



NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE
ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS
to be held on August 16, 2018

July 18, 2018

LIBERTY HEALTH SCIENCES INC.
NOTICE OF ANNUAL AND SPECIAL SHAREHOLDER MEETING

NOTICE IS HEREBY GIVEN that an annual and special meeting (the “**Meeting**”) of shareholders (“**Shareholders**”) of common shares (“**Common Shares**”) of Liberty Health Sciences Inc. (“**Liberty**” or the “**Company**”) will be held on Thursday, August 16, 2018 at 10:00 a.m. (Eastern Daylight Time) at the offices of Stikeman Elliott LLP located at 199 Bay Street, Suite 5300, Toronto, Ontario, M5L 1B9 for the following purposes:

1. to elect directors of the Company to hold office until the close of the next annual meeting of the shareholders of the Company or until their successors shall be elected or appointed;
2. to receive the audited financial statements of the Company for the period ended February 28, 2018, together with the report of the auditor thereon;
3. to appoint the auditor of the Company, to hold office until the close of the next annual meeting of the shareholders of the Company or until a successor is appointed, and to authorize the directors of the Company to fix the remuneration of the auditor;
4. to consider and, if thought fit, approve the deferred share unit plan for the Company; and
5. to transact such further and other business as may be properly brought before the Meeting or any adjournment or postponement thereof.

As a shareholder of Liberty, it is very important that you read this material carefully and then vote your common shares, either by proxy or in person at the Meeting. The voting procedure is explained in detail in the accompanying management’s information circular in respect of the Meeting to be held on August 16, 2018 (the “**Circular**”). The Board of Directors (the “**Board**”) has fixed July 16, 2018 as the record date (the “**Record Date**”) for determining the Shareholders who are entitled to receive notice of and vote at the Meeting. Only Shareholders whose names have been entered in the registers of the Company as at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting.

This Notice of Meeting, and the Circular and the audited financial statements for the period ended February 28, 2018, along with the related management discussion and analysis (the “**Financial Statements and MD&A**”) have been posted on the Company’s website at <https://libertyhealthsciences.com/investor/> and on Liberty’s profile on www.SEDAR.com.

All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy. A “beneficial” or “non-registered” Shareholder will not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his/her/its broker; however, a beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Common Shares in that capacity. Only Shareholders as of the Record Date are entitled to receive notice of and vote at the Meeting.

Shareholders who are unable to attend the Meeting in person are requested to complete, date and sign the enclosed form of proxy and return it in the envelope provided. To be effective, the enclosed form of proxy or voting instruction form must be mailed deposited with TSX Trust Company by mail or hand delivery at Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1, or by facsimile at (416) 595-9593. In order to be valid and acted upon at the Meeting, the duly-completed form of proxy must be received prior to 10:00 a.m. (Toronto time) on August 14, 2018 (the “**Proxy Deadline**”), or be deposited with the Secretary of the Company before the commencement of the Meeting or of any adjournment thereof. Notwithstanding the foregoing, the Chair of the Meeting has the discretion to accept proxies received after such deadline.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein. **Shareholders are reminded to review the circular before voting.**

Dated this 18th day of July, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

“George Scorsis”

George Scorsis
Chief Executive Officer

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LIBERTY HEALTH SCIENCES INC.

MANAGEMENT INFORMATION CIRCULAR

SOLICITATION OF PROXIES BY MANAGEMENT

This Circular is furnished in connection with the solicitation by the management of Liberty Health Sciences Inc. (the “**Company**”) of proxies to be used at the Meeting of Shareholders to be held at the time and place and for the purposes set out in the Notice of Meeting. It is expected that the solicitation will be made primarily by mail. However, officers and employees of the Company may also solicit proxies by telephone, e-mail or in person. These persons will receive no compensation for such solicitation, other than their ordinary salaries or fees. The total cost of solicitation of proxies will be borne by the Company. Pursuant to National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy-related materials to the beneficial owners of the Common Shares. See “*Appointment and Revocation of Proxies – Notice to Beneficial Holders of Shares*” below. The Company will provide, without cost to such person, upon request to the Secretary of the Company, additional copies of the foregoing documents for this purpose.

GENERAL INFORMATION RESPECTING THE MEETING

No Person has been authorized to give any information or make any representations in connection with the Arrangement other than those contained in this Circular and, if given or made, any such information or representations should be considered not to have been authorized by the Company. This Circular does not constitute the solicitation of a proxy by any Person in any jurisdiction in which such solicitation is not authorized or in which the Person making such solicitation is not qualified to do so or to any Person to whom it is unlawful to make such solicitation.

References in this Circular to the Meeting include any adjournment(s) or postponement(s) thereof.

In this Circular, unless otherwise indicated, all dollar amounts “\$” are expressed in Canadian dollars.

Except where otherwise indicated, the information contained herein is stated as of July 18, 2018.

Electronic copies of the Circular and the audited financial statements for the period ended February 28, 2018, along with the related management discussion and analysis (the “**Financial Statements and MD&A**”) may be found on the Company’s SEDAR profile at www.sedar.com and also on the Company’s website at <https://libertyhealthsciences.com/investor/>.

Shareholders are reminded to review this Circular before voting.

Shareholders may also obtain paper copies of the Financial Statements and the MD&A free of charge by contacting TSX Trust Company at the same toll-free number or upon request to the Corporate Secretary of the Company.

APPOINTMENT AND REVOCATION OF PROXIES

Appointment of Proxy

A Shareholder who is unable to attend the Meeting in person is requested to complete and sign the enclosed form of proxy and to deliver it to TSX Trust Company: (i) by mail or hand delivery to Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1; or (ii) by facsimile at (416) 595-9593. In order to be valid and acted upon at the Meeting, the form of proxy must be received no later than 10:00 a.m. (Toronto time) on August 14, 2018 or be deposited with the Secretary of the Company before the commencement of the Meeting or any adjournment thereof. The deadline for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

If you are a non-registered holder of Common Shares and have received these materials through your broker, custodian, nominee or other intermediary, please complete and return the form of proxy or voting instruction form provided to you by your broker, custodian, nominee or other intermediary in accordance with the instructions provided therein.

The document appointing a proxy must be in writing and executed by the Shareholders or his attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

A Shareholder submitting a form of proxy has the right to appoint a Person (who need not be a Shareholder) to represent him or her at the Meeting other than the persons designated in the form of proxy furnished by the Company. To exercise that right, the name of the Shareholder's appointee should be legibly printed in the blank space provided. In addition, the Shareholder should notify the appointee of the appointment, obtain his or her consent to act as appointee and instruct the appointee on how the Shareholder's Common Shares are to be voted.

Shareholders who are not registered shareholders should refer to *"Notice to Beneficial Holders of Common Shares"* below.

Revocation of Proxy

A Shareholder who has submitted a form of proxy as directed hereunder may revoke it at any time prior to the exercise thereof. If a Person who has given a proxy personally attends the Meeting at which that proxy is to be voted, that Person may revoke the proxy and vote in person. In addition to the revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing executed by the Shareholder or his attorney or authorized agent and deposited with TSX Trust Company at any time up to 10:00 a.m. (Toronto time) on August 14, 2018: (i) by mail or by hand delivery to Suite 300, 200 University Avenue, Toronto, Ontario M5H 4H1; or, (ii) by facsimile to (416) 595-9593, or deposited with the Secretary of the Company before the commencement of the Meeting, or any adjournment thereof, and upon either of those deposits, the proxy will be revoked.

Notice to Beneficial Holders of Common Shares

The information set out in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who do not hold their Common Shares in their own name (referred to herein as **"Beneficial Shareholders"**) should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of shares can be recognized and acted upon at the Meeting or any adjournment(s) thereof. If Common Shares are listed in an account statement provided to a Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Shareholder's name in the records of the Company. Those Common Shares will most likely be registered under the name of the Shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers or their nominees can be voted (for or against resolutions or withheld from voting) only upon the instructions of the Beneficial Shareholder. Without specific instructions, the broker/nominees are prohibited from voting shares for their clients. Subject to the following discussion in relation to NOBOs (as defined herein), the Company does not know for whose benefit the Common Shares registered in the name of CDS & Co., a broker or another nominee, are held.

There are two categories of Beneficial Shareholders under applicable securities regulations for purposes of dissemination to Beneficial Shareholders of proxy-related materials and other security holder materials and requests for voting instructions from such Beneficial Shareholders. Non-objecting beneficial owners (**"NOBOs"**) are Beneficial Shareholders who have advised their intermediary (such as brokers or other nominees) that they do not object to their intermediary disclosing ownership information to the Company, consisting of their name, address, e-mail address, securities holdings and preferred language of communication. Canadian Securities Laws restricts the use of that information to matters strictly relating to the affairs of the Company. Objecting beneficial owners (**"OBOs"**) are Beneficial Shareholders who have advised their intermediary that they object to their intermediary disclosing such ownership information to the Company.

In accordance with the requirements of NI 54-101, the Company is sending the proxy-related materials for use in connection with the Meeting (the **"Meeting Materials"**) indirectly through intermediaries to both NOBOs and OBOs. NI 54-101 allows the Company, in its discretion, to obtain a list of its NOBOs from intermediaries and to use such NOBO list for the purpose of distributing the proxy materials directly to, and seeking voting instructions directly from, such NOBOs. As a result, the Company is entitled to deliver Meeting Materials to Beneficial Shareholders in two manners: (a) directly to NOBOs and indirectly through intermediaries to OBOs; or (b) indirectly to all Beneficial Shareholders through intermediaries. The Company is not sending Meeting Materials directly to the NOBOs. The Company will use and pay intermediaries and agents to send the Meeting Materials and also intends to pay for intermediaries to deliver the Meeting Materials to the OBOs.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from nonregistered shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by nonregistered shareholders in order to ensure that their shares are voted at

the Meeting. Often the form of proxy supplied to a nonregistered shareholder by its broker is identical to the form of proxy provided by Liberty to the registered shareholders. However, its purpose is limited to instructing the registered shareholder how to vote on behalf of the nonregistered shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the voting instruction forms or proxy forms to the nonregistered shareholders and asks the nonregistered shareholders to return the proxy of voting instruction forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. A nonregistered shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.

All references to Shareholders in this Circular, instrument of proxy and Notice of Meeting are to registered Shareholders unless specifically stated otherwise.

Voting

Common Shares represented by any properly executed proxy in the accompanying form will be voted for or against, or withheld from voting, as the case may be, on any ballot that may be called for in accordance with the instructions given by the Shareholder. **In the absence of such direction, such Common Shares will be voted in favour of the matters set out herein.**

The accompanying form of proxy confers discretionary authority on the persons named in it with respect to amendments or variations to matters identified in the notice of Meeting or other matters that may properly come before the Meeting. As of the date hereof, management of the Company is not aware of any such amendments, variations or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of management of the Company.

Record Date and Quorum

The Company has fixed the close of business on July 16, 2018 (the "**Record Date**") as the record date. 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 or any adjournments or postponements thereof. Persons registered on the books of the Company at the close of business on the Record Date and persons who are transferees of any Common Shares acquired after such record date and who have produced properly endorsed certificates evidencing such Common Shares or who otherwise establish ownership thereof and demand, not later than 10 days before the Meeting, that their names be included in the list of Shareholders, are entitled to vote at the Meeting.

The quorum for any meeting of shareholders is one or more persons present in person or by proxy.

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person who has been a director or an officer of the Company at any time since the beginning of its last completed financial year, no proposed nominee for election as a director of the Company nor any associate of any such director, director nominee or officer has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, except as disclosed in this Circular.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The authorized share capital of the Company consists of an unlimited number of Common Shares. As at the date hereof, there are 339,006,806 Common Shares issued and outstanding. Each Common Share entitles the holder thereof to one vote on all matters to be acted upon at the Meeting. The Company has fixed the close of business on July 16, 2018 as the Record Date.

To the knowledge of the directors and officers of the Company, as at the date of this Circular, no person or corporation beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the Common Shares, other than as set out below:

Name of Shareholder	Number of Common Shares ⁽¹⁾⁽²⁾	Percentage of Common Shares ⁽¹⁾⁽²⁾
Aphria Inc.	80,148,077	23.6%

- (1) The information as to Common Shares beneficially owned, controlled or directed, not being within the knowledge of the Company, has been obtained by the Company from publicly disclosed information and/or furnished by the shareholder. On February 5, 2018, it was announced that a group of buyers led by members of the Serruya family had entered into a purchase and sale agreement with Aphria Inc. (“Aphria”) to purchase all of the Common Shares in the Company owned by Aphria that are not subject to Canadian Securities Exchange (“CSE”) escrow requirements over the course of the next two and a half years
- (2) On a non-diluted basis.

PARTICULARS OF MATTERS TO BE ACTED UPON

To the knowledge of the board of directors of the Company (the “Board”), the only matters to be brought before the Meeting are those matters set forth in the accompanying Notice of Meeting.

1. Election of Directors

The Company’s articles provide that if the Company is a public company, the Board will consist of a minimum of three directors and the greater of three directors and the number most recently elected by ordinary resolution. The Board currently consists of five (5) directors.

At the Meeting, the Shareholders will be asked to consider, and, if thought fit, approve with or without variation a resolution re-electing the five current members of the Board as the directors of the Company, namely George Scorsis, Vic Neufeld, John Cervini, Aaron Serruya and Michael Galloro. It is intended that each of the directors will hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed, unless such office is earlier vacated in accordance with the provisions of the *Business Companies Act* (British Columbia) (the “BCBCA”). In order to be effective, this resolution requires the approval of not less than 50% of the votes cast by Shareholders represented at the Meeting in person or by proxy.

Shareholders have the option to (i) vote for all of the directors of the Company listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. **Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Company will be voted FOR the election of each of the proposed nominees set forth in the table below.**

Management has no reason to believe that any of the nominees will be unable to serve as a director. However, if any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy will be voted in favour of the remaining nominees, and may be voted in favour of a substitute nominee unless the Shareholder has specified in the proxy that the Common Shares represented thereby are to be withheld from voting in respect of the election of directors.

The following table states the name of each person nominated by management for election as directors, such person’s principal occupation or employment, period of service as a director of the Company, and the approximate number of voting securities of the Company that such person beneficially owns, or over which such person exercises direction or control:

Name and Municipality Residence	Principal Occupations For Last Five Years	Director of Liberty Since	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾
Vic Neufeld ⁽⁴⁾ Lakeshore, ON	Chief Executive Officer and Chair of the Board of Aphria	July 20, 2017	280,451 (0.08%)
John Cervini ⁽⁵⁾	Vice-President Infrastructure and	July 20, 2017	480,773 ⁽²⁾

Name and Municipality Residence	Principal Occupations For Last Five Years	Director of Liberty Since	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾
Leamington, ON	Technology, Chief Agronomist Officer of Aphria President of Cervini Farms California		(0.14%)
Aaron Serruya ⁽⁴⁾⁽⁵⁾ Toronto, ON	Managing Director, Serruya Private Equity	July 20, 2017	7,333,333 ⁽³⁾ (2.16)%
Michael Galloro ⁽⁴⁾⁽⁵⁾ Toronto, ON	Chartered Accountant; Director and Senior officer of several private and public companies	November 22, 2016	Nil
George Scorsis Toronto, ON	President of Mettrum Health Corp. President of Red Bull Canada	July 24, 2017	160,257 (0.04%)

Notes:

(1) Based on 339,006,806 Common Shares outstanding as of the date hereof.

(2) Mr. Cervini owns 240,386 Common Shares indirectly through Fulfill Holdings Inc., a company which he is the President and sole shareholder of, and exercises control over 240,386 Common Shares held by Deanne Cervini.

(3) Mr. Serruya owns 1,538,461 Common Shares directly and exercises control over an additional 5,689,102 Common Shares held by Fruzer Inc., a company which he is the President and sole shareholder of, and 105,769 Common Shares held by Samuel Serruya.

(4) Member of the Audit Committee.

(5) Member of the Compensation, Nomination and Governance Committee.

The following is a summary biography of each of the directors of Liberty:

Vic Neufeld

Chair of Board of Directors

Mr. Neufeld is the President and Chief Executive Officer of Aphria. Mr. Neufeld is the former CEO of Jamieson Laboratories ("Jamieson") Canada's largest manufacturer and distributor of natural vitamins, minerals, concentrated food supplements, herbs and botanical medicines. Mr. Neufeld brings 15 years of experience as a chartered accountant and partner with Ernst & Young and 21 years as CEO of Jamieson. During his tenure with Jamieson, the company went from \$20 million in annual sales to over \$250 million and expanded the company's distribution network to over 40 countries, building Jamieson to a globally recognized brand name. Mr. Neufeld, a native of Leamington, Ontario, earned a Bachelor's degree in Economics from Western University, Honours degree in business from the University of Windsor and an MBA from the University of Windsor. Mr. Neufeld is also a CPA.

John Cervini

Director

Mr. Cervini, Co-founder and Vice-President, Infrastructure & Technology and director of Aphria, is a fourth-generation greenhouse grower with hydroponic agricultural experience. Together with his father and brother, Mr. Cervini helped establish Lakeside Produce, one of North America's leading sales and marketing companies selling fresh produce from Canada to multinational retailers throughout North America. Mr. Cervini is a leading innovator in greenhouse growing technology and has also overseen greenhouse expansion to Carpinteria, California and Guadalajara, Mexico.

Aaron Serruya

Director

Mr. Serruya is the President of International Franchise Inc., home of global brands such as Yogen Früz®, Pinkberry® and Swensen's® Ice Cream with over 4,500 frozen yogurt and ice cream franchises in over 50 countries. Mr. Serruya has over three decades of experience in the retail franchising sector. In addition, he is a Managing Director at Serruya Private Equity and was involved, on an advisory level, with Coolbrands, Kahala Brands and Jamba Juice. Mr. Serruya currently sits on the Board of Directors of Blue Goose Capital Company.

Michael Galloro
Director

Mr. Galloro is an accomplished financial executive with over 20 years of experience. Mr. Galloro gained public markets experience engaged as a Vice President of Finance for a TSXV listed company operating in the payment processing industry. He then pursued a consulting career focused primarily on the small and mid-cap space working closely with emerging private and publicly listed companies operating globally assisting with financings, M&A, corporate structuring and go public transactions, both in Canada and the US. Michael earned his Chartered Professional Accountant, Chartered Accountant (CPA, CA) designation while working in the financial institutions practice for KPMG LLP and has his Honours Bachelor of Accounting (BAcc) Degree from Brock University.

George Scorsis
Chief Executive Officer and Director

Mr. Scorsis served as President of Red Bull Canada from July 2011 until October 2015 and was instrumental in restructuring the organization from a geographical and operational perspective, and growing the business to \$150 MM in revenue. In that role, he also worked closely with Health Canada on guidelines regulating the energy drink category. Most recently, Scorsis was with Mettrum Health Corp as President and was fundamental in shaping Mettrum™ & Mettrum Originals™. Under his leadership, the company was acquired for \$430 M.

Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of Liberty, no director or executive officer of Liberty, or shareholder holding a sufficient number of securities of Liberty to affect materially the control of the Company:

- (a) is, as at the date hereof, or has been, within the ten (10) years before the date hereof, a director or executive officer of any corporation that, while that person was acting in such capacity:
 - (i) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than thirty (30) consecutive days, that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (iii) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.
- (b) has, within the ten (10) years before the date hereof, become bankrupt, made a proposal under any legislation relating to the bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

To the knowledge of Liberty, no director or executive officer of Liberty, or a shareholder holding sufficient number of securities of Liberty to affect materially the control of Liberty, has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or

(b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

2. Appointment of Auditors

MNP LLP, Chartered Accountants (“MNP”) are the independent registered certified auditors of the Company. MNP was first appointed as auditor of the Company on October 3, 2016. Management of the Company intends to nominate MNP for reappointment as auditors of the Company.

Information about the fees paid to the auditors of the Company may be found in our most recent Annual Information Form under the heading “Audit Committee Information – External Auditor Service Fees”, which is available under the Company’s profile on SEDAR at www.sedar.com.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution to re-appoint MNP to serve as auditors of the Company until the next annual meeting of Shareholders and to authorize the directors of the Company to fix their remuneration as such. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

Unless the Shareholder has specifically instructed that his or her Common Shares are to be withheld from voting in connection with the appointment of MNP, the persons named in the accompanying proxy intend to vote FOR the re-appointment of MNP as the auditors of the Company to hold office until the next annual meeting of Shareholders or until a successor is appointed, and to authorize the Board to fix their remuneration.

3. Approval of Deferred Share Unit Plan

Subject to approval of the ordinary resolution, annexed hereto as Exhibit B, by the Shareholders at the Meeting, the Company will implement a deferred share unit plan (the “DSU Plan”) which will promote the interests of the Company by attracting and retaining qualified persons to serve as officers and directors Company and to afford such participants in the DSU Plan an opportunity to receive a portion of their compensation for serving as a director or officer of the Company in the form of securities of the Company. A copy of the DSU Plan is attached hereto as Schedule “B-1” to Exhibit “B”. Capitalized terms used herein in this section and not otherwise defined shall have the meanings given to them in the DSU Plan.

DSU Plan

The DSU Plan is intended to promote the interests of the Company by attracting and retaining qualified persons to serve on the Board and to service the Company and to afford such participants in the DSU Plan an opportunity to receive a portion of their compensation for serving as a director or officer of the Company in the form of securities of the Company. The DSU Plan will be a “rolling plan” with the Company authorized to issue such number of DSUs which is 10% of the issued and outstanding share capital at the date of grant, less the aggregate number of Common Shares reserved for issuance or issuable under any Share Compensation Arrangement.

The CNG Committee of the Board will administer the DSU Plan and determine which members of the Board and officers of the Company are eligible to participate (the “Participants”) and to whom awards of deferred share units (“DSUs”, each a “DSU”) will be made. Each existing or new member of the Board or certain officers may elect in writing, once each year, to be paid a percentage of his or her cash annual retainer or annual bonus, as applicable, in the form of DSUs, with the balance being paid in cash. If no election is made in respect of a particular fiscal year, the Participant will receive the cash annual retainer or annual bonus, as applicable, in cash.

The number of Deferred Share Units granted at any particular time pursuant to the DSU Plan will be calculated by: (a) in the case of an elected amount, by dividing (i) the dollar amount of the elected amount allocated to the participant by (ii) the Share Price of a Common Share on the applicable award date; or (b) in the case of a grant of Deferred Share Units by dividing (i) the dollar amount of such grant by (ii) the Share Price of a Common Share on the applicable grant date. “Share Price” at any date in respect of the Common Shares means the volume weighted average trading price of the Common Shares on the CSE for the five (5) trading days immediately preceding the applicable date.

Unless otherwise stated in an applicable Grant Agreement, all DSUs recorded in a Participant’s DSU notional account shall vest on the day of grant.

Dividend equivalents are awarded in respect of DSUs in a Participant's account on the same basis as if the Participant was a Shareholder on the relevant record date, and the dividend equivalents are credited to the Participant's account as additional DSUs (or fractions thereof).

The maximum number of Common Share issuable under the DSU Plan shall not exceed 10% of the then issued and outstanding Common Shares pursuant to the DSU Plan (together with any other share-based compensation arrangement of the Company, including the company's existing incentive stock option plan (the "**Stock Option Plan**")), and the aggregate value of DSUs awarded to non-executive directors within any one-year period under the DSU Plan together with all other security based compensation arrangements of the Company shall not exceed \$150,000 in value of equity per Participant. The maximum number of Common Shares issued to Insiders under the DSU Plan, or when combined with any other previously established or proposed share compensation arrangements, within any one-year period, may not exceed 10% of the outstanding value and the maximum number of Common Shares issuable to Insiders under the DSU Plan, or when combined with any other previously established or proposed share compensation arrangements, at any time, may not exceed 10% of the outstanding issue.

Upon a Participant ceasing to be a member of the Board or officer of the Company, he or she may by the 90th day following the date on which the Participant ceases to hold any position as a director of the Company or ceases to be an officer and employee of the Company (the "**Termination Date**"), elect to receive net of any applicable withholding taxes: (i) a cash payment equal to the number of DSUs credited to the Participant's account as of the Termination Date, multiplied by the Share Price of the Common Shares; (ii) Common Shares purchased on the Participant's behalf on the open market by a broker; or (iii) a combination thereof.

Notwithstanding the foregoing, the Company has the absolute discretion, subject to any necessary Shareholder and regulatory approvals, to issue to the Participant such number of Common Shares from treasury as equal the number of DSUs, net of the number of DSUs that would equal the applicable withholding taxes recorded in the Participant's account on the Termination Date. In the absence of the giving of a notice of redemption, the Participant will be deemed to have elected a cash payment. In the event of death of a Participant, no notice of redemption shall be required and the Company shall within one (1) calendar year in the case of a Participant, make a lump sum cash payment for the benefit of the trustee, administrator or other legal representative of the individual. The lump sum cash payment would be equivalent to the cash payment on the Termination Date.

Under no circumstances shall DSUs be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of common shares of the Company nor shall any Participant be considered a Shareholder by virtue of the award of DSUs.

The rights or interests of a Participant under the DSU Plan are not assignable or transferable, otherwise than by will or the laws governing the devolution of property in the event of death. Further, such rights or interests are not to be encumbered.

The Board may at any time, and from time to time, and **without** shareholder approval, amend any provision of the DSU Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:

- amendments to the termination provisions the DSU Plan;
- amendments necessary or advisable because of any change in application of securities laws;
- amendments to Section 4 relating to the administration of the DSU Plan; and,
- any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the CSE, including amendments of a "housekeeping" nature.

Notwithstanding the foregoing, none of the following amendments shall be made to the DSU Plan without approval by shareholders or disinterested shareholders (as applicable) by ordinary resolution:

- amendments to the DSU Plan which would increase the number of securities issuable under the DSU Plan, otherwise than in accordance with the terms of the DSU Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Company or its capital;
- amendments to the DSU Plan which would increase the number of securities issuable to Insiders, otherwise than in accordance with the terms of the DSU Plan;
- amendments permitting awards other than DSUs to be made under the DSU Plan;

- an amendment that would permit DSUs to be granted to persons other than Eligible Participants on a discretionary basis; and,
- amendments deleting or reducing the range of amendments which require shareholders' approval under the DSU Plan.

Any amendment shall not alter the terms or conditions of any DSU or impair any right of any holder of Deferred Share Units pursuant to any DSU granted prior to such amendment.

No amendment shall be made which prevents the DSU Plan from continuously meeting the requirements of paragraph 6801(d) of the Income Tax Regulations (Canada) or any successor provision thereto.

Vote Required

At the Meeting, Shareholders of the Company will be asked to consider, and if thought fit, approve a motion to approve the DSU Plan. The resolution (the "**DSU Plan Resolution**") which will be put forward to the Shareholders of the Company for approval at the Meeting is attached hereto as Appendix "B".

The Board recommends that Shareholders vote **FOR** the DSU Plan Resolution, as set out in Exhibit "B".

Unless specifically instructed to vote against the DSU Plan Resolution, the persons named in the form of proxy accompanying the Notice of Meeting intend to vote **FOR** the approval of the DSU Plan. In order to be effected, this ordinary resolution must be approved by a majority of the votes cast in respect thereof.

4. Other Matters

Management of the Company knows of no amendment, variation or other matter to come before the Meeting other than the matters referred to in the notice of meeting accompanying this Circular. However, if any other matter properly comes before the Meeting, valid forms of proxy will be voted on such matter in accordance with the best judgment of the persons voting the proxy.

STATEMENT OF EXECUTIVE COMPENSATION

Overview

The purpose of this Statement of Executive Compensation is to provide information about the Company's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company's named executive officers. For the purposes of this Circular, a named executive officer ("**NEO**") of the Company means each of the following individuals:

- a chief executive officer ("**CEO**") of the Company;
- a chief financial officer ("**CFO**") of the Company;
- in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000; and
- each individual who would be an NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of that financial year.

The Company's NEOs for the period ended February 28, 2018 are George Scorsis, Chief Executive Officer ("**CEO**") and Rene Gulliver, Chief Financial Officer.

The Compensation, Nominating and Governance Committee (the "**CNG Committee**"), in consultation with the CEO is responsible for reviewing, establishing and overseeing the compensation policies of the Company and compensation of the NEOs. Historically, the CEO has made recommendations to the CNG Committee with respect to the compensation of the NEOs, and the CNG Committee reviews such recommendations with a view to determining whether to recommend to the

Board any changes to the compensation for such senior executives. Moreover, the CNG Committee reviews, on an annual basis, the compensation of the CEO and makes recommendations to the Board in respect thereto.

Objectives of Compensation Program

The Company's executive compensation practices are based on a pay-for-performance philosophy that is designed to attract, motivate and retain high performing senior executives, encourage and reward superior performance, and align our executives' interests with those of the Company's shareholders by:

- Providing the opportunity for total direct compensation (base salary plus short-term target annual incentive plus target annual long-term equity-based incentive) that is competitive with the compensation received by senior executives employed at a reference group of comparable publicly-traded companies;
- Ensuring that a significant proportion of executive compensation is linked to the Company's financial and operational performance through the Company's variable compensation plan as well as effective risk management;
- Providing senior executives with long-term equity-based incentive plans, such as stock options, which also help to ensure that senior executives meet or exceed minimum share ownership requirements; and
- Exercising informed judgement in regard to the nature and criticality of the senior executive's role, as well as applying performance and market context to the comparator peer group data with input from the CEO to ensure the entirety of a senior executive's contribution is recognized.

In order to implement our compensation philosophy and achieve our objectives, we have adopted a number of governing compensation practices, including:

- Annual incentive awards subject to achievement of pre-established performance goals tied to financial objectives;
- Significant proportion of senior executives' total annual target compensation is considered to be "at-risk"; and
- Significant proportion of senior executives' total annual target compensation is in the form of stock options as part of the long-term incentive plan.

Compensation, Nominating and Governance Committee

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation and governance matters, the Board has established the CNG Committee. For more information on the CNG Committee see "*Corporate Governance – Board Committees – CNG committee*" on page 20 of this Circular.

The primary role of the CNG Committee is to carry out the Board's overall responsibility for executive compensation at the Company. Under its mandate, the CNG Committee is responsible for monitoring senior executives' performance assessment, succession planning and overall compensation. The CNG Committee is consulted in regard to the appointment of senior executives, including the terms and conditions of their appointment and termination, and reviews the evaluation of the performance of the Company's senior executives, and may make recommendations in respect thereto including recommending their compensation. The CNG Committee also oversees the existence of appropriate policies and compensation structures so that the Company can attract, motivate and retain senior executives who exhibit high standards of integrity, competence and performance. Finally, the CNG Committee is responsible for developing a compensation philosophy and objectives that reward the creation of shareholder value while reflecting an appropriate balance between the short-term and longer-term performance of the Company.

Liberty's compensation practices are designed to attract, motivate and retain high performing senior executives, encourage and reward superior performance and align our senior executives' interests with those of the Company's shareholders. We believe that the actual compensation our executives receive should have a direct connection to their contribution to the Company's financial performance and overall long-term success. Accordingly, our compensation program strongly links executive compensation to the actual performance of the company and aligns compensation with shareholder value by combining short and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives, and to align senior executives' incentives with shareholder value creation by having a significant proportion of each senior executive's total annual target compensation is considered to be "at-risk". Our senior executives' short-term incentive plan ("STIP") payout is conditional upon the attainment of or exceeding certain Company financial metrics, in particular annual

targets related to gross sales, EBITDA and gross profit as set forth in the budget. The Board also seeks to set company performance goals that reach across all business areas and include achievements in finance/business development and corporate development.

At the end of the most recently completed fiscal year, February 28, 2018, the CNG Committee was comprised of four directors, namely John Cervini, Michael Galloro and Aaron Serruya (the “**Independent Directors**”), of whom Messrs. Galloro and Serruya are considered independent within the meaning of NI 52-110. The CNG Committee members have all had executive or senior roles in corporations or professional firms and/or board positions where they were required to make or were involved in decisions and determinations related to executive compensation, and the Board believes that the CNG Committee collectively has the knowledge, experience and background required to fulfill its mandate. For more detail please refer to their respective biographies under “Particulars of Matters to be Acted Upon – 1. Election of Directors”, in this Circular.

Executive Compensation Components

The Company’s executive compensation program is comprised of fixed and variable components. The variable components include equity and non-equity incentive plans. Each compensation component has a different function, but all elements are designed to work in concert to maximize Company and individual performance and provide financial incentives to senior executives based on the level of achievement of specific operational and financial objectives.

The compensation of the NEOs includes three major elements: (a) base salary, (b) short-term incentive plan consisting of an annual, discretionary cash bonus, and (c) long-term equity incentives, consisting of stock options granted under the Option Plan and any other equity plan that may be approved by the Board. These three principal elements of compensation are described in more detail below.

Base Salary

The Compensation Committee and the Board approve the salary ranges for the NEOs. The base salary review for each NEO is based on assessment of factors such as current competitive market conditions, compensation levels and practices of similarly situated companies and particular skills, such as leadership ability and management effectiveness, experience, responsibility and proven or expected performance of the particular individual. The Company may consider comparative data for the Company’s peer group, which are accumulated from a number of external sources including independent consultants. The Company’s policy for determining salary for executive officers will be consistent with the administration of salaries for all other employees.

Annual Cash Bonus

The Company’s short-term incentive plan aims to enhance the link between pay and performance by:

- Aligning the financial interests and motivations of the Company’s senior executives and employees with the annual financial performance and returns of the Company;
- Motivating senior executives and employees to work towards common annual performance objectives; and
- Providing total cash compensation that is at or higher than the median of the Reference Group in cases where superior financial performance and returns in excess of target objectives are attained.

Annual bonuses are awarded based on qualitative and quantitative performance standards, and will reward performance of the named executive officer individually. The determination of a NEO’s performance may vary from year to year depending on economic conditions and conditions in the medical marijuana industry, and may be based on measures such as stock price performance, the meeting of financial targets against budget, the meeting of operational objectives and balance sheet performance.

Option-Based Compensation

Options may be granted to directors, management, employees and certain service providers as long-term incentives to align the individual’s interests with those of the Company. Options are awarded to directors and employees, including NEOs, at the Board’s discretion, on the recommendation of the CNG Committee. Decisions with respect to options granted are based upon the individual’s level of responsibility and their contribution towards the Company’s goals and objectives, and additionally may be awarded in recognition of the achievement of a particular goal or extraordinary service. The CNG Committee considers

outstanding options granted under the Stock Option Plan and held by management in determining whether to make any new grants of options, and the quantum or terms of any options grant.

Stock Option Plan

The Stock Option Plan is the Company's only securities-based compensation plan. The Stock Option Plan is a rolling plan with the Company authorized to issue that number of options which is 10% of the issued and outstanding share capital at the date of the grant of shares, less the aggregate number of shares reserved for issuance or issuable under any Share Compensation Arrangement (as defined in the Stock Option Plan). It was last approved by Shareholders on July 20, 2017. The following is a summary of the material terms of the Stock Option Plan:

Maximum Term of Options. As currently provided, the term of any options granted under the Plan is fixed by the board of directors and may not exceed 10 years from the date of grant. The options are non-assignable and non-transferable.

Exercise Price. The exercise price of options granted under the plan is determined by the board of directors, provided that the exercise price is not less than the price permitted by the CSE.

Amendment. The terms of an option may not be amended once issued under CSE requirements. If an option is cancelled prior to the expiry date, the Company shall not grant new options to the same person until thirty days have elapsed from the date of cancellation.

Vesting. Vesting, if any, and other terms and conditions relating to such options shall be determined by the board of directors of the Company or the CNG Committee from time to time and in accordance with CSE requirements.

Termination. As currently provided, any options granted pursuant to the plan will terminate generally within ninety days of the option holder ceasing to act as a director, officer, employee, management company or consultant of the Company or any of its affiliates, and within generally thirty days of the option holder ceasing to act as an employee engaged in investor relations activities, unless such cessation is on account of death. If such cessation is on account of death, the options terminate on the first anniversary of such cessation. If such cessation is on account of cause, or terminated by regulatory sanction or by reason of judicial order, the options terminate immediately. Options that have been cancelled or that have expired without having been exercised shall continue to be issuable under the plan. The plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision or exchange of the Company's shares.

Administration. The Stock Option Plan is administered by the Board or, if the Board so elects, by a committee, which committee shall consist of at least two board members, appointed by the board of directors.

Board Discretion. The Stock Option Plan provides that, generally, the number of Company shares subject to each option, the exercise price, the expiry time, the extent to which such option is exercisable, including vesting schedules, and other terms and conditions relating to such options shall be determined by the board of directors of the Company or the CNG Committee and in accordance with CSE requirements.

Director and NEO Compensation, Excluding Compensation Securities

The following table provides a summary of the compensation earned by the NEOs and directors for services rendered in all capacities during the fiscal period ended February 28, 2018.

Table of compensation excluding compensation securities							
Name and Principal Position	Fiscal period	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	All other compensation	Total compensation
George Scorsis ⁽¹⁾ <i>Chief Executive Officer and Director</i>	2018	\$193,977	\$30,000	NIL	\$9,263 ⁽³⁾	\$20,000 ⁽⁴⁾	\$253,240
	2017	-	-	-	-	-	-
Rene Gulliver ⁽²⁾ <i>Chief Financial Officer</i>	2018	\$212,154	\$25,000	NIL	\$10,200 ⁽³⁾	\$20,000 ⁽⁴⁾	\$267,354
	2017	-	-	-	-	-	-
Vic Neufeld <i>Director and Chair</i>	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
John Cervini <i>Director</i>	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
Michael Galloro <i>Director</i>	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-
Aaron Serruya <i>Director</i>	2018	-	-	-	-	-	-
	2017	-	-	-	-	-	-

Notes:

- (1) Mr. Scorsis was appointed as Chief Executive Officer on July 24, 2017. Mr. Neufeld did not receive any compensation in his role as a director.
- (2) Mr. Gulliver was appointed as Chief Financial Officer on July 20, 2017.
- (3) Car allowance.
- (4) One-time discretionary payment awarded by board.

Compensation Securities Table

The following table discloses the particulars of the option-based awards outstanding to NEOs and directors of the Company as at the date of this Circular, including awards granted before the most recently completed financial year.

Name and Position	Number of securities underlying unexercised options and percentage of class ⁽¹⁾	Date of issue or grant	Option Exercise Price	Closing price of underlying security on date of grant	Closing price of underlying security at year end	Option Expiration Date
George Scorsis <i>Chief Executive Officer and Director</i>	450,000 (0.13%)	July 25, 2017	\$0.624	\$0.624	\$1.22	July 24, 2022
	1,700,000 (0.50%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.22	Dec. 3, 2022
Rene Gulliver <i>Chief Financial Officer</i>	300,000 (0.09%)	July 25, 2017	\$0.624	\$0.624	\$1.22	July 24, 2022
	1,000,000 (0.29%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.22	Dec. 3, 2022
Vic Neufeld <i>Director and Chair</i>	350,000 (0.10%)	July 25, 2017	\$0.624	\$0.624	\$1.22	July 24, 2022
	1,500,000 (0.44%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.22	Dec. 3, 2022
John Cervini <i>Director</i>	200,000 (0.06%)	July 25, 2017	\$0.624	\$0.624	\$1.22	July 24, 2022
	1,000,000 (0.29%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.22	Dec. 3, 2022
Michael Galloro <i>Director</i>	100,000 (0.03%) ⁽²⁾	Feb. 17, 2017	\$1.20	\$1.20	\$1.22	July 20, 2018
	100,000 (0.03%)	Oct. 20, 2017	\$1.07	\$1.07	\$1.22	Oct. 20, 2022
	1,000,000 (0.29%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.22	Dec. 3, 2022
Aaron Serruya <i>Director</i>	100,000 (0.03%)	July 25, 2017	\$0.624	\$0.624	\$1.22	July 24, 2022
	1,000,000 (0.29%)	Dec. 3, 2017	\$1.62	\$1.62	\$1.22	Dec. 3, 2022

Notes:

- (1) Percentage based on 339,006,806 Common Shares issued and outstanding as at the date of this Circular.
- (2) Options were granted to a wholly-owned holding Company of Mr. Galloro by predecessor entity to the Company, SecureCom Mobile Inc. ("SecureCom"). Numbers shown reflect 3 to 1 consolidation of SecureCom's common shares and options, and adjustment of exercise price.

Exercise of Stock Options by NEOs and Directors

The following table sets forth information concerning the exercise of options by NEOs and directors during the fiscal year ended February 28, 2018.

Name and Position	Number of underlying securities exercised (#)	Exercise Price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
George Scorsis <i>Chief Executive Officer and Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Rene Gulliver <i>Chief Financial Officer</i>	N/A	N/A	N/A	N/A	N/A	N/A
Vic Neufeld <i>Director and Chair</i>	N/A	N/A	N/A	N/A	N/A	N/A
John Cervini <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Michael Galloro <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A
Aaron Serruya <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A

Securities Authorized for Issuance Under Equity Compensation Plans

The following table sets forth information in respect of the Company's equity compensation plans under which equity securities of the Company are authorized for issuance, aggregated in accordance with all equity plans previously approved by the Shareholders and all equity plans not approved by Shareholders as at February 28, 2018:

Plan Category	Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights (#)	Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)
Equity compensation plans approved by securityholders ⁽¹⁾	9,999,832	1.43	23,900,849 ⁽²⁾
Equity compensation plans not approved by securityholders	Nil	N/A	Nil
Total	9,999,832	1.43	23,900,849⁽²⁾

Notes:

- (1) The Company's only equity compensation plan is the Stock Option Plan, a "rolling" stock option plan. The number of Common Shares that may be reserved for issuance pursuant to the Stock Option Plan is limited to 10% of the issued and outstanding Common Shares on the date of any grant of options thereunder.
- (2) Based on a total of 339,006,806 Common Shares issued and outstanding as the date of this Circular.

Employment Agreements

The following is a description of material provisions of the employment agreements of executive officers of the Company. For purposes of the employment agreements referred to herein, a "change of control" means: (i) the sale by the Company of all or substantially all of its assets; (ii) any consolidation, merger, reorganization, restructuring, amalgamation or other transaction involving the Company that results in 50% or more of the aggregate voting power being acquired by another entity, provided that no change of control event shall be deemed to have occurred if upon completion of any such transaction individuals who were members of the Board immediately prior to the effective date of such transaction constitute a majority of the board of directors of the resulting issuer following such effective date; (iii) the passing of a resolution by the Board or shareholders of the Company to substantially liquidate the assets of the Company or wind up the Company's business or significantly rearrange its

affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Company in circumstances where the business of the Company is continued and the shareholdings remain substantially the same following the re-arrangement); or (iv) the circumstance in which individuals who were members of the Board immediately prior to a meeting of the shareholders of the Company involving a contest for the election of directors no longer constitute a majority of the Board following such election.

If an executive officer's employment is terminated within 24 months following a change of control, then such executive officer shall be entitled to a severance payment as described below.

George Scorsis (Chief Executive Officer)

The Company has entered into an employment agreement with Mr. Scorsis. Under the terms of this agreement, Mr. Scorsis is entitled to a base annual salary of \$250,000, and is eligible for a cash performance bonus of up to 30% of his base salary based on the achievement of performance objectives as may be established from time to time by the board of directors of the Company. Mr. Scorsis also received 450,000 options, expiring on July 24, 2022, vesting one-third on the date of grant, July 25, 2017, and one-third on the first and second anniversary thereafter.

If the Company terminates his employment without cause, it is obligated to pay Mr. Scorsis (i) six months' salary, plus one month per completed year of service with the Company, up to a maximum of 12 months' salary (the "**Severance Amount**"); (ii) the bonus amount, if any, awarded for the fiscal year ending prior to the fiscal year in which his employment is terminated (to the extent not already paid) (the "**Prior Year's Bonus**"); (iii) any pro-rated bonus amounts earned in respect of the fiscal year in which his employment is terminated; and (iv) any other amounts earned by or payable to Mr. Scorsis in respect of prior periods, to the extent such amounts have not yet been paid as of the date of termination. In the event that his employment is terminated due to a change of control, in lieu of the Severance Amount and the Prior Year's Bonus, Mr. Scorsis is entitled to receive an amount equal to two times the Severance Amount. In accordance with the Company's Stock Option Plan, upon termination without cause, Mr. Scorsis would have the right for a period of 12 months to exercise any options then held by him (subject to earlier expiry of the options in accordance with their terms), after which period, any unexercised options would be terminated.

Rene Gulliver (Chief Financial Officer)

The Company has entered into an employment agreement with Mr. Gulliver. Under the terms of this agreement, Mr. Gulliver is entitled to a base annual salary of \$175,000 for the first six months and \$250,000 per annum thereafter, and is eligible for a cash performance bonus of up to 25% of his base salary based on the achievement of performance objectives as may be established from time to time by the board of directors of the Company. Mr. Gulliver also received 300,000 options, expiring on July 24, 2022, vesting one-third on the date of grant, July 25, 2017, and one-third on the first and second anniversary thereafter.

If the Company terminates his employment without cause, it is obligated to pay Mr. Gulliver (i) the Severance Amount; (ii) the Prior Year's Bonus; (iii) any pro-rated bonus amounts earned in respect of the fiscal year in which his employment is terminated; and (iv) any other amounts earned by or payable to Mr. Gulliver in respect of prior periods, to the extent such amounts have not yet been paid as of the date of termination. In the event that his employment is terminated due to a change of control, in lieu of the Severance Amount and the Prior Year's Bonus, Mr. Gulliver is entitled to receive an amount equal to two times the Severance Amount. In accordance with the Company's Stock Option Plan, upon termination without cause, Mr. Gulliver would have the right for a period of 12 months to exercise any options then held by him (subject to earlier expiry of the options in accordance with their terms), after which period, any unexercised options would be terminated.

Pension Plan Benefits, Termination and Change of Control Benefits

The Company has no pension or retirement plan. The Company has not provided compensation, monetary or otherwise to any person who now acts as a NEO of the Company, in connection with or related to the retirement, termination or resignation of such person and the Company has provided no compensation to such persons as a result of a change of control of the Company, its subsidiaries or affiliates. Other than as may be provided pursuant to the employment agreements with George Scorsis or Rene Gulliver, each as described herein, the Company is not party to any compensation plan or arrangement with NEOs resulting from the resignation, retirement or the termination of employment of any person. The NEOs have "double trigger" Change of Control provisions in their applicable employment agreements, meaning that an event of termination is also required in a Change of Control to trigger a severance payment.

Compensation Risk Considerations

The Compensation Committee is responsible for considering, establishing and reviewing executive compensation programs, and whether the programs encourage unnecessary or excessive risk taking. The Company anticipates the programs will be balanced and will not motivate unnecessary or excessive risk taking. The Company does not currently have a policy that restricts directors or NEOs from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity. However, to the knowledge of the Company, as of the date of hereof, no director or NEO of the Company has participated in the purchase of such financial instruments.

Base salaries are fixed in amount and do not encourage risk taking. While annual incentive awards will focus on the achievement of short-term or annual goals and short-term goals may encourage the taking of short-term risks at the expense of long-term results, the Company's annual incentive award program will represent a small percentage of employees' compensation opportunities.

Stock option awards are important to further align employees' interests with those of the Shareholders. The ultimate value of the awards is tied to the price of the Common Shares and since awards are expected to be staggered and subject to long-term vesting schedules, they will help ensure that NEOs have significant value tied in long-term stock price performance.

Compensation of Directors

The Company's director compensation program is designed (i) to attract and retain highly qualified individuals to serve on the Board and its committees, (ii) to align the interests of the directors with the long-term interests of the Company's shareholders, and (iii) to provide appropriate compensation having regard to the risks and responsibilities related to being an effective director.

The compensation of the directors, which is only paid to Independent Directors, includes: (a) annual retainer and committee fees, as applicable; and, (b) stock option grants under the Stock Option Plan. To date, no fees have been paid to directors. If the DSU Plan is approved at the Meeting, directors may be paid in DSUs going forward.

INDEBTEDNESS OF DIRECTORS AND OFFICERS

None of the current or proposed directors or officers of the Company, nor any affiliate or associate of the current or proposed directors or officers of the Company, is or was indebted to the Company (or to another entity which is the subject of a guarantee support agreement, letter of credit, or other similar arrangement or undertaking provided by the Company) entered into in connection with a Purchase of securities or otherwise per item 10.1 of National Instrument 51-102F5 – *Information Circular*, at any time since its incorporation.

CORPORATE GOVERNANCE

National Policy 58-201 – *Corporate Governance Guidelines* ("NP 58-201") of the Canadian Securities Administrators sets out a series of guidelines for effective corporate governance (the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance.

The Board and management believe that sound and effective corporate governance is essential to Liberty's performance. Liberty has adopted certain practices and procedures to ensure that effective corporate governance practices are followed and that the Board functions independently of management. In addition, the CNG Committee reviews the Company's corporate governance practices and procedures on a regular basis to ensure that they address significant issues of corporate governance. To comply with these various standards and achieve best practices, we have adopted comprehensive corporate governance policies and procedures. Our key policies and documents include the following:

- Mandate of the Board
- Charters of the Board Committees

- Audit Committee
- CNG Committee
- Code of Conduct and Ethics
- Whistleblower Policy
- Corporate Disclosure Policy
- Insider Trading Policy
- Delegation of Authority Policy

The following sections set out a description of Liberty corporate governance practices as approved by the Board and in accordance with the requirements set forth in NI 58-101.

Board of Directors

Independence

NI 58-101 defines an “independent director” as a director who has no direct or indirect material relationship with the Company. A “material relationship” is in turn defined as a relationship which could, in the view of the Board, be reasonably expected to interfere with such member’s independent judgment.

The Board is currently comprised of five members, two of whom the Board has determined to be “independent directors” within the meaning of NI 58-101. Michael Galloro and Aaron Serruya are considered independent directors within the meaning of NI 58-101 since they are each independent of management and free from any material relationship with the Company. The basis for this determination is that, since the date of incorporation of the Company, none of the independent directors have worked for the Company, received remuneration from the Company or had material contracts with or material interests in the Company which could interfere with their ability to act with a view to the best interests of the Company. George Scorsis is not considered an independent director because he is also an officer of the Company. Neither Vic Neufeld nor John Cervini is considered independent directors as they are officers of Aphria, which is a principal shareholder of the Company.

The Board functions independently of management. To enhance its ability to act independent of management, the Board may in the future meet in the absence of members of management or may excuse such persons from all or a portion of any meeting where an actual or potential conflict of interest arises or where the Board otherwise determines is appropriate.

Common board memberships

The board has not adopted a policy limiting the number of directors who sit on the board of another public company but believes disclosure of common board memberships is important, See: “*Statement of Corporate Governance Practices - Other Public Company Directorships Held*”.

Meetings of independent directors

Our Board believes that given its size and structure, it is able to facilitate independent judgment in carrying out its responsibilities. However, to further enhance such independent judgment, the Independent Directors may meet in the absence of senior executive officers or any non-independent directors.

Meetings

During the fiscal year ended February 28, 2018, the Board and the committees met as follows

	Meetings held
Board	8
Audit Committee	2
CNG Committee	1

Attendance

The attendance record of each director is set out below:

Director	Board meetings attended	Audit committee meetings attended	CNG committee meetings attended
Vic Neufeld	8	N/A	1
George Scorsis	8	N/A	N/A
John Cervini	8	2	N/A
Michael Galloro	8	2	1
Aaron Serruya	8	2	1

Chairman of the Board

Mr. Neufeld, serve as Chairman of the Board (the “**Chairman**”), and is not considered independent due to his position as CEO. The primary functions of the Chairman are to facilitate the operations and deliberations of the Board and the satisfaction of the Board's responsibilities under its mandate. The Chair's key responsibilities include duties relating to setting Board meeting agendas, chairing Board and Shareholder meetings, director development, providing input on potential director candidates and communicating with Shareholders and regulators.

Other public company directorships held

The following table sets out the directors and officers of the Company that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name of director, officer or promoter	Name and jurisdiction of reporting issuer	Name of exchange	Position	Period
Vic Neufeld	Reko International Group Inc.	TSX-V	Director	Dec. 2004 – Dec. 2016
	Neptune Technologies & Bioresources Inc.	TSX	Director	July 12, 2016 – Aug. 2017
	Aphria Inc.	TSX	Chief Executive Officer and Chair of the Board	Dec. 2014 - Present
John Cervini	Aphria Inc.	TSX	VP – Infrastructure and Technology, Chief Agronomist Officer	Dec. 2014 - Present
Rene Gulliver	Dream Global Real Estate Investment Trust	TSX	Chief Financial Officer	Jan. 2013 to June 2016
Michael Galloro	Eviana Health Corporation	CSE	Director	Aug. 2017 to Present
	Sustainco Inc.	TSXV	Director	Mar. 2012 to Present
	Yangaroo Inc.	TSXV	Chief Financial Officer	Dec. 2010 to Present
	Goldstream Minerals Inc.	TSXV	Director	Sep. 2012 to Present
	Black Sparrow Capital Corp.	TSXV	CEO, CFO and Director	Nov. 2011 to Jan. 2015
	Agrimenco Corp.	TSXV	CFO and Director	Mar. 2011 to July 2014
	Mahdia Gold Corp.	CNSX	Chief Financial Officer	Sep. 2012 to July 2014
	Organic Potash Corp.	CNSX	Director	Aug. 2011 to Oct. 2015
	Alberta Oilsands Inc.	TSXV	Interim CFO	July 2012 to Feb. 2016
	Delvaco Residential Properties Corp.	TSXV	Chief Financial Officer	Jan. 2014 to July 2016
Santa Maria Petroleum Inc.	TSXV	Director	May 2014 to Dec. 2016	
Aaron Serruya	The Second Cup Ltd.	TSX	Director	Aug. 2017 to Present

Board Tenure

Liberty has not adopted a policy which imposes term limits for directors. We believe that it is crucial that directors understand our industry and our business and this requires a certain length of tenure on the Board. Long-term directors accumulate extensive company knowledge while new directors bring new experience and perspectives to the Board. It is important to achieve an appropriate balance of both to ensure an effective Board.

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new Board members, it is expected that sufficient information (such as recent financial statements and various other operating and budget reports) will be provided to all new Board members to ensure that new directors are familiarized with the Company's business and the procedures of the Board. In addition, new directors will be encouraged to visit and meet with management on a regular basis. The Company will also encourage continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company. The Board's continuing education will also consist of correspondence with the Company's legal counsel to remain up to date with developments in relevant corporate and securities law matters.

Nomination of Directors

Responsibility for identifying new candidates to join the Board belongs to the Board as a whole. The Board encourages all directors to participate in the process of identifying and recruiting new candidates. The CNG Committee has the responsibility of making recommendations to the Board with respect to the new nominees and for assessing directors on an on-going basis. While there are no specific criteria for Board membership, the Company will seek to attract and retain directors with business knowledge and a particular expertise in mineral exploration and development or other areas of specialized knowledge (such as finance) which will assist in guiding the officers of the Company. The members of the Nominating and Corporate Governance Committee are currently Vic Neufeld, Michael Galloro and Aaron Serruya. Mr. Galloro and Mr. Serruya are independent directors within the meaning of NI 58-101.

Ethical Business Conduct

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

Under corporate legislation, a director is required to act honestly and in good faith with a view to the best interests of the Company and to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. In addition, as some of the directors and proposed directors of the Company also serve as directors and officers of other companies engaged in similar business activities, directors must comply with the conflict of interest provisions of the BCBCA, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest.

Any interested director will be required to declare the nature and extent of his or her interest, and will not be entitled to vote at meetings of directors at which matters that give rise to such a conflict of interest are considered.

Board Committees

The Board has two committees, Audit Committee and the CNG Committee (each alternatively a "**Committee**" and collectively, the "**Committees**").

The CNG Committee shall review with the Board on an annual basis the current composition of the Board with a view to ensuring that the members of the Board have the independence, expertise, experience, personal qualities and ability to make the necessary time commitment to Liberty in light of the opportunities and risks facing Liberty.

The CNG Committee shall propose to the Board nominees they believe to be qualified to be directors and, in doing so, shall consider both the opportunities and risks facing Liberty and the independence, expertise, experience, personal qualities and ability to make the necessary time commitment of a proposed nominee in order to add value to Liberty.

Audit Committee

The Audit Committee is responsible for monitoring the Company's accounting and financial reporting practices and procedures, the adequacy of internal accounting controls and procedures, the quality and integrity of financial statements

and for directing the auditors’ examination of specific areas. The members of the Audit Committee are Vic Neufeld, Michael Galloro and Aaron Serruya. Mr. Galloro and Mr. Serruya are “independent” directors as defined in National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Each member of the Audit Committee is considered to be “financially literate” within the meaning of NI 52-110, which includes the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the Company’s financial statements. The full text of the charter of the Audit Committee (the “**Audit Committee Charter**”) is attached as Appendix “A”. The relevant education and experience of each of the members of the Audit Committee is described in their respective biographies under “Particulars of Matters to be Acted Upon – 1. Election of Directors”, in this Circular.

Since the commencement of the Company’s most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor which was not adopted by the Board.

The Audit Committee is required to pre-approve all audit and non-audit services not prohibited by law to be provided by the independent auditors of the Company.

The Audit Committee has the primary function of fulfilling its responsibilities in relation to reviewing the integrity of Liberty’s financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring Liberty’s compliance with legal and regulatory requirements, selecting the external auditor for shareholder approval; reviewing the qualifications, independence and performance of the external auditor; and reviewing the qualifications, independence and performance of Liberty’s internal auditors, if any. The Audit Committee has specific responsibilities relating to Liberty’s financial reports; the external auditor; the internal audit function, if any; internal controls; regulatory reports and returns; legal or compliance matters that have a material impact on Liberty; and Liberty’s whistleblowing procedures. In fulfilling its responsibilities, the Audit Committee meets regularly with the internal and external auditor and key management members.

The following table sets forth, by category, the fees (including estimates, but excluding disbursements) for all services rendered by the Company’s external auditors, MNP LLP, for the period ending February 28, 2018.

	Period Ended February 28, 2018
Audit Fees ⁽¹⁾	\$100,000
Audit Related Fees ⁽²⁾	\$65,000
Tax Fees ⁽³⁾	\$15,000
All Other Fees	\$-

Notes:

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

Since the Company is a “venture issuer” pursuant to NI 52-110, it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

CNG Committee

The fiscal 2018 CNG Committee consisted of Vic Neufeld, Michael Galloro and Aaron Serruya. Mr. Galloro and Mr. Serruya are “independent” directors as defined NI 52-110. The CNG Committee is charged with reviewing, overseeing and evaluating the governance and nominating policies and the compensation policies of Liberty. In addition, the CNG Committee is responsible for: (i) assessing the effectiveness of the Board, each of its committees and individual directors; (ii) overseeing the recruitment and selection of candidates as directors of the Company; (iii) organizing orientation and education programs for new directors and coordinating continuing director development programs; (iv) considering and approving proposals by the directors to engage outside advisers on behalf of the Board as a whole or on behalf of the

independent directors; (v) reviewing and making recommendations to the Board concerning any change in the number of directors composing the Board; (vi) administering any stock option or purchase plan of the Company or any other compensation incentive programs; (vii) assessing the performance of the officers and other members of the executive management team of the Company; and (viii) reviewing and making recommendations to the Board concerning the level and nature of the compensation payable, if any, to the directors and officers of the Company

Assessments

The Board will consider the Board and committee performance from time to time, as required.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Since the Company's incorporation, no director, executive officer, or Shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associates or affiliates or such persons, has or has had any material interest, direct or indirect, in any transaction or in any proposed transaction that has materially affected or is reasonably expected to materially affect the Company.

MANAGEMENT CONTRACTS

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

ADDITIONAL INFORMATION

The Company will provide to any shareholder, upon written request to the Chairman of the Company at 35 McCaul Street, 2nd Floor, Toronto, Ontario M5T 1V7, telephone: (647) 709-0244, a copy of:

- (a) the audited financial statements of the Company for its most recently completed financial period, together with the management's discussion and analysis of such financial results and the auditor's report thereon, and one copy of any interim financial statements subsequent to the financial statements of the Company that have been filed for any period after the end of its most recently completed financial period; and
- (b) this Circular.

Additional information relating to the Company is available on SEDAR at www.sedar.com. Financial information about the Company may be found in the Company's consolidated financial statements and management's discussion and analysis for its most recently completed financial period.

APPROVAL

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

DATED this 18th day of July, 2018.

BY ORDER OF THE BOARD OF DIRECTORS

"George Scorsis"

George Scorsis
Chief Executive Officer

APPENDIX "A" – AUDIT COMMITTEE CHARTER

LIBERTY HEALTH SCIENCES INC. (the "Company")

AUDIT COMMITTEE CHARTER

1. Purpose

1.1. The audit committee of the Company (the "**Committee**") is ultimately responsible for the policies and practices relating to integrity of financial and regulatory reporting, as well as internal controls to achieve the objectives of safeguarding of corporate assets; reliability of information; and compliance with policies and laws. Within this mandate, the Committee's role is to:

(a) support the Board of Directors in meeting its responsibilities to shareholders; (b)

enhance the independence of the external auditor;

(c) facilitate effective communications between management and the external auditor and provide a link between the external auditor and the Board of Directors; and

(d) increase the credibility and objectivity of the Company's financial reports and public disclosure.

1.2. The Committee will make recommendations to the Board of Directors regarding items relating to financial and regulatory reporting and the system of internal controls following the execution of the Committee's responsibilities as described herein.

1.3. The Committee will undertake those specific duties and responsibilities listed below and such other duties as the Board of Directors from time to time prescribe.

2. Membership

2.1. Each member of the Committee must be a director of the Company.

2.2. The Committee will consist of at least three members, the majority of whom are neither officers nor employees nor control persons of the Company or any of its associates or affiliates in accordance with applicable corporate and securities laws and applicable stock exchange rules and policies.

2.3. Board of Directors, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board of Directors may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

2.4. Unless the Board of Directors shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

2.5. The Committee's composition shall meet all independence, legal and regulatory requirements.

3. Authority

3.1. In addition to all authority required to carry out the duties and responsibilities included in this charter, the Committee has specific authority to:

(a) engage, and set and pay the compensation for, independent counsel and other advisors as it determines necessary to carry out its duties and responsibilities;

(b) communicate directly with management and any internal auditor, and with the external auditor

without management involvement, including for non-audit services; and

- (c) approve interim and annual financial statements and MD&A for recommendation of the same to the Board of Directors.

3.2. The Committee shall have access to such officers and employees of the Company and to the Company's external auditors, and to such information respecting the Company, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

4. Duties and Responsibilities

4.1. The overall duties and responsibilities of the Committee shall be as follows:

- (a) to assist the Board in the discharge of its responsibilities relating to the Company's accounting principles, reporting practices and internal controls and its approval of the Company's annual and quarterly consolidated financial statements and related financial disclosure;
- (b) to establish and maintain a direct line of communication with the Company's internal and external auditors and assess their performance;
- (c) to ensure that the management of the Company has designed, implemented and is maintaining an effective system of internal financial controls; and
- (d) to report regularly to the Board on the fulfillment of its duties and responsibilities.

4.2. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

- (a) to recommend to the Board a firm of external auditors to be engaged by the Company, and to verify the independence of such external auditors;
- (b) to review and approve the fee, scope and timing of the audit and other related services rendered by the external auditors;
- (c) to review the audit plan of the external auditors prior to the commencement of the audit; (d) to

review with the external auditors, upon completion of their audit:

- (i) contents of their report;
 - (ii) scope and quality of the audit work performed;
 - (iii) adequacy of the Company's financial and auditing personnel;
 - (iv) co-operation received from the Company's personnel during the audit; (v) internal resources used;
 - (vi) significant transactions outside of the normal business of the Company;
 - (vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and
 - (viii) the non-audit services provided by the external auditors;
- (e) to discuss with the external auditors the quality and not just the acceptability of the Company's accounting principles; and

- (f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

4.3. The duties and responsibilities of the Committee as they relate to the Company's internal auditors are to:

- (a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;
- (b) review and approve the internal audit plan; and
- (c) review significant internal audit findings and recommendations, and management's response thereto.

4.4. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Company are to:

- (a) review the appropriateness and effectiveness of the Company's policies and business practices which impact on the financial integrity of the Company, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;
- (b) review compliance under the Company's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;
- (c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Company; and
- (d) periodically review the Company's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

4.5. The Committee is also charged with the responsibility to:

- (a) review the Company's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;
- (b) review and approve the financial sections of: (i) the annual report to shareholders;
- (ii) the annual information form;
- (iii) annual and interim management's discussion and analysis; (iv) prospectuses;
- (v) news releases discussing financial results of the Company; and
- (vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;
- (c) review regulatory filings and decisions as they relate to the Company's consolidated financial statements;
- (d) review the appropriateness of the policies and procedures used in the preparation of the Company's

consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

- (e) review and report on the integrity of the Company's consolidated financial statements; (f) review the minutes of any Committee meeting of subsidiary companies;
- (g) review with management, the external auditors and, if necessary, with legal counsel, any litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Company and the manner in which such matters have been disclosed in the consolidated financial statements;
- (h) review the Company's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information;
- (i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board following each annual general meeting of shareholders; and
- (j) evaluate, annually, the adequacy of this Charter and recommend any proposed changes to the Board.

5. Meetings

- 5.1. The quorum for a meeting of the Committee is a majority of the members of the Committee who are not officers or employees of the Company or of an affiliate of the Company, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and hear each other.
- 5.2. The members of the Committee may determine their own procedures.
- 5.3. The Committee may establish its own schedule that it will provide to the Board of Directors in advance.
- 5.4. The external auditor is entitled to receive reasonable notice of every meeting of the Committee and to attend and be heard thereat.
- 5.5. A member of the Committee or the external auditor may call a meeting of the Committee.
- 5.6. The Committee will meet separately with the President and separately with the Chief Financial Officer of the Company at least annually to review the financial affairs of the Company.
- 5.7. The Committee will meet with the external auditor of the Company at least once each year, at such time(s) as it deems appropriate, to review the external auditor's examination and report.
- 5.8. The chair of the Committee must convene a meeting of the Committee at the request of the external auditor, to consider any matter that the auditor believes should be brought to the attention of the Board of Directors or the shareholders.

6. Reports

- 6.1. The Committee will record its recommendations to the Board in written form which will be incorporated as a part of the minutes of the Board of Directors' meeting at which those recommendations are presented.

7. Minutes

- 7.1. The Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board of Directors.

APPENDIX “B” – DSU PLAN RESOLUTION AND DSU PLAN

RESOLUTION APPROVING THE DEFERRED SHARE UNIT PLAN OF THE COMPANY

BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. the Deferred Share Unit Plan of the Company (the “**DSU Plan**”) as set out in Schedule “B-1” to Appendix “B” of the Management Information Circular of the Company dated July ●, 2018 prepared for the purpose of the annual and special meeting of shareholders held on August 16, 2018, be and is hereby approved, ratified, sanctioned and confirmed;
2. the total number of deferred share units issuable pursuant to the DSU Plan, together with all other share based compensation of the Company shall be fixed at 10% of the issued shares outstanding at the time of any option or deferred share unit grant, subject to adjustment as set forth in either plan, and further subject to the applicable rules and regulations of all regulatory authorities to which the Company is subject, including the CSE;
3. the Company be authorized to grant deferred share units pursuant to and subject to the terms and conditions of the DSU Plan;
4. any officer or director of the Company be, and each is hereby, authorized and directed, for and on behalf of the Company, to sign and execute all documents, to conclude any agreements and to do and perform all acts and things deemed necessary or advisable in order to give effect to this resolution; and
5. the Board of Directors of the Company be, and it is hereby, authorized to cause all measures to be taken, such further agreements to be entered into and such further documents to be executed as may be deemed necessary or advisable to give effect to and fully carry out the intent of this resolution.

APPENDIX "B"
SCHEDULE "B-1"
DSU PLAN

See attached

LIBERTY HEALTH SCIENCES INC.
DEFERRED SHARE UNIT PLAN

Section 1 Purpose of the Plan.

The purpose of the Plan is to advance the interests of the Corporation by: (i) providing eligible persons with additional incentive; (ii) encouraging stock ownership by such eligible persons; (iii) increasing the proprietary interest of eligible persons in the success of the Corporation; (iv) encouraging eligible persons to remain with the Corporation; and (v) attracting new directors, employees and officers.

Section 2 Definitions.

As used in the Plan, the following terms have the following respective meanings:

“Account” means an account maintained for each Participant on the books of the Corporation which will be credited with Deferred Share Units and Dividend Equivalents, in accordance with the terms of the Plan.

“Affiliate” has the meaning ascribed to that term under section 1(2) of the *Securities Act* (Ontario), as now in effect, or such other meaning, and shall include such other entities, as may be determined by the Board.

“Annual Board Retainer” means the annual retainer paid by the Corporation to a director in a fiscal year for service on the Board, together with Board committee fees, attendance fees and additional fees and retainers to committee chairs.

“Annual Bonus” means the discretionary annual bonus paid by the Corporation to an officer in a fiscal year for service to the Corporation.

“Board” means the Board of Directors of the Corporation.

“Broker” means a broker independent from the Corporation or any of its subsidiaries who has been designated by the Corporation as the broker that will purchase Common Shares pursuant to the Plan and who is a member of the principal Canadian stock exchange or other public exchange on which the Common Shares are listed.

“Committee” means the Compensation, Nominating and Governance Committee of the Board.

“Common Shares” means the common shares of the Corporation.

“Corporation” means Liberty Health Sciences Inc.

“CSE” means the Canadian Securities Exchange.

“Deferred Share Unit” means a bookkeeping entry equivalent in value to a Common Share credited to a Participant’s Account in accordance with the terms of the Plan.

“Dividend Equivalent” means a bookkeeping entry equivalent in value to a dividend paid on a Common Share credited to a Participant’s Account in accordance with Section 11 of the Plan.

“Final Payment” has the meaning ascribed to that term in Section 10 of the Plan.

“Grant Agreement” means an agreement between the Corporation and a Participant under which a Deferred Share Unit is granted, substantially in the form attached hereto as Schedule “A”, as each may be amended from time to time;

“Insider” means a “reporting insider” as defined in National Instrument 55-104 *-Insider Reporting Requirements and Exemptions*;

“Non-Executive Director” means a member of the Board who is not an officer or employee of the Corporation or of any of its Affiliates.

“Notice of Redemption” means written notice, substantially in the form attached hereto as Schedule “D”, by the Participant, or the administrator or liquidator of the estate of the Participant, to the Corporation of the Participant’s wish to redeem his Deferred Share Units for cash or Common Shares of the Corporation.

“Participant” means a director or officer of the Corporation who is designated by the Committee as eligible to participate in the Plan.

“Plan” means this Liberty Health Sciences Inc. Deferred Share Unit Plan as set forth herein and as may be amended from time to time.

“Share Price” means the volume weighted average trading price of the Common Shares on the CSE for the five (5) consecutive trading days immediately preceding the applicable date.

“Termination Date” means the date upon which a Participant ceases to be a director, officer, and, if applicable, an employee of the Corporation and all Affiliates, for any reason including, without limiting the generality of the foregoing, as a result of retirement, death, voluntary or involuntary termination without cause, or permanent disability.

Words importing the singular number only shall include the plural and vice versa and words importing the masculine shall include the feminine.

Section 3 Deferred Share Units Subject to the Plan.

- (1) At such time as the Common Shares are listed on the CSE, the aggregate number of Common Shares issuable under this Plan, and under all other security based compensation arrangements of the Corporation, shall not exceed 10% of the total number of Common Shares issued and outstanding from time to time. Any Common Share subject to a Deferred Share Unit which for any reason is cancelled or terminated without having been redeemed shall again be available for grants under the Plan, and under all other security based compensation arrangements.
- (2) The aggregate value of Deferred Share Units awarded to Non-Executive Directors within any one-year period under the Plan together with all other security based compensation arrangements of the Corporation, if any, shall not exceed \$150,000 in value of equity per Participant.
- (3) The maximum number of Common Shares issued to Insiders under the Plan, or when combined with any other previously established or proposed share compensation arrangements, within any one-year period, may not exceed 10% of the outstanding issue.
- (4) The maximum number of Common Shares issuable to Insiders under the Plan, or when combined with any other previously established or proposed share compensation arrangements, at any time, may not exceed 10% of the outstanding issue.

- (5) The maximum number of common shares issued to any individual in any twelve (12) month period under this Plan exceeding five percent (5%) of the issued Common Shares of the Corporation.

Section 4 Administration of Plan.

The Committee shall have the power, where consistent with the general purpose and intent of the Plan and subject to the specific provisions of the Plan:

- (a) to establish policies and to adopt rules and regulations for carrying out the purposes, provisions and administration of the Plan and to amend and rescind such rules and regulations from time to time;
- (b) to interpret and construe the Plan and to determine all questions arising out of the Plan, and any such interpretation, construction or determination made by the Committee shall be final, binding and conclusive for all purposes;
- (c) to prescribe the form of the instruments used in conjunction with the Plan; and
- (d) to determine which members of the Board or officers of the Corporation are eligible to participate in the Plan.

Section 5 Awards of Deferred Share Units.

- (1) Subject to this Section 5(1) and such other terms and conditions as the Board or the Committee may prescribe, the Committee may recommend the award of, and the Board may, acting on such recommendation, from time to time award, Deferred Share Units to a Participant at such time, in such number and effective as of such date as the Board may determine. The Board shall base its decision to award Deferred Share Units to Participants on such criteria as the Board or Committee may determine, provided that such criteria and the award shall, in any event, relate to services performed or to be performed by the Participant as a director or officer of the Corporation.
- (2) The number of Deferred Share Units that a Participant is entitled to receive at a particular time shall be evidenced by a Grant Agreement, signed on behalf of the Corporation. Certificates representing Deferred Share Units shall not be issued by the Corporation. Fractional Deferred Share Units will not be issued under the Plan and any fractional entitlements will be rounded down to the nearest whole number.

Section 6 Election Notice; Elected Amount

- (1) Subject to Board approval, a Participant may elect by filing an election notice in the form of Schedule "B" attached hereto (the "**Election Notice**"), once each fiscal year, to be paid up to one hundred percent (100%) of his Annual Board Retainer or Annual Bonus, as applicable, in the form of Deferred Share Units (the "**Elected Amount**"), with the balance being paid in cash in accordance with the Corporation's regular practices of paying such cash compensation. In the case of an existing Participant, the election must be completed, signed and delivered to the Corporation by the end of the fiscal year preceding the fiscal year to which such election is to apply. In the case of a new Participant, the election must be completed, signed and delivered to the Corporation as soon as possible, and, in any event, no later than 30 days, after the director's appointment, with such election to be effective on the first day of the fiscal quarter of the Corporation next following the date of the Corporation's receipt of the election until the final day of such fiscal year. For the first year of the Plan, Participants must make such election as soon as possible, and, in any event, no later than 30 days after adoption of the Plan and the election shall be effective on the first day of the fiscal quarter of the Corporation next following the date of the Corporation's receipt of the

election until the final day of such fiscal year. If no election is made in respect of a particular fiscal year, the new or existing Participant will be paid in cash in accordance with the Corporation's regular practices of paying such cash compensation.

- (2) The Election Notice shall, subject to any minimum amount that may be required by the Board, from time to time, designate the percentage of the Annual Board Retainer or Annual Bonus, as applicable, for the applicable fiscal year that is to be deferred into Deferred Share Units, with the remaining percentage to be paid in cash in accordance with the Corporation's regular practices of paying such cash compensation.
- (3) In the absence of a designation to the contrary (including delivery of an Election Notice by a Participant requesting that a greater or lesser percentage of his Annual Board Retainer or Annual Bonus, as applicable be payable in the form of Deferred Share Units relative to the percentage previously elected by such Participant), the Participant's Election Notice shall remain in effect unless otherwise terminated.
- (4) Each Participant is entitled to terminate his participation in the Plan by filing with the Corporation, a notice electing to terminate the receipt of additional Deferred Share Units in the form of Schedule "C" attached hereto ("**Termination Notice**").
- (5) Such Termination Notice shall be effective as of the date received by the Corporation.
- (6) Thereafter, any portion of such Participant's Annual Board Retainer or Annual Bonus, as applicable and all subsequent Annual Board Retainers or Annual Bonuses, as applicable, shall be paid in cash in accordance with the Corporation's regular practices of paying such cash compensation.
- (7) For greater certainty, to the extent a Participant terminates his participation in the Plan, he shall not be entitled to become a Participant again until the fiscal year following the fiscal year in which the Termination Notice becomes effective.

Section 7 Calculation

- (1) The number of Deferred Share Units granted at any particular time pursuant to this Plan will be calculated by:
 - (a) In the case of an Elected Amount, by dividing (i) the dollar amount of the Elected Amount allocated to the Participant by (ii) the Share Price of the Common Shares on the award date; or
 - (b) In the case of a grant of Deferred Share Units pursuant to Section 5, by dividing (i) the dollar amount of such grant by (ii) the Share Price of the Common Shares on the date of grant.

Section 8 Vesting.

- (a) Unless otherwise stated in an applicable Grant Agreement, all Deferred Share Units recorded in a Participant's Deferred Share Unit notional account shall vest on the date of grant.
- (b) Notwithstanding that a Deferred Share Unit may have vested, Participants will not have any right to receive any benefit under the Plan in respect of a Deferred Share Unit until the Termination Date.

Section 9 Taxes and Other Source Deductions.

- (1) The Corporation or an Affiliate may withhold from any amount payable to a Participant, either under the Plan or otherwise, such amounts as are required by law to be withheld, deducted or remitted by the Corporation or an Affiliate as a consequence of his participation in this Plan (“**Withholding Amount**”). In the event that a Participant does not deliver to the Corporation or an Affiliate upon the settlement of a Deferred Share Unit a cash payment in an amount equal to the Withholding Amount, the Participant shall be deemed to have elected that the Corporation shall have the right, in its discretion, to satisfy any Withholding Amount by:
 - (a) selling or causing to be sold by the Corporation or by a broker or otherwise, on behalf of any Participant, such number of Common Shares issued to the Participant, as applicable, on the settlement of Deferred Share Units as is sufficient to fund the Withholding Amount and to apply the cash received on such sale of underlying Common Shares to fund the Withholding Amount;
 - (b) retaining the amount necessary to satisfy the Withholding Amount from any cash amount which would otherwise be delivered, provided or paid to the Participant by the Corporation or an Affiliate, whether under this Plan or otherwise;
 - (c) requiring the Participant, as a condition of redemption to reimburse the Corporation or an Affiliate for any such Withholding Amount; and/or
 - (d) making such other arrangements as the Corporation may reasonably require.
- (2) The sale of Common Shares, by the Corporation, or by a Broker will be made on the exchange on which the Common Shares are then listed for trading

Section 10 Redemption of Deferred Share Units.

- (1) Each Participant shall be entitled to redeem his Deferred Share Units during the period commencing on the business day immediately following the Termination Date and ending on the 90th day following the Termination Date by providing a written Notice of Redemption to the Corporation in the form of Schedule “D” attached hereto. In the event of the death of a Participant, the Notice of Redemption shall be filed by the administrator or liquidator of the estate of the Participant. The Notice of Redemption must specify an election to receive the following:
 - (a) a cash payment equal to the number of Deferred Share Units credited to Participant’s Account as of the Termination Date multiplied by the Share Price on the Termination Date;
 - (b) Common Shares purchased on the Participant’s behalf on the open market by a Broker; or
 - (c) a percentage of the number of Deferred Share Units paid out in cash and the remaining percentage of the Deferred Share Units paid out as Common Shares or purchased on the Participant’s behalf on the open market by a Broker.

In the event a Notice of Redemption is not provided by a Eligible Participant, such Participant will be deemed to have elected to receive a cash payment as provided for in Section 10(1)(a).

- (2) Where Common Shares are purchased on the open market on the Participant’s behalf, the Corporation will remit all or a portion of the final payment to the Broker, and the Broker will be

required to (within ten (10) business days) use such payment to purchase Common Shares in the open market on the CSE or any other public exchange on which the Common Shares are traded. The number of Common Shares to be purchased will be computed by taking the number of Deferred Share Units that the Participant elected to receive in Common Shares, net of the number of Deferred Share Units that would equal the Withholding Amount. Any Common Shares acquired by the Broker from all or a portion of the final payment and any cash remaining therefrom shall be delivered directly to the Participant forthwith as soon as practicable upon completion of such purchases. The Corporation will pay all brokerage fees arising in connection with the purchase of Common Shares by the Broker in accordance with the Plan.

- (3) Notwithstanding the foregoing, the Corporation may, in its absolute discretion and subject to the receipt of any necessary shareholder and regulatory approvals, issue to the Participant such number of Common Shares from treasury that equals the number of Deferred Share Units, net of the number of Deferred Share Units that would equal the Withholding Amount, recorded in the Participant's Account on the Termination Date. If the Corporation issues Common Shares as aforesaid, such Common Shares will be issued in consideration for the past services of the Participant to the Corporation and the entitlement of the Participant under this Plan shall be satisfied in full by such issuance of Common Shares. The Corporation will also make a cash payment, less any Withholding Amount, to the Participant with respect to the number of fractional Deferred Share Units standing to the Participant's credit after the maximum whole Common Shares have been issued by the Corporation as described above.
- (4) The Corporation will make all of the payments described in this Section 10 (referred to hereinafter as the "**Final Payment**") to the Participant or the Broker within 120 days of the Termination Date. Upon making such payment to the Participant or the Broker, the Deferred Share Units upon which such payment was based shall be cancelled and no further payments shall be made from the Plan in relation to such Deferred Share Units.
- (5) In the event of the death of a Participant, provided that a Notice of Redemption is not filed with the Corporation as described in this Section 10, the Corporation shall, within one calendar year of the Participant's death, make a lump sum cash payment in each case to or for the benefit of the administrator or liquidator of the estate of the Participant. In any event, the payment date will be no later than the end of the first calendar year commencing after the Participant's death. The lump sum cash payment shall be equal to the number of Deferred Share Units credited to the Participant's Account on the date of death multiplied by the Share Price as of the Termination Date, net of any Withholding Amount. If permitted by applicable law, the Participant may appoint a beneficiary of his rights under the Plan. For this purpose, the beneficiary must be a dependent, a relation of the Participant, or the legal representative of the Participant.

Section 11 Award of Dividend Equivalents.

Dividend Equivalents will be awarded in respect of vested Deferred Share Units in a Participant's Account on the same basis as dividends declared and paid on Common Shares as if the Participant was a shareholder of record of Common Shares on the relevant record date. These Dividend Equivalents will be credited to the Participant's Account as additional Deferred Share Units (or fractions thereof), with the number of additional Deferred Share Units equal to (a) the actual amount of dividends that would have been paid if the Participant had held Common Shares under the Plan on the applicable record date divided by (b) the closing price for Common Shares on the CSE on the date on which the dividends on Common Shares are payable. For greater certainty, no Deferred Share Units representing Dividend Equivalents will be credited to a Participant's Account in relation to Deferred Share Units that have been previously cancelled or paid out of the Plan.

Section 12 Adjustments and Reorganizations.

In the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, spin-off or other distribution (other than normal cash dividends) of Corporation assets to shareholders, or any other change affecting shares, such proportionate adjustments, if any, as the Committee in its discretion may deem appropriate to reflect such change, shall be made with respect to the number of Deferred Share Units outstanding under the Plan.

Section 13 Unfunded Plan.

The Plan shall be unfunded. To the extent any Participant or his estate holds any rights by virtue of a grant of Deferred Share Units under the Plan, such rights shall be no greater than the rights of an unsecured creditor of the Corporation.

Section 14 Plan Amendment.

- (1) The Board may at any time, and from time to time, and without shareholder approval, amend any provision of the Plan, subject to any regulatory or stock exchange requirement at the time of such amendment, including, without limitation:
 - (a) amendments to the termination provisions of Section 15;
 - (b) amendments necessary or advisable because of any change in application securities laws;
 - (c) amendments to Section 4 relating to the administration of the Plan;
 - (d) any other amendment, fundamental or otherwise, not requiring shareholder approval under applicable laws or the rules of the CSE, including amendments of a “housekeeping” nature.
- (2) Notwithstanding Section 14(1), none of the following amendments shall be made to this Plan without approval by shareholders or disinterested shareholders (as applicable) by ordinary resolution:
 - (a) amendments to this Plan which would increase the number of securities issuable under this Plan, otherwise than in accordance with the terms of this Plan which permit the Board to make equitable adjustments in the event of transactions affecting the Corporation or its capital;
 - (b) amendments to this Plan which would increase the number of securities issuable to Insiders, otherwise than in accordance with the terms of this Plan;
 - (c) amendments permitting awards other than DSUs to be made under this Plan;
 - (d) an amendment that would permit DSUs to be granted to persons other than Eligible Participants on a discretionary basis; and
 - (e) amendments deleting or reducing the range of amendments which require shareholders’ approval under this Section 14 (2).
- (3) Any amendment shall not alter the terms or conditions of any Deferred Share Unit or impair any right of any holder of Deferred Share Units pursuant to any Deferred Share Unit granted prior to such amendment.

- (4) No amendment shall be made which prevents the Plan from continuously meeting the requirements of paragraph 6801(d) of the *Income Tax Regulations* (Canada) or any successor provision thereto.

Section 15 Plan Termination.

The Committee may decide to discontinue granting awards under the Plan at any time in which case no further Deferred Share Units shall be awarded or credited under Section 5 of the Plan. Any Deferred Share Units which remain outstanding in a Participant's Account at that time shall continue to be dealt with according to the terms of the Plan. For greater certainty, Dividend Equivalents shall continue to be awarded, as appropriate, in respect of such outstanding Deferred Share Units pursuant to Section 11 of the Plan. The Plan shall terminate when all payments owing pursuant to Section 6 of the Plan have been made and all Deferred Share Units have been cancelled in all Participants' Accounts.

Section 16 Final Determination.

Any determination or decision by or opinion of the Committee made or held pursuant to the terms of the Plan shall be final, conclusive and binding on all parties concerned. All rights, entitlements and obligations of Participants under the Plan are set forth in the terms of the Plan and cannot be modified by any other documents, statements or communications, except by Plan amendments referred to in Section 14 of the Plan.

Section 17 No Right to Continued Service.

Participation in the Plan shall not be construed to give any Participant a right to be retained as a director or officer of the Corporation.

Section 18 No Other Benefit.

No amount will be paid to, or in respect of, a Participant under the Plan to compensate for a downward fluctuation in the price of Common Shares nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose.

Section 19 No Shareholder Rights.

Under no circumstances shall Deferred Share Units be considered Common Shares nor shall they entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Common Shares nor shall any Participant be considered the owner of Common Shares by virtue of the award of Deferred Share Units.

Section 20 Reorganization of the Corporation.

The existence of any Deferred Share Units shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of the Corporation 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.

Section 21 Successors and Assigns.

The Plan shall be binding on all successors and assigns of the Corporation.

Section 22 General Restrictions and Assignment.

Except as required by law, the rights of a Participant under the Plan are not capable of being anticipated, assigned, transferred, alienated, sold, encumbered, pledged, mortgaged or charged and are not capable of being subject to attachment or legal process for the payment of any debts or obligations of the Participant.

Section 23 Governing Law.

The validity, construction and effect of the Plan and any actions taken or relating to the Plan shall be governed by the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Section 24 Currency.

All amounts paid or values to be determined under the Plan shall be in Canadian dollars.

Section 25 Severability.

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision of the Plan and any invalid or unenforceable provision shall be severed from the Plan.

Section 26 Notice.

Any notice, direction, payment or other communication required, permitted or contemplated by the Plan shall be in writing and shall be sufficiently given if mailed by prepaid registered mail or delivered to the Corporation at its head office (and to the Participant at his address as shown on the books and records of the Corporation. Any such notice or other communication, if mailed, shall be deemed to have been given on the fifth day (including Saturdays, Sundays and statutory holidays) after the date of mailing and, if delivered, at the time of delivery, as the case may be. Any party may, at any time or from time to time by notice given as aforesaid to the parties, change its address for such notice or other communication.

SCHEDULE "A"
LIBERTY HEALTH SCIENCES INC. DEFERRED SHARE UNIT GRANT AGREEMENT

Name: [name of Participant]

Award Date [insert date]

Liberty Health Sciences Inc. (the "**Corporation**") has adopted the Deferred Share Unit Plan (the "**Plan**"). Your award is governed in all respects by the terms of the Plan, and the provisions of the Plan are hereby incorporated by reference. Capitalized terms used and not otherwise defined in this Grant Agreement shall have the meanings set forth in the Plan. If there is a conflict between the terms of this Grant Agreement and the Plan, the terms of the Plan shall govern.

Your Award The Corporation hereby grants to you [●] Deferred Share Units, which shall be payable on the Termination Date.

PLEASE SIGN AND RETURN A COPY OF THIS GRANT AGREEMENT TO THE CORPORATION.

By your signature below, you acknowledge that you have received a copy of the Plan and have reviewed, considered and agreed to the terms of this Grant Agreement and the Plan.

Signature: _____

Date: _____

On behalf of the Corporation:

Name:

Title:

SCHEDULE "B"
LIBERTY HEALTH SCIENCES INC. (THE "COMPANY")
DSU ELECTION NOTICE

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Pursuant to the Deferred Share Unit Plan (the "**Plan**"), I hereby elect to receive _____% of my _____ (Annual Board Retainer or Annual Bonus) in the form of Deferred Share Units in lieu of cash.

I confirm that:

- (a) I have received and reviewed a copy of the terms of the Plan and have reviewed, considered and agreed to be bound by the terms of this Election Notice and the Plan.
- (b) I have requested and am satisfied that the Plan and the foregoing be drawn up in the English language. *Le soussigné reconnaît qu'il a exigé que le Régime et ce qui précède soient rédigés et exécutés en anglais et s'en déclare satisfait.*
- (c) I recognize that when Deferred Share Units are redeemed in accordance with the terms of the Plan, income tax and other withholdings as required will arise at that time. Upon redemption of the Deferred Share Units, the Company will make or arrange with me to make all appropriate withholdings as required by law at that time.
- (d) The value of Deferred Share Units is based on the value of the Common Shares of the Company and therefore is not guaranteed.

The foregoing is only a brief outline of certain key provisions of the Plan. For more complete information, reference should be made to the Plan.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE "C"
LIBERTY HEALTH SCIENCES INC.
ELECTION TO TERMINATE RECEIPT OF ADDITIONAL DEFERRED SHARE UNITS

All capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Plan.

Notwithstanding my previous election in the form of Schedule "B" to the Plan, I hereby elect to terminate my participation in the Plan effective as of the date this Termination Notice is received by Liberty Health Sciences Inc.

I understand that the Deferred Share Units already granted under the Plan cannot be redeemed until the Termination Date.

I confirm that I have received and reviewed a copy of the terms of the Plan and agree to continue to be bound by the Plan.

Date: _____

(Name of Participant)

(Signature of Participant)

SCHEDULE "D"
LIBERTY HEALTH SCIENCES INC. (THE "CORPORATION")
NOTICE OF REDEMPTION

I, _____, in respect of the _____ (print name)

Deferred Share Units that were granted to me as a director or officer of the Corporation, hereby elect to redeem _____ Deferred Share Units and to receive (check one):

- () (i) Cash;
- () (ii) Common Shares; or
- () (iii) a combination of Cash and Common Shares as follows _____.

If I elect to receive cash or a portion of my Deferred Share Units in cash, I acknowledge that the Corporation will deduct applicable withholding taxes in accordance with the Deferred Share Unit Plan.

If I elect to receive only Common Shares, or insufficient cash to pay applicable withholding taxes, I (check one):

- () (i) enclose cash, a certified cheque, bank draft or money order payable to the Corporation in the amount of \$_____ as full payment for the applicable withholding taxes;
- () (ii) undertake to direct that such number of Common Shares are to be sold, and the proceeds of such Common Shares delivered to the Corporation, as is necessary to put the Company in funds equal to the amount that would have otherwise been required in (i) above; or
- () (iii) elect to redeem for cash such number of Deferred Share Units as is necessary raise funds sufficient to cover such withholding taxes with such amount being withheld by the Company.

Date: _____

(Name of Participant)

(Signature of Participant)



liberty health
sciences