby confirm that the undersigned Recipient is a bona fide Employee or Consultant as the case may be.**

**DATED** \_\_\_\_\_, 20\_\_\_\_.

**HIKU BRANDS COMPANY LTD.**

Per: \_\_\_\_\_  
Authorized Signatory

**DATED** \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness (Signature)

\_\_\_\_\_  
Recipient's Signature

\_\_\_\_\_  
Name (please print) Address

\_\_\_\_\_  
Name of Recipient (please print)

\_\_\_\_\_  
City, Province

\_\_\_\_\_  
Occupation

## **SCHEDULE "C"**

### **AUDIT COMMITTEE CHARTER**

#### **OVERALL ROLE AND RESPONSIBILITY**

The Audit Committee shall:

Assist the Board of Directors in its oversight role with respect to:

- (a) the quality and integrity of financial information;
- (b) the independent auditor's performance, qualifications and independence;
- (c) the performance of the Corporation's internal audit function, if applicable;
- (d) the Corporation's compliance with legal and regulatory requirements; and

Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

#### **MEMBERSHIP AND MEETINGS**

The Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors, the majority of whom shall not be officers, employees or control persons of the Corporation or any of the Corporation's associates and affiliates.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

#### **STRUCTURE AND OPERATIONS**

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

## **SPECIFIC DUTIES**

### **Oversight of the Independent Auditor**

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law.

### **Financial Reporting**

- Review and discuss with management and the independent auditor:
  - prior to the annual audit the scope, planning and staffing of the annual audit,
  - the annual audited financial statements,
  - the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
  - approve any reports for inclusion in the Corporation's Annual Report, if any, as required by applicable legislation,
  - the Corporation's quarterly financial statements, including the results of the independent auditor's review, if applicable, of the quarterly financial statements and

- any matters required to be communicated by the independent auditor under applicable review standards,
  - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
  - any significant changes in the Corporation's selection or application of accounting principles,
  - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and
  - other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

#### **AUDIT COMMITTEE'S ROLE**

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

#### **FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS**

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

#### **APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS**

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

**SCHEDULE "D"**

**CHANGE OF AUDITOR REPORTING PACKAGE**

**HIKU BRANDS COMPANY LTD.  
(the "Company")**

**NOTICE OF CHANGE OF AUDITOR**

**To: Morgan & Company LLP, Chartered Professional Accountants**  
**And to: MNP LLP, Chartered Accountants**

In accordance with National Instrument 51-102 Continuous Disclosure Obligations ("**NI 51-102**"), the Company hereby provides notice as follows:

1. The Company has requested and received the resignation of Morgan & Company LLP effective as of February 5, 2018;
2. On February 5, 2018, the Company appointed MNP LLP as its auditor to fill the vacancy created by the resignation of Morgan & Company LLP, and to hold such position until the close of the next annual meeting of shareholders of the Company; and
3. The resignation of Morgan & Company LLP and the appointment of MNP LLP was considered and approved by the Company's board of directors.
4. There were no modifications of opinion by Morgan & Company LLP in the auditor's reports relating to the Company's financial statements for the "relevant period", as defined in NI 51-102.
5. There are no "reportable events" as defined in NI 51-102.

Dated as of February 12, 2018.

**HIKU BRANDS COMPANY LTD.**

Per: "Jeff Barber" (signed)  
Jeff Barber  
Chief Financial Officer

February 12, 2018

Ontario Securities Commission  
Alberta Securities Commission  
British Columbia Securities Commission

Dear Sirs/Mesdames:

**Re: Hiku Brands Company Ltd. ("Hiku")  
Notice Pursuant to NI 51-102 - Change of Auditor**

As required by the National Instrument 51-102 and in connection with our proposed engagement as auditor of Hiku, we have reviewed the information contained in Hiku's Notice of Change in Auditor, dated February 12, 2018, and agree with the information contained therein, based upon our knowledge of the information relating to the said notice and of Hiku at this time, except that we have no basis to agree or disagree with the statement that there have been no reportable events during the period that Morgan & Company LLP has been auditor of Hiku Resources Inc.

Yours truly,



Chartered Professional Accountants  
Licensed Public Accountants

cc: Canadian Securities Exchange

February 12, 2018

British Columbia Securities Commission  
Alberta Securities Commission  
Ontario Securities Commission

Dear Sirs:

**RE: HIKU BRANDS COMPANY LTD. (THE "COMPANY")**  
**NOTICE PURSUANT TO NATIONAL INSTRUMENT 51-102 – CHANGE OF AUDITOR**

Please be advised that, in connection with National Instrument 51-102, a copy of the Notice of Change of Auditors (the "Notice") dated February 12, 2018 in respect of the above captioned change of auditors has been delivered to us. We have read the Notice and, based on our knowledge of the information at this date, we agree with its contents as it pertains to Morgan & Company LLP, Chartered Professional Accountants.

Yours very truly,



Chartered Professional Accountants

ADL/jp

cc: Canadian Securities Exchange

