



AVICANNA™

**AVICANNA INC.**

**NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS  
TO BE HELD ON WEDNESDAY, MAY 17, 2023  
AND  
MANAGEMENT INFORMATION CIRCULAR**

**April 14, 2023**

## AVICANNA INC.

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Common Shares**”) of Avicanna Inc. (the “**Corporation**”) will be held virtually on Wednesday May 17, 2023 at 10:30 a.m. (Toronto time). Registered Shareholders (as defined in the accompanying information circular (the “**Information Circular**”) under the heading “*Voting at the Meeting*”) and duly appointed proxyholders can attend the Meeting online at <https://web.lumiagm.com/#/278946466> where they can participate, vote, or submit questions during the Meeting’s live webcast.

The Meeting is being held for the following purposes:

- a) to receive and consider the audited financial statements of the Corporation for the years ended December 31, 2022 and 2021, and the auditors’ report thereon;
- b) to consider and, if deemed appropriate, pass, with or without variation, a special resolution fixing the number of directors for the ensuing year at five (5) and empowering the board of directors of the Corporation (the “**Board**”) to adjust such number between shareholder meetings by way of resolution of the Board in accordance with the Corporation’s constating documents;
- c) to elect the directors of the Corporation for the ensuing year as described in the Information Circular;
- d) to reappoint Kingston Ross Pasnak LLP as the auditors of the Corporation for the ensuing year and to authorize the Board to fix their remuneration and terms of engagement;
- e) to consider, and if thought appropriate, to approve an ordinary resolution, the full text of which is set out in the Information Circular, to amend the terms of 136,250 common share purchase warrants held by ThreeD Capital Inc. (the “**Insider Warrants**”) to reprice the Insider Warrants from the current exercise price of \$1.10 per Common Share to \$0.55 per Common Share, and extend the expiry date of the Insider Warrants from January 28, 2025 to January 28, 2026;
- f) to consider, and if thought appropriate, to approve the special resolution, the full text of which is set out in the Information Circular, authorizing and approving the Corporation to change the name of the Corporation to such name as the Board, in its discretion, may resolve and as may be acceptable to applicable regulatory authorities, if required;
- g) to consider, and if thought appropriate, to approve an ordinary resolution to approve the Corporation’s early warrant exercise incentive program and the participation of certain Insiders therein, as described in the Information Circular; and
- h) to transact such further or other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

The Information Circular provides additional information relating to each of the matters to be addressed at the Meeting. Shareholders are directed to read the Information Circular carefully and in full to evaluate the matters to be considered at the Meeting.

The record date for the determination of shareholders of the Corporation entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof is April 10, 2023 (the “**Record Date**”). Shareholders of the Corporation whose names have been entered in the register of shareholders of the Corporation at the close of business on the Record Date will be entitled to receive notice of and to vote at the Meeting or any adjournment(s) or postponement(s) thereof.

**The Corporation is holding the Meeting as a virtual meeting, which will be conducted via live webcast. Shareholders will not be able to attend the Meeting in person.**

**If you are a Registered Shareholder** and are unable to attend the Meeting or any adjournment(s) or postponement(s) thereof, please date, sign and return the accompanying form of proxy (the “**Proxy**”) for use at the Meeting or any adjournment(s) or postponement(s) thereof in accordance with the instructions set forth in the Proxy and Information Circular. The Corporation’s transfer agent recommends that shareholders vote in advance of the Meeting.

**If you are a Non-Registered Beneficial Shareholder**, a voting information form (also known as a VIF), instead of a form of proxy, may be enclosed. You must follow the instructions provided by your intermediary in order to vote your Common Shares. Non-registered beneficial Shareholders who have not duly appointed themselves as proxyholders will be able to attend the Meeting virtually as guests, but guests will not be able to vote at the Meeting.

Your proxy or voting instructions must be received in each case no later than 10:30 a.m. (Toronto Time) on May 15, 2023 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the beginning of any adjournment(s) or postponement(s) to the Meeting. The Corporation encourages Shareholders currently planning to participate in the Meeting to submit their votes or form of proxy in advance so that their votes will be counted in the event of technical difficulties.

Whether or not you plan to attend the Meeting via live webcast, we encourage you to read this proxy statement and promptly vote your Common Shares. For specific instructions on how to vote your Common Shares, please refer to the section of the Information Circular entitled “*General Proxy Information*”.

**DATED** at Toronto, Ontario this 14<sup>th</sup> day of April, 2023.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

*“Aras Azadian”*

---

Chief Executive Officer and Director



AVICANNA™

**AVICANNA INC.**  
**(“Avicanna” or the “Corporation”)**

**MANAGEMENT INFORMATION CIRCULAR**

This management information circular (the “**Information Circular**”) is dated April 14, 2023 and is furnished in connection with the solicitation of proxies by and on behalf of the management of the Corporation (“**Management**”) for use at the annual general and special meeting (the “**Meeting**”) of shareholders of the Corporation (the “**Shareholders**”) to be held virtually at <https://web.lumiagm.com/#/278946466> on Wednesday, May 17, 2023 at 10:30 a.m. (Toronto time) for the purposes set out in the notice of Meeting (the “**Notice**”) accompanying this Information Circular.

All dollar amounts herein are expressed in Canadian dollars unless otherwise indicated.

**GENERAL PROXY INFORMATION**

***Solicitation of Proxies***

Solicitation of proxies for the Meeting will be primarily by mail, the cost of which will be borne by the Corporation. Proxies may also be solicited personally by employees of the Corporation at nominal cost to the Corporation. In some instances, the Corporation has distributed copies of the Notice, the Information Circular, and the accompanying form of proxy (the “**Proxy**”, and collectively with the Notice and Information Circular, the “**Documents**”) to clearing agencies, securities dealers, banks and trust companies, or their nominees (collectively “**Intermediaries**”, and each an “**Intermediary**”) for onward distribution to Shareholders whose common shares in the capital of the Corporation (the “**Common Shares**”) are held by or in the custody of those Intermediaries (“**Non-registered Shareholders**”). The Intermediaries are required to forward the Documents to Non-registered Shareholders.

Solicitation of proxies from Non-registered Shareholders will be carried out by Intermediaries, or by the Corporation if the names and addresses of Non-registered Shareholders are provided by the Intermediaries.

***Voting at the Meeting***

A Registered Shareholder (as defined below), or a Non-registered Shareholder who has appointed themselves or a third party proxyholder to represent him, her or it at the Meeting, will appear on a list of Shareholders prepared by Odyssey Trust Company (“**Odyssey**”). Each Registered Shareholder or proxyholder will be required to enter the control number or username provided by Odyssey at <https://web.lumiagm.com/#/278946466> (password: “avicanna2023”) prior to the start of the Meeting to have his, her or its Common Shares voted at the Meeting. In order to vote, Non-registered Shareholders who appoint themselves as a proxyholder MUST register with Odyssey at [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com) after submitting their voting instruction form in order to receive a username (please see the information under “*Appointment of Proxyholders*” below for details).

Registered Shareholders and duly appointed proxyholders can attend the Meeting online by going <https://web.lumiagm.com/#/278946466>.

Registered Shareholders and duly appointed proxyholders can participate in the Meeting by clicking “**I have a control number**” and entering a username and password before the start of the Meeting.

- Registered Shareholders – The 12-digit control number located on the Proxy or in the email notification received by such Shareholder is the username and the password is “avicanna2023” (case sensitive).
- Duly appointed proxyholders – Odyssey will provide the proxyholder with a control number after the voting deadline has passed. The password to the Meeting is “avicanna2023” (case sensitive).

Voting at the Meeting will only be available for Registered Shareholders and duly appointed proxyholders. Non-registered Shareholders who have not appointed themselves may attend the Meeting by clicking “**I am a guest**” and completing the online form.

**Shareholders may appoint a third party proxyholder to represent them at the Meeting. Shareholders wishing to do so must submit their Proxy or voting instruction form (as applicable) prior to registering their proxyholder. Registering the proxyholder is an additional step once a Shareholder has submitted his, her or its Proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, shareholders MUST send an email to [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com) and provide Odyssey with their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email. **It is important to be connected to the internet at all times during the Meeting in order to vote when balloting commences.**

**In order to participate online, Shareholders must have a valid 12-digit control number and proxyholders must have received an email from Odyssey containing a control number.**

#### ***Non-registered Shareholders***

Non-registered Shareholders who have received the Documents from their Intermediary should, other than as set out herein, follow the directions of their Intermediary with respect to the procedure to be followed for voting at the Meeting. Generally, Non-registered Shareholders will either:

- be provided with a form of proxy executed by the Intermediary but otherwise uncompleted. The Non-registered Shareholder may complete the proxy and return it directly to Odyssey; or
- be provided with a request for voting instructions. The Intermediary is required to send the Corporation an executed form of proxy completed in accordance with any voting instructions received by the Intermediary.

If you are a Non-registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of securities have been obtained from your Intermediary in accordance with applicable securities regulatory requirements. By choosing to send the Documents to you directly, the Corporation (and not your Intermediary) has assumed responsibility for (i) delivering the Documents to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### ***Participating in the Meeting***

The Meeting will be hosted online by way of a live audiocast. Shareholders will not be able to attend the Meeting in person. A summary of the information Shareholders will need to attend the Meeting is provided below. The Meeting will begin at 10:30 a.m. (Toronto time) on Wednesday May 17, 2023.

- Registered Shareholders that have a 12-digit control number, along with duly appointed proxyholders who were assigned a control number by Odyssey (see details under “*Appointment of Proxyholders*”), will be able to vote and submit questions during the Meeting. To do so, please go to <https://web.lumiagm.com/#/278946466> prior to the start of the Meeting to login. Click on “I have

a control number” and enter your 12-digit control number or username along with the password “avicanna2023” (case sensitive). Non-Registered Shareholders who have not appointed themselves to vote at the Meeting may login as a guest by clicking on “I am a guest” and completing the online form. Guests will not be able to vote at the Meeting.

- United States Non-registered Shareholders: To attend and vote at the Meeting, you must first obtain a valid legal proxy from your Intermediary and then register in advance to attend the Meeting. Follow the instructions from your Intermediary included with these Meeting materials, or contact your Intermediary to request a legal proxy form. After first obtaining a valid legal proxy from your Intermediary, to then register to attend the Meeting, you must submit a copy of your legal proxy via email at [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com).
- Requests for registration must be labeled as “Legal Proxy” and be received no later than 10:30 a.m. (Toronto time) on May 15, 2023. You will receive a confirmation of your registration by email after your registration materials have been received. You may attend the Meeting and vote your Common Shares at <https://web.lumiagm.com/#/278946466> (password: “avicanna2023”) during the Meeting. Any appointees must reach out to Odyssey in advance of the meeting (latest 48 hours before the meeting). They must complete the Request for Control Number and email it to [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com) in advance of the meeting.
- Non-registered Shareholders who do not have a 12-digit control number or username will only be able to attend as a guest which allows such persons to listen to the Meeting, however, Non-registered Shareholders will not be able to vote or submit questions.
- If you are using a 12-digit control number to login to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, please log in as a guest.
- If you are eligible to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure connectivity for the duration of the Meeting.

### ***Appointment of Proxyholders***

The persons named in the enclosed Proxy (the “**Management Designees**”) are directors and/or officers of the Corporation. **SHAREHOLDERS HAVE THE RIGHT TO APPOINT A PERSON TO REPRESENT HIM, HER OR IT AT THE MEETING OTHER THAN THE PERSONS DESIGNATED IN THE PROXY INSTRUMENT** either by striking out the names of the persons designated in the Proxy and by inserting the name of the person or company to be appointed in the space provided in the Proxy or by completing another proper form of proxy.

Shareholders who wish to appoint a third-party proxyholder to represent them at the Meeting **must submit their Proxy or voting instruction form (if applicable) prior to registering their proxyholder. Registering a proxyholder is an additional step once the Proxy or voting instruction form have been submitted. Failure to register the proxyholder will result in the proxyholder not receiving a username to participate in the Meeting.** To register a proxyholder, shareholders MUST send an email to [appointee@odysseytrust.com](mailto:appointee@odysseytrust.com) and provide Odyssey with their proxyholder's contact information, amount of shares appointed, name in which the shares are registered if they are a registered shareholder, or name of broker where the shares are held if a beneficial shareholder, so that Odyssey may provide the proxyholder with a Username via email.

A Proxy can be submitted to Odyssey either in person, or by mail or courier, to Odyssey Trust Company, Trader's Bank Building, Proxy Department, Suite 702 - 67 Yonge St., Toronto ON M5E 1J8. The Proxy must be deposited with Odyssey by no later than 10:30 a.m. (Toronto time) on May 15, 2023 or, if the Meeting is adjourned or postponed, at least 48 hours (excluding Saturdays, Sundays and statutory holidays

in the Province of Ontario) before the beginning of any adjournment(s) or postponement(s) to the Meeting. If a Shareholder who has submitted a Proxy attends the Meeting and has accepted the terms and conditions when entering the Meeting, any votes cast by such Shareholder on a ballot will be counted and the submitted Proxy will be disregarded.

**Without a control number, proxyholders will not be able to vote at the Meeting.**

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

A Registered Shareholder who has given a proxy pursuant to this solicitation may revoke it at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof at which the proxy is to be used:

- (a) by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing and either delivered to the attention of the Corporate Secretary of the Corporation c/o Odyssey Trust Company, Trader's Bank Building, Proxy Department, Suite 702 - 67 Yonge St., Toronto ON M5E 1J8;
- (b) by delivering written notice of such revocation to the chair of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof;
- (c) by attending the Meeting and voting the Common Shares; or
- (d) in any other manner permitted by law.

Non-registered Shareholders who wish to change their vote must contact their Intermediary to discuss their options well in advance of the Meeting.

### ***Voting of Proxies and Discretion Thereof***

Common Shares represented by properly executed proxies in favour of persons designated in the printed portion of the enclosed Proxy **WILL, UNLESS OTHERWISE INDICATED, BE VOTED FOR FIXING THE NUMBER OF DIRECTORS FOR THE ENSUING YEAR AT FIVE (5), THE ELECTION OF DIRECTORS, FOR THE RE-APPOINTMENT OF KINGSTON ROSS PASNAK LLP, AS THE AUDITORS OF THE CORPORATION, AND FOR THE AUTHORIZATION OF THE BOARD TO FIX THE AUDITORS' REMUNERATION AND TERMS OF ENGAGEMENT, TO APPROVE THE AMENDMENTS TO 136,250 COMMON SHARE PURCHASE WARRANTS HELD BY THREEED CAPITAL INC., TO APPROVE THE NAME CHANGE OF THE CORPORATION TO SUCH NAME AS THE DIRECTORS OF THE CORPORATION MAY RESOLVE AND TO APPROVE THE PARTICIPATION OF INSIDERS IN THE CORPORATION'S EARLY WARRANT EXERCISE INCENTIVE PROGRAM.** The Common Shares represented by the Proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. The enclosed Proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice or other matters which may properly come before the Meeting. At the date of this Information Circular, management knows of no such amendments, variations or other matters to come before the Meeting. However, if other matters properly come before the Meeting, it is the intention of the persons named in the enclosed Proxy to vote such proxy according to their best judgment.

### **QUORUM**

The articles of the Corporation provide that a quorum of Shareholders is present at a meeting of Shareholders if at least two persons holding or representing by proxy not less than 20% of the outstanding shares entitled to vote at the meeting are present.

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

To the knowledge of the directors and executive officers of the Corporation, no director or executive officer of the Corporation, any proposed nominee for election as director of the Corporation, or any associate or affiliate of any of the foregoing persons, 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, other than the election of directors.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The voting securities of the Corporation consist of an unlimited number of Common Shares. The board of directors of the Corporation (the “**Board**”) has fixed Monday April 10, 2023 as the record date for the Meeting (the “**Record Date**”). As of the Record Date, the Corporation has issued and outstanding 83,198,475 Common Shares.

The Common Shares represent 100% of voting rights attached to outstanding securities of the Corporation.

### *Voting Rights*

Holders of the Common Shares are entitled to notice of and to attend at any meeting of the Shareholders of the Corporation, except a meeting of which only holders of another particular class or series of shares of the Corporation have the right to vote. At each such meeting holders of the Common Shares are entitled to one vote in respect of each Common Share held. Holders of Common Shares are entitled to receive, as and when declared by the directors of the Corporation, dividends in cash or property of the Corporation. In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or in the event of any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of Common Shares are, subject to the prior rights of the holders of any shares of the Corporation ranking in priority to the Common Shares, entitled to participate rateably along with all other holders of Common Shares.

### *Record Date & Principal Shareholders*

The close of business on April 10, 2023 has been fixed as the Record Date for the determination of Shareholders entitled to receive notice of the Meeting and any adjournment(s) thereof. Accordingly, only Shareholders of record on the Record Date are entitled to vote at the Meeting or any adjournment(s) thereof.

The registered holders of Common Shares are shown on the list of Shareholders which is available for inspection during usual business hours at Odyssey Trust Company, Trader's Bank Building, Suite 702 - 67 Yonge St., Toronto ON M5E 1J8 and at the Meeting. The list of Shareholders will be prepared not later than ten (10) days after the Record Date. If a person has acquired ownership of shares since that date, he, she or it may establish such ownership and demand, not later than ten (10) days before the Meeting, that his, her or its name be included in the list of Shareholders.

As of the date hereof, the only persons or companies known by the Corporation to own beneficially, or control or direct, directly or indirectly, more than 10% of the Common Shares are as follows:

Name	Number of Common Shares Beneficially Owned or Controlled or Directed	Percentage of Outstanding Common Shares
Sheldon Inwentash <sup>(1)</sup>	9,880,850	11.88%

Notes:

(1) Mr. Inwentash owns 5,157,550 Common Shares directly, and exercises direction over 4,723,300 Common Shares on behalf of ThreeD Capital Inc. The information above is based on information obtained from Mr. Inwentash's public filing made on the System for Electronic Disclosure by Insiders (SEDI) at [www.sedi.ca](http://www.sedi.ca).



## PARTICULARS OF MATTERS TO BE ACTED UPON

### 1. *Report and Financial Statements*

Pursuant to the *Business Corporations Act* (Ontario) (the “**Act**”), the directors of the Corporation will place before the shareholders at the Meeting the audited financial statements of the Corporation for the years ended December 31, 2022 and 2021 and the auditors’ report thereon, a copy of which is available under the Corporation’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Copies may be obtained from the Corporation upon request. Shareholder approval is not required in relation to the financial statements.

### 2. *Fixing the Number of Directors*

The affairs of the Corporation are managed by the Board. The members of the Board are elected annually, on an individual basis, at each annual general meeting of Shareholders.

The term of office of each of the current directors expires at the Meeting. At the Meeting, Shareholders will be asked to consider passing a special resolution fixing the number of directors of the Corporation to be elected for the ensuing year at five (5) members and empowering the Board to adjust such number between Shareholder meetings by way of resolution of the Board in accordance with the Corporation’s constating documents. The Corporation’s articles provide that the Board shall consist of a minimum of three (3) and maximum of fifteen (15) directors.

The resolution to fix the number of directors of the Corporation at five (5) members for the ensuing year and empower the Board to adjust such number from time to time until the next annual meeting of Shareholders must be approved by 66⅔% of the aggregate votes cast by Shareholders present in person or by proxy at the Meeting. If the special resolution is not passed, the number of directors of the Corporation will remain fixed at five (5) members, subject to adjustment in accordance with the constating documents of the Corporation and the Act, as applicable.

The text of the special resolution authorizing the fixing of the number of directors of the Corporation and empowering the Board to adjust such number from time to time is as follows:

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

1. the number of directors of the Corporation to be set at five (5) for the ensuing year;
2. the board of directors of the Corporation (the “**Board**”) shall be empowered to adjust such number of directors between the Meeting and the next annual general meeting of shareholders of the Corporation by way of resolution of the Board in accordance with the Corporation’s constating documents; and
3. any officer or director of the Corporation be, and is hereby authorized, for and on behalf of the Corporation, to execute and deliver such documents and instruments and to take such other actions as such officer or director may determine to be necessary or advisable to implement this resolution and the matters authorized hereby including, such determination to be conclusively evidenced by the execution and delivery of such documents or instruments and the taking of any such action.

**The persons named in the accompanying form of proxy (the “Proxy Instrument”) intend to vote FOR the resolution fixing the number of directors of the Corporation at five (5) and empowering the Board to change such number between Shareholder meetings, unless otherwise directed.**

### 3. *Election of Directors*

There are currently five (5) directors of the Corporation, the present term of office of each such current director of the Corporation will expire at the Meeting. Each of Aras Azadian, Dr. Chandrakant Panchal,

Giancarlo Davila Char, John McVicar and Eileen McCormack intend to stand for re-election at the Meeting. Shareholders will be asked to re-elect the five (5) directors set out in the table below (the “**Board Nominees**”) for election to the Board at the Meeting or any adjournment(s) or postponement(s) thereof.

Management proposes to nominate at the Meeting the persons whose names are set forth in the table below, each to serve as a director of the Corporation until the next meeting of Shareholders at which the election of directors is considered, or until his/her successor is duly elected or appointed, unless he/she resigns, is removed or becomes disqualified in accordance with the articles of the Corporation or the Act. The persons named in the Proxy Instrument intend to vote **FOR** the election of such persons at the Meeting, unless otherwise directed. Management does not contemplate that any of the nominees will be unable to serve as a director of the Corporation.

The following table and the notes thereto set out the name of each person proposed by Management to be nominated for election as a director of the Corporation at the Meeting (each, a “**Board Nominee**”), the period during which he/she has been a director of the Corporation, his/her principal occupation within the five (5) preceding years, all offices of the Corporation now held by such person, and his/her shareholdings, which includes the number of voting securities of the Corporation beneficially owned, or over which control or direction is exercised, directly or indirectly.

Name of Board Nominee, Province/State and Country of Residence	Year First Elected a Director	Principal Occupation(s) for the Past Five Years	Position(s) with the Corporation	Shares Owned, Controlled or Directed, Directly or Indirectly <sup>(1)</sup>
Aras Azadian Ontario, Canada	Director since November 2016	Chief Executive Officer of the Corporation (2016-Present); and Chief Operating Officer of Panacea Global Incorporated (2013-2017).	Chief Executive Officer	3,553,927 Common Shares
Dr. Chandrakant Panchal <sup>(2)(3)(4)</sup> Québec, Canada	Director since November 2016	Chief Executive Officer of Axcelon Biopolymers Corp. (2008-Present).	Chairman	291,959 Common Shares
Giancarlo Davila Char Miami, USA	Director since October 2018	Commercial Manager of Caribbean Eco Soaps U.I.B.S. (2017-Present); and Student (2013-2017).	N/A	2,110,348 Common Shares <sup>(5)</sup>
John McVicar <sup>(2)(3)(4)</sup> Ontario, Canada	Director since June 2021	Part-time executive and director (2020-Present); and Partner, Ernst & Young LLP (2002-2020).	N/A	154,977 Common Shares
Eileen McCormack <sup>(2)(3)(4)</sup> Ontario, Canada	Director since January 2022	Pharmaceutical Consultant at Perspective Consulting (2018-Present)	N/A	70,644 Common Shares

Notes:

- (1) The information as to the number of shares owned, controlled or directed, directly or indirectly, not being within the knowledge of the Corporation, has been furnished by such person directly or obtained from the System for Electronic Disclosure by Insiders (SEDI). With the exception of Mr. Davila, no director beneficially owns, or controls or directs, directly or indirectly, any of the voting securities of the subsidiaries of the Corporation; Mr. Davila beneficially owns 100% of the voting securities of Inmobiliaria Bondue S.A.S. which beneficially owns 38.6% of the voting securities of the Corporation’s subsidiary Santa Marta Golden Hemp S.A.S. These figures do not include Stock Options or RSUs (as each such term is defined herein). This information is presented on a non-diluted basis.
- (2) Member of the compensation committee of the Board (the “**Compensation Committee**”).
- (3) Member of the audit committee of the Board (the “**Audit Committee**”).
- (4) Member of the nominating and corporate governance committee of the Board (the “**Nominating & Corporate Governance Committee**”).
- (5) Mr. Davila Char beneficially owns, controls or directs, directly or indirectly, the listed number of Common Shares through the following: (i) Inmobiliaria Bondue S.A.S., which owns 1,477,818 Common Shares; (ii) Siranom Investments Inc., which owns

363,202 Common Shares; (iii) Sambaq Investments Inc., which owns 35,904 Common Shares; (iv) Bodelian Holding Corp. owns 102,346 Common Shares and (v) Mr. Davila Char personally owns 131,078 Common Shares.

As of the date hereof, the proposed directors of the Corporation as a group beneficially owned, or exercised control or direction over, 6,181,855 Common Shares, or approximately 7.43% of the outstanding Common Shares.

The biographies of the Board Nominees are set out below.

**Aras Azadian, Director & Chief Executive Officer** | Mr. Azadian serves as the Chief Executive Officer of the Corporation. Mr. Azadian previously served as the President and Chairman of the Board of the Corporation. Mr. Azadian brings extensive senior management experience in the biotechnology and financial sectors including his involvement in several successful start-up companies. In addition to his international experience in corporate development, his diverse roles include his previous position as the president of an investment corporation in the cannabis space and former Chief Operating Officer of an oncology company. Mr. Azadian holds a Bachelor of Economics degree from York University in Toronto, and an International Masters in Management degree from EADA Business School in Barcelona, Spain.

**Dr. Chandrakant Panchal, Chairman of the Board** | Dr. Panchal serves as the Chairman of the Board of the Corporation. Dr. Panchal has been the Chief Executive Officer of Axcelon Biopolymers Corp. since 2008, has authored over seventy scientific papers, holds several patents in oncology, diagnostics, biopolymers and microbiology, and is an Adjunct Professor in Chemical and Biochemical Engineering at the University of Western Ontario. Dr. Panchal currently sits on the board of directors, as Lead Director of an oncology company known as Medicenna Therapeutics Corp. (TSX and NASDAQ: MDNA). Dr. Panchal holds a Master of Science degree in Molecular Biology and a Ph.D. in Biochemical Engineering from the University of Western Ontario.

**Giancarlo Davila Char, Director** | Mr. Davila currently serves as VP of Business Development for Daabon Group, a global leader in organic & sustainable agro-industrial ingredients. Mr. Davila has a wide experience in developing commercial relationships internationally and building supply chains as well as distribution for industrial plant based ingredients to service the food, personal care & pharmaceutical industries. Mr. Davila also has a strong background in sustainable development of agricultural projects which deliver high quality organic products while restoring the environment. Apart from his role as a director in Avicanna, Mr. Davila also serves as a director for a Fintech company based in Colombia. Mr. Davila holds a Bachelor of Science in Business Management from Northeastern University.

**John McVicar, Director** | Mr. McVicar is an experienced senior finance executive with more than 30 years of Canadian and international experience in both industry and professional services. Mr. McVicar retired as a Consulting Partner at Ernst & Young LLP (EY) where he focused on advising large corporations to drive operational excellence and to transform the performance of their finance organizations. Prior to EY, he spent 10 years in senior finance roles with several Canadian and U.S. public companies. Mr. McVicar brings significant international experience. During his career, he has served in roles based in Canada, South America, the U.S., Europe, Asia and Africa. Mr. McVicar is a CPA, CA and holds an MBA from the Fuqua School of Business at Duke University.

**Eileen McCormack, Director** | Ms. McCormack is an experienced senior marketing executive with more than 30 years of international experience in the bio-pharmaceutical industry. Ms. McCormack retired from AstraZeneca US where she led commercial and cross-functional teams responsible for launch planning and business development in the US market. Ms. McCormack has experience in bio-pharmaceutical product development, portfolio strategy in complex regulated environments and brings significant multi-market and international commercial experience. Ms. McCormack gives back to her community by having served on a number of national and Toronto-based not-for-profit boards over the last 10 years.

**The persons named in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the shares represented thereby FOR the re-election of each of the aforementioned named nominees unless otherwise instructed on a properly executed and validly deposited proxy.** Management does not contemplate that any nominees named above will be unable to

serve as a director but, if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee at their discretion.

### **Majority Voting Policy**

The Board has adopted a majority voting policy (the “**Majority Voting Policy**”) which applies to the election of directors. Under the Majority Voting Policy, a director who is elected with more votes withheld than cast in favour of his or her election will be required to tender his or her resignation to the Chairman of the Board. The resignation will be effective when accepted by the Board and the nominee director will not participate in any committee or Board meetings or deliberations on this matter. The Majority Voting Policy does not apply in circumstances involving contested director elections.

The Nominating & Corporate Governance Committee will consider the resignation and make a recommendation to the Board on whether the resignation should be accepted. In considering the recommendation of the Nominating & Corporate Governance Committee, the Board will consider the factors taken into account by the committee and such additional information and factors that the Board considers to be relevant. The Board expects that resignations will be accepted unless there are extenuating circumstances that warrant a contrary decision.

If the resignation is accepted, subject to any applicable law, the Board may leave the resultant vacancy unfilled until the next annual meeting of Shareholders, fill the vacancy through the appointment of a new director, or call a special meeting of Shareholders at which there will be presented one or more nominees to fill any vacancy or vacancies.

### **Cease Trade Orders, Bankruptcies, Penalties or Sanctions**

Except as described below, to the knowledge of the Corporation, no individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, and no Board Nominee:

- (a) is, as of the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the Board Nominee was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
  - (ii) was subject to an Order that was issued after the Board Nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the Board Nominee was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director or executive officer of any company (including the Corporation) that, while the Board Nominee was acting in that capacity, or within a year of the Board Nominee 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 the Board Nominee’s assets; or
- (c) has, within ten years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or

instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold the Board Nominee's assets; or

- (d) has been subject to:
- (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
  - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for the Board Nominee.

The Corporation announced on March 29, 2021 that it would miss the deadline to file its audited annual financial statements for the year ended December 31, 2020, and accompanying management's discussion and analysis, annual information form and related certifications (collectively, the "**Annual Filings**") on or before March 31, 2021, as required under applicable securities laws. The Corporation applied to the Ontario Securities Commission (the "**OSC**") pursuant to Part 4 of National Policy 12-203 – *Management Cease Trade Orders* for a Management Cease Trade Order ("**MCTO**") pending the filing of the Annual Filings, which MCTO would prohibit the Corporation's management from trading in the securities of the Corporation until such time as the Annual Filings are filed. On April 9, 2021, the Corporation's application for a MCTO was approved by the OSC. The MCTO was subsequently revoked and a cease trade order ("**CTO**") was issued by the OSC effective June 11, 2021. The CTO was revoked on September 10, 2021.

Dr. Chandrakant Panchal was a director of Pure Global Cannabis Inc. ("**Pure Global**") when it commenced proceedings for creditor protection under the *Companies' Creditors Arrangement Act (Canada)* ("**CCAA**") on March 19, 2019. Ernst & Young Inc. was appointed as monitor of Pure Global. On May 1, 2019, Dr. Panchal resigned as a director of Pure Global and Farber & Partners Inc. was appointed as receiver pursuant to the *Bankruptcy and Insolvency Act* and the *Courts of Justice Act*.

#### **4. Appointment of Auditors**

Shareholders will be requested to re-appoint Kingston Ross Pasnak LLP, Chartered Professional Accountants, as auditors of the Corporation to hold office until the next annual meeting of Shareholders, and to authorize the Board to fix the auditors' remuneration and the terms of their engagement. Kingston Ross Pasnak LLP, was first appointed auditors of the Corporation on July 15, 2021.

**The persons named in the accompanying Proxy Instrument (if named and absent contrary directions) intend to vote the shares represented thereby FOR the resolution re-appointing Kingston Ross Pasnak LLP as auditors of the Corporation for the ensuing year and to authorize the Board to fix Kingston Ross Pasnak LLP's remuneration.**

#### **5. Amendment of Insider Warrants**

At the Meeting, the Shareholders will be asked to consider, and if thought appropriate, to approve an ordinary resolution (the "**Amendment Resolution**") to amend the terms of 136,250 common share purchase warrants held by ThreeD Capital Inc. (the "**Insider Warrants**") to reprice the Insider Warrants from the current exercise price of \$1.10 per Common Share to \$0.55 per Common Share, and extend the maturity date of the Insider Warrants from January 28, 2025 to January 28, 2026 (the "**Insider Warrant Amendments**"). The full text of the Amendment Resolution is set out below under the heading "*Particulars of Matters to Be Acted upon – Amendment Resolution*".

## Background and Reasons for the Insider Warrant Amendments

### *The Insider Warrants*

The Insider Warrants were issued in connection with a private placement of convertible debenture units of the Corporation (the “**Debenture Units**”), which closed on January 28, 2022 (the “**Offering**”). Each Debenture Unit consisted of \$1,000 principal amount of unsecured subordinated convertible debentures (the “**Debentures**”) and 545 common share purchase warrants (the “**Warrants**”). The Debentures had a maturity date one year following the closing of the Offering (the “**Maturity Date**”), and were convertible at any time following the date that is six months from the closing of the Offering, at the option of the holder, into Common Shares at a price of: (A) \$1.20 per share, if converted between the period commencing six months from the closing of the Offering and ending on the second business day prior to the Maturity Date; or (B) \$0.85 per share, if converted anytime after the second business day prior to the Maturity Date. Each Warrant is exercisable into one Common Share at a price of \$1.10 per Common Share for a period of three years from the closing of the Offering.

Pursuant to the Offering, ThreeD Capital Inc. (“**ThreeD**”), an insider of the Corporation (an “**Insider**”), subscribed for 250 Debenture Units.

On January 27, 2023, the Corporation entered into amending agreements with certain holders of the Debentures and Warrants issued pursuant to the Offering to amend the terms of the Debentures and Warrants (the “**Amending Agreements**”). Pursuant and subject to the terms of the Amending Agreements, the exercise price of the Warrants was amended from \$1.10 to \$0.55 per Common Share, and their expiry date was amended from January 28, 2025 to January 28, 2026 (the “**Warrant Amendments**”). Holders of the Debentures were given an option to either (i) reprice their Debentures and immediately convert them into Common Shares, or (ii) extend the term of their Debentures by six (6) months. Accordingly, Debentures bearing an aggregate principal amount of \$876,000 had their conversion price amended from \$0.85 to \$0.40 per Common Share (the “**Repriced Debentures**”), while the remaining Debentures bearing an aggregate principal amount of \$1,062,000 had their maturity date extended to July 28, 2023. The Repriced Debentures were subsequently converted into an aggregate of 2,190,000 Common Shares. ThreeD entered into an Amending Agreement on identical terms to the other subscribers under the Offering.

Pursuant to the policy of the Toronto Stock Exchange (the “**TSX**”) the Insider Warrant Amendments are subject to approval of the disinterested Shareholders of the Corporation. If disinterested Shareholder approval is not obtained, the Insider Warrant Amendments will not be effected.

### *Benefits of Proposed Insider Warrant Amendments*

In considering whether to recommend the approval of the proposed Insider Warrant Amendments and the Amendment Resolution to the Shareholders, the Board has given consideration to a number of factors including:

- The economy overall has been in a downturn and has been negatively impacted with recessionary pressures and inflationary pressures, which have also negatively impacted the biopharma and cannabis sectors, between January 2022 and January 2023;
- The Corporation’s stock price experienced fluctuations and an overall decline between January 2022 and January 2023; and
- Access to capital in light of the market conditions and stock price has been extremely limited and extremely challenging, the Insider Warrant Amendments position the company for a higher probability towards the possible opportunity to access capital.

The above discussion of the information and factors considered by the Board is not intended to be exhaustive but is believed by the Board to include the material factors considered by the Board in its decision to recommend the approval of the Amendment Resolution. The Board did not consider it practical,

nor did it attempt, to quantify or otherwise assign relative weights to the foregoing factors that were considered in reaching its decision. In addition, in considering the factors described above, individual members of the Board may have given different weights to various factors and may have applied different analyses to each of the material factors considered by the Board. The members of the Board made their recommendation based upon the totality of the information presented to and considered by them.

### **Amendment Resolution**

For the reasons described above, the Board unanimously recommends that Shareholders vote "FOR" the following Amendment Resolution, which must be approved by the holders of not less than 50% of the aggregate Common Shares represented at the Meeting in person or by proxy, excluding Common Shares held by ThreeD, its associates and affiliates:

**BE IT RESOLVED**, as an ordinary resolution of the shareholders of Avicanna Inc. (the "**Corporation**"), that:

1. The 136,250 common share purchase warrants (the "**Insider Warrants**") issued to ThreeD Capital Inc. on January 28, 2022 be amended (the "**Insider Warrant Amendments**") as required to (i) reprice the Insider Warrants from the current exercise price of \$1.10 per Common Share to \$0.55 per Common Share (the "**New Exercise Price**"); and (ii) extend the maturity date of the Insider Warrants to January 28, 2026;
2. The Insider Warrant Amendments be and are hereby authorized and approved, and the Corporation be and is hereby authorized to execute and deliver an amended certificate representing the amended Insider Warrants (the "**Warrant Certificate**") which incorporates the Insider Warrant Amendments, and execution as aforesaid by the Corporation shall be conclusive evidence of the approval of such amended Insider Warrants;
3. To the extent that any non-material amendments to the Warrant Certificate are necessary in connection with the Insider Warrant Amendments, the Corporation be and is hereby authorized to approve such amendments to the Warrant Certificate, provided that such amendments, as determined by the Corporation in its sole discretion, do not change the terms of the Insider Warrants in any way that is adverse to the shareholders of the Corporation (the "**Shareholders**"), and the execution by the Corporation of the amended Warrant Certificate shall be conclusive evidence of such approval;
4. The Corporation is hereby authorized and directed to negotiate the final form, enter into, execute, under the corporate seal of the Corporation or otherwise, deliver or cause to be delivered or accept, as the case may be, any amending agreement or such other agreements and documents in order to give effect to the intent of these resolutions with such additions thereto, changes therein and deletions therefrom, if any, as such officer or director shall consider necessary or desirable and shall approve, such approval to be conclusively evidenced by his or her execution thereof;
5. Any one officer or director of the Corporation, be and he or she is hereby authorized and directed to negotiate the final form, enter into, execute, under the corporate seal of the Corporation or otherwise, deliver or cause to be delivered or accept, as the case may be, for and on behalf of the Corporation, any amending agreement or supplemental indenture or such other agreements and documents in order to give effect to the intent of these resolutions with such additions thereto, changes therein and deletions therefrom, if any, as such officer or director shall

consider necessary or desirable and shall approve, such approval to be conclusively evidenced by his or her execution thereof; and

6. Notwithstanding that this resolution has been duly passed by the Shareholders, the directors of the Corporation be, and they are hereby, authorized and empowered to abandon and revoke this resolution at any time and to not proceed with the transactions contemplated herein, without further approval of the Shareholders.

### **Shareholder Approval**

In order for the Amendment Resolution to be passed, it must be passed by the affirmative votes of disinterested Shareholders holding not less than 50% of the aggregate Common Shares represented at the meeting. For the purposes of the Amendment Resolution, ThreeD, its associates and affiliates are deemed to have an interest in the Insider Warrant Amendments. Accordingly, Common Shares held by ThreeD, its associates and affiliates will be excluded from voting on the Amendment Resolution.

**Unless otherwise directed, the management representatives named in the accompanying form of proxy intend to vote FOR the Amendment Resolution at the Meeting. The Board unanimously recommends that Shareholders vote FOR the Insider Warrant Amendments.**

### **Recommendation of the Board**

The Board has concluded the Insider Warrant Amendments and Amendment Resolution are in the best interests of the Corporation, and as such, authorized submission of this Information Circular and the proposed Amendment Resolution to Shareholders for approval.

The Corporation has determined that while the Insider Warrant Amendments may be a related party transaction pursuant to Multilateral Instrument 61-101 – *Special Transactions* (“**MI 61-101**”), the Corporation is not required to obtain a formal valuation under subsection 5.4(1) of MI 61-101 or minority approval under subsection 5.7(1)(a) of MI 61-101 because pursuant to the exemptions set forth in MI 61-101, neither the fair market value nor the fair market value of the consideration paid for the Warrants exceeds 25% of the Company’s market capitalization.

### **6. Name Change**

At the Meeting, Shareholders will be asked to consider, and if deemed appropriate, to approve, with or without variation, a special resolution (the “**Name Change Resolution**”) authorizing and approving an amendment to the Corporation’s articles to effect the change of the Company’s name from “Avicanna Inc.” to such name as the Board in its discretion may resolve and as may be acceptable to applicable regulatory authorities, if required (the “**Name Change**”).

The Corporation has not decided on a final name yet but is asking shareholders to approve the Name Change Resolution to provide the Board with flexibility if it decides to implement the Name Change prior to the next meeting of Shareholders. The Corporation may decide to implement a name change in connection with a rebranding strategy. However, the Board may determine not to implement the Name Change Resolution at any time after the Meeting and after receipt of necessary regulatory approvals, but prior to the issuance of a certificate of amendment to the articles, without further action on the part of the Shareholders.

The Name Change would become effective, if at all, on a date in the future to be determined by the Board when the Board considers it to be in the best interests of the Corporation to implement such Name Change.

The Board believes that the Name Change is in the best interests of the Corporation and therefore unanimously recommends that Shareholders vote in favour of the special resolution.



## Name Change Resolution

The text of the special resolution to be voted on at the Meeting by the Shareholders is set forth below, which must be approved by the holders of not less than 66 2/3% of the aggregate Common Shares represented at the Meeting in person or by proxy.

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

1. the Corporation is hereby authorized to file Articles of Amendment pursuant to the *Business Corporations Act* (Ontario) to change its name from “Avicanna Inc.” to such name that the board of directors of the Corporation (the “**Board**”) deems appropriate and as may be approved by applicable regulatory authorities, including the TSX, if the Board considers it to be in the best interest of the Corporation to implement such a name change;
2. notwithstanding that this resolution has been duly passed by the shareholders, the Board is hereby authorized and empowered, if it decides not to proceed with this resolution, to revoke this resolution in whole or in part at any time prior to it being given effect without further notice to, or approval of, the Shareholders; and
3. any one director or officer of the Corporation, for and on behalf of the Corporation, is hereby authorized to take all necessary steps and proceedings, and to execute, deliver and file any and all applications, declarations, documents and other instruments, and do all such other acts and things (whether under corporate seal of the Corporation or otherwise) that may be necessary or desirable to give effect to this resolution.

**Unless otherwise directed, the management representatives named in the accompanying form of proxy intend to vote FOR the Name Change Resolution at the Meeting. The Board unanimously recommends that Shareholders vote FOR the Name Change.**

## Recommendation of the Board

The Board has concluded the Name Change and Name Change Resolution are in the best interests of the Corporation, and as such, authorized submission of this Information Circular and the proposed Name Change Resolution to Shareholders for approval.

### 7. Early Warrant Exercise Incentive Program

At the Meeting, the Shareholders will be asked to consider, and if thought appropriate, to approve an ordinary resolution (the “**Incentive Program Resolution**”) to approve the Corporation’s early warrant exercise incentive program and the participation of certain Insiders therein. The full text of the Warrant Incentive Program Resolution is set out below under the heading “*Particulars of Matters to be Acted upon - Warrant Incentive Program Resolution*”.

Unless the context otherwise suggests, references to “**Warrants**” refers to the Common Share purchase warrants of the Corporation, each of which entitles the holder thereof to acquire one Common Share (an “**Underlying Share**”) at a price of \$0.40 per Underlying Share (the “**Exercise Price**”) for a period of three (3) years from the date of issuance; and any holder of such a Warrant is referred to as a “**Warrantholder**”. The Warrants were issued in connection with various private placements of the Corporation, completed between April, 2020 and December, 2022. As of the date of this Information Circular, 13,239,787 Warrants are eligible to participate in the Incentive Program.

## **Background and Reasons for the Early Warrant Exercise Incentive Program**

The Corporation proposes to provide an incentive to the early exercise of the Warrants by offering Warrantheolders the distribution of one-half (0.5) of one Common Share purchase warrant (the “**Incentive Warrants**”) to the Warrantheolders in consideration of the exercise of outstanding Warrants (the “**Warrant Incentive Program**”) for a period currently anticipated to begin on May 18, 2023 and end on May 25, 2023 (the “**Program Period**”). The Underlying Shares represented by the Warrants represent approximately 13.73% of the Corporation’s issued and outstanding Common Shares as of the date of this Information Circular, on a partially diluted basis assuming all Warrants are exercised.

Under the Warrant Incentive Program, it is proposed that the Corporation will issue Incentive Warrants to holders who exercise Warrants during the Program Period. Each Incentive Warrant will entitle the holder thereof to purchase one (1) Common Share at a price of \$0.50 per Common Share for a period of three (3) years from the date of issuance. The Warrants are not listed on the TSX, and the Incentive Warrants will not be listed on the TSX.

If implemented, eligible Warrantheolders will receive a notice from the Corporation describing the terms of the Warrant Incentive Program. In order to validly participate in the Warrant Incentive Program, Warrantheolders will be required to execute and return the notice to the Corporation with the relevant exercise notice(s) attached to their original certificate for the Warrants. Each Warrantheolder who chooses to exercise Warrants will exercise the Warrants in accordance with the exercise form forming part of the certificate for the Warrants. A beneficial Warrantheolder must give instructions for exercise to the broker through whom the Warrants are held. Any Warrants that are not exercised prior to the expiry of the Program Period will remain outstanding and continue to be exercisable for Common Shares of the Corporation on their current terms and will not receive Incentive Warrants.

The Warrant Incentive Program is expected to provide a cost-effective source of financing for the Corporation, while reducing the overhang of a large block of convertible securities, thereby increasing the Corporation’s financial strength and flexibility.

Only Warrants with an exercise price of \$0.40 will be eligible for the Warrant Incentive Program. Up to 6,619,893 Incentive Warrants, or 7.37% of the issued and outstanding Common Shares on a partially diluted basis, may be issued pursuant to the Warrant Incentive Program, with up to 818,125 Incentive Warrants, or 0.97% of the issued and outstanding Common Shares on a partially diluted basis, issuable to Insiders. The exercise of Warrants pursuant to the Warrant Incentive Program is not expected to create any new Insiders or materially affect control of the Corporation.

Pursuant to the policies of the TSX, disinterested shareholder approval is required in order to implement the Warrant Incentive Program and for Warrantheolders who are Insiders to participate in the Warrant Incentive Program. Final approval of the TSX is also required. To the knowledge of the Corporation, Sheldon Inwentash is the only Warrantheolder who is also an Insider. As of the date of this Information Circular, Mr. Inwentash beneficially owns, or exercises control or direction over, 1,850,000 Warrants exercisable into 1,850,000 Underlying Shares.

## **Warrant Incentive Program Resolution**

Pursuant to Section 608 of the TSX Company Manual, disinterested shareholder approval is required in order to implement the Warrant Incentive Program and for Warrantheolders who are Insiders to participate in the Warrant Incentive Program. Accordingly, the Warrant Incentive Program is required to be approved by a majority of the votes cast by Shareholders, excluding the votes held by Warrantheolders.

For the reasons described above, the Board unanimously recommends that Shareholders vote "FOR" the following Warrant Incentive Program Resolution, which must be approved by the holders of not less than 50% of the aggregate Common Shares represented at the Meeting in person or by proxy, excluding Common Shares held by Warrantheolders:

**BE IT RESOLVED**, as an ordinary resolution of the shareholders of Avicanna Inc. (the “**Corporation**”), that:

1. The early warrant exercise incentive program of the Corporation (the “**Warrant Incentive Program**”) as approved by the board of directors of the Corporation, be and is hereby approved, and the Corporation be and is hereby authorized to execute and deliver warrant certificates to holders of warrants in accordance with the terms of the Warrant Incentive Program.
2. The participation of insiders of the Corporation (the “**Insider Participation**”) in the Warrant Incentive Program be and is hereby approved;
3. To the extent that any non-material amendments to the Warrant Incentive Program are necessary in order to permit the implementation thereof or the Insider Participation, the Corporation be and is hereby authorized to approve such amendments to the Warrant Incentive Program, provided that such amendments, as determined by the Corporation in its sole discretion, do not change the terms of the warrants held by insiders of the Corporation in any way that is adverse to the shareholders of the Corporation (the “**Shareholders**”), and the implementation by the Corporation of the amended Warrant Incentive Program shall be conclusive evidence of such approval;
4. The Corporation is hereby authorized and directed to negotiate the final form, enter into, execute, under the corporate seal of the Corporation or otherwise, deliver or cause to be delivered or accept, as the case may be, any amending agreement or such other agreements and documents in order to give effect to the intent of these resolutions with such additions thereto, changes therein and deletions therefrom, if any, as such officer or director shall consider necessary or desirable and shall approve, such approval to be conclusively evidenced by his or her execution thereof;
5. Any one officer or director of the Corporation, be and he or she is hereby authorized and directed to negotiate the final form, enter into, execute, under the corporate seal of the Corporation or otherwise, deliver or cause to be delivered or accept, as the case may be, for and on behalf of the Corporation, any amending agreement or such other agreements and documents in order to give effect to the intent of these resolutions with such additions thereto, changes therein and deletions therefrom, if any, as such officer or director shall consider necessary or desirable and shall approve, such approval to be conclusively evidenced by his or her execution thereof; and
6. Notwithstanding that this resolution has been duly passed by the Shareholders, the directors of the Corporation be, and they are hereby, authorized and empowered to abandon and revoke this resolution at any time and to not proceed with the transactions contemplated herein, without further approval of the Shareholders.

### **Shareholder Approval**

In order for the Warrant Incentive Program Resolution to be passed, it must be passed by the affirmative votes of disinterested Shareholders holding not less than 50% of the aggregate Common Shares represented at the meeting. For the purposes of the Warrant Incentive Program Resolution, Warranholders are deemed to have an interest in the subject matter thereof. Accordingly, Common Shares held by Warranholders will be excluded from voting on the Warrant Incentive Program Resolution.

Unless otherwise directed, the management representatives named in the accompanying form of proxy intend to vote FOR the Warrant Incentive Program Resolution at the Meeting. The Board unanimously recommends that Shareholders vote FOR the Warrant Incentive Program Resolution.

### **Recommendation of the Board**

The Board has concluded the Warrant Incentive Program Resolution is in the best interests of the Corporation, and as such, authorized submission of this Information Circular and the proposed Warrant Incentive Program Resolution to Shareholders for approval.

The Corporation has determined that while the Warrant Incentive Program may be a related party transaction pursuant to MI 61-101, the Corporation is not required to obtain a formal valuation under subsection 5.4(1) of MI 61-101 or minority approval under subsection 5.7(1)(a) of MI 61-101 because pursuant to the exemptions set forth in MI 61-101, neither the fair market value nor the fair market value of the consideration paid for the Warrants exceeds 25% of the Company's market capitalization.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No individual who is, or at any time during the most recently completed financial year of the Corporation was, a director or executive officer of the Corporation, and no Board Nominees for election as a director of the Corporation, or any associate of any such director, executive officer or Board Nominee: (i) is or at any time since the beginning of the most recently completed financial year of the Corporation has been, indebted to the Corporation or any of its subsidiaries, or (ii) whose indebtedness to another entity is, or at any time since the beginning of the most recently completed financial year of the Corporation has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### **SECURITY BASED COMPENSATION ARRANGEMENTS**

#### ***Equity Compensation Plan Information***

The following table sets out information as of December 31, 2022 with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options and rights</b>	<b>Weighted-average exercise price of outstanding options and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by Securityholders <sup>(1)</sup>	2,626,678	\$1.58	4,868,602
Equity compensation plans not approved by Securityholders	Nil	Nil	Nil
<b>TOTAL</b>	<b>2,626,678</b>	<b>\$1.58</b>	<b>4,868,602</b>

Notes:

- (1) The maximum number of Common Shares issuable under the Omnibus Plan of the Corporation was 7,495,280, representing 10% of the issued and outstanding Common Shares as at December 31, 2022.

#### ***Stock Option Plan***

On June 28, 2017, the Board approved the adoption of the Corporation's previous stock option plan (the "**Stock Option Plan**") which permitted the granting of incentive stock options ("**Plan Options**") to the Corporation's employees, officers, directors and consultants for the purpose of developing the interest of

the participants in the growth and development of the Corporation and to better enable the Corporation to attract and retain persons of desired experience and ability. The Stock Option Plan was approved by the Corporation's shareholders at the annual general and special meeting of shareholders held on May 23, 2018. The Board will not issue further Plan Options under the Stock Option Plan. The last grant of Plan Options under the Stock Option Plan was made on April 1, 2019. Plan Options granted under the Stock Option Plan shall continue to be governed by the terms of the Stock Option Plan, and Plan Options outstanding under the Stock Option Plan that expire unexercised shall not be available for re-issuance.

On June 1, 2019, the Board approved the adoption of an omnibus long-term incentive plan of the Corporation (the "**Omnibus Plan**"). The Omnibus Plan was approved by the Corporation's shareholders at the special meeting of shareholders held on June 20, 2019 and, as of such date, all subsequent stock options were granted pursuant to the Omnibus Plan.

### ***Omnibus Plan***

The following is a summary of the material features of the Omnibus Plan.

The Omnibus Plan allows for a variety of equity-based awards that provide different types of incentives to be granted to the Corporation's directors, officers, employees, and consultants. The Omnibus Plan is a rolling percentage or "evergreen" security-based compensation plan. The Omnibus Plan facilitates the granting of awards ("**Awards**") representing: (i) the right to receive one Common Share (an "**Option**" and together with the Plan Options, the "**Stock Options**") subject to such terms as are set out in each Eligible Participant's Option agreement, and at such exercise price as shall be fixed by the Board when such Option is granted, but which shall not be less than the Market Value (as herein defined) of such Common Shares at the time of the grant; or (ii) the right to receive one Common Share (a "**Share Unit**"), the cash equivalent of a Share Unit, or a combination thereof at such purchase price as determined by the Board, being restricted share units ("**RSU**") or performance share units ("**PSU**"), as applicable, which Share Units are subject to such restrictions and conditions as the Board may determine at the time of grant.

Under the terms of the Omnibus Plan, the Board, or if authorized by the Board, the Compensation Committee, may grant Awards to Eligible Participants. Awards may be granted at any time and from time to time in order to: (i) provide Eligible Participants (as herein defined) with additional incentives; (ii) encourage stock ownership by Eligible Participants; (iii) increase the proprietary interest of Eligible Participants in the success of the Corporation; (iv) promote growth and profitability of the Corporation; (v) encourage Eligible Participants to take into account long-term corporate performance; (vi) reward Eligible Participants for sustained contributions to the Corporation and/or significant performance achievements of the Corporation; and (vii) enhance the Corporation's ability to attract, retain and motivate Eligible Participants.

"**Eligible Participants**" shall be the directors, officers, senior executives, consultants, management company employees and other employees of the Corporation or a subsidiary of the Corporation, providing ongoing services to the Corporation and its affiliates. Participation in the Omnibus Plan is voluntary and, if an Eligible Participant agrees to participate, the grant of Awards will be evidenced by a grant agreement with each such participant. The interest of any participant in any Award is not assignable or transferable, whether voluntary, involuntary, by operation of law or otherwise, except upon the death or incapacity of the Eligible Participant, provided, however, that the Award may be exercised in a person's capacity as legal representative of the Eligible Participant. The Omnibus Plan provides that appropriate adjustments if any, will be made by the Board in connection with a reclassification, reorganization or other change to the Common Shares, consolidation, distribution, merger or amalgamation, in the Common Shares issuable or amounts payable to preclude a dilution or enlargement of the benefits under the Omnibus Plan. In the event that a participant receives Common Shares in satisfaction of an Award during a black-out period, such participant shall not be entitled to sell or otherwise dispose of such Common Shares until such black-out period has expired.

As of the date hereof, there are 83,198,475 Common Shares issued and outstanding. The maximum number of Common Shares reserved for issuance under the Omnibus Plan (as well as any other share

compensation arrangement) shall not exceed ten percent (10%) of the aggregate number of Common Shares issued and outstanding from time to time, which as at the date hereof represents 8,319,847 Common Shares. The aggregate number of Common Shares reserved and available for grant issuance pursuant to Share Units under the Plan shall not exceed four percent (4%) of the total issued and outstanding Common Shares from time to time, which as at the date hereof represents 3,327,939 Common Shares.

The maximum number of Common Shares reserved for issuance under the Omnibus Plan to non-employee directors will be 1% of the aggregate number of Common Shares issued and outstanding from time to time. The total Market Value (as defined herein) to any non-employee directors in any given calendar year shall not exceed \$150,000, of which no more than \$100,000 of value may be comprised of Options. The aggregate number of Common Shares (i) issued to Insiders under the Omnibus Plan or any other proposed or established share compensation arrangement within any one-year period and (ii) issuable to Insiders at any time under the Omnibus Plan or any other proposed or established share compensation arrangement, shall in each case not exceed 10% of the aggregate number of issued and outstanding Common Shares from time to time (the “**Insider Participation Limit**”), or such other number as may be approved by any stock exchange on which the Common Shares may be listed for trading, and the Corporation's shareholders from time to time. Unless the Board determines otherwise, the Omnibus Plan provides that Options will vest as to 1/5 on the first anniversary of the date of such grant, 1/5 on the second anniversary of the date of such grant, 1/5 on the third anniversary of the date of such grant, 1/5 on the fourth anniversary of the date of such grant, and 1/5 on the fifth anniversary of the date of such grant.

The exercise price of any Option shall be fixed by the Board when such Option is granted but shall be no less than the five-day volume weighted average trading price of the Common Shares on any stock exchange on which the Common Shares may be listed for trading on the day prior to the date of grant (the “**Market Value**”). A Participant may elect to exercise an Option, in whole or in part, on a ‘cashless exercise’ (“**Cashless Exercise**”) basis. In connection with a Cashless Exercise of Options, a Participant would receive Common Shares equal in value to the difference between the Option exercise price and the fair market value of the Common Shares on the date of exercise, computed in accordance with the Omnibus Plan.

An Option shall be exercisable during a period established by the Board, which shall commence on the date of the grant and shall terminate no later than ten years after the date of granting the Option, or such shorter period of time as the Board may determine. The Omnibus Plan will provide that the exercise period shall automatically be extended if the date on which such Option is scheduled to terminate shall fall during or within 10 business days immediately following a black-out period. In such cases, the extended exercise period shall terminate 10 business days following the last day of the black-out period.

The applicable restriction period in respect of a particular Share Unit shall be determined by the Board but in all cases shall end no later than December 31 of the calendar year which is three years after the calendar year in which the Share Unit is granted (the “**Restriction Period**”).

For each award of PSUs, the Board shall establish the performance criteria and other vesting conditions (the “**Performance Criteria**”), and period in which any Performance Criteria must be met, in order for a participant to be entitled to receive Common Shares in exchange for all or a portion of the PSUs held by such participant (the “**Performance Period**”), provided that such performance period may not expire after the end of the Restriction Period. Performance Criteria will be specified in the PSU grant agreement. Performance Criteria may include, without limitation, criteria based on the participant's personal performance and/or financial performance of the Corporation and/or its affiliates, and may be used to determine vesting of PSUs, when applicable.

With respect to RSUs, unless otherwise approved by the Board and except as otherwise provided in a participant's grant agreement or any other provision of the Omnibus Plan, RSUs will vest as to 1/3 each on the first, second and third anniversary date of their grant. With respect to PSUs, unless otherwise approved by the Board and except as otherwise provided in a participant's grant agreement or any other provision of the Omnibus Plan, PSUs will vest subject to performance and time vesting.

Subject to the terms of any employment agreement or other agreement between a participant and the Corporation, or the Board or an Share Unit award agreement expressly providing to the contrary, in the event that the vesting conditions, Performance Criteria and Performance Period, as applicable, of a Share Unit are satisfied, all of the vested Share Units covered by a grant may be settled at any time following their vesting determination date but no later than the end of the Restriction Period. Participants will have the option to settle such Share Units for their cash equivalent, for Common Shares, or a combination of both. If no election is made by the participant within the prescribed shares, settlement of Share Awards shall take the form of Common Shares.

The following table describes the impact of certain events upon the rights of holders of Awards under the Omnibus Plan, including termination for cause, resignation, termination other than for cause, retirement, death and change of control, subject to the terms of a participant's employment agreement:

<b>Event Provisions</b>	<b>Provisions</b>
<b>Termination for cause</b>	Immediate forfeiture of all vested and unvested Awards.
<b>Resignation</b>	Forfeiture of all unvested Awards and the earlier of the original expiry date and 90 days after resignation to exercise vested Awards or such longer period as the Board may determine in its sole discretion.
<b>Termination other than for cause</b>	Subject to the terms of the grant or as determined by the Board, upon a participant's termination without cause, the number of Awards that may vest is subject to pro-ration over the applicable performance or vesting period and expire on the earlier of: (i) 90 days after the effective date of termination; or (ii) the expiry date of such Awards.
<b>Retirement</b>	Upon the retirement of a participant's employment with the Corporation, any unvested Awards held by the participant as at the retirement date will continue to vest in accordance with their vesting schedules, and all vested Awards held by the participant at the retirement date may be exercised until the earlier of the expiry date of the Awards or one year following the retirement date; provided that, if the participant breaches any post-employment restrictive covenants in favour of the Corporation then any Awards held by such participant, whether vested or unvested, will immediately expire and the participant shall pay to the Corporation any "in-the-money" amounts realized upon exercise of Options and/or Share Units following the retirement date.
<b>Death</b>	All unvested Awards will vest immediately and may be exercised within 180 days after the death of the Eligible Participant.
<b>Change of Control</b>	If an Eligible Participant is terminated without cause or resigns for good reason during the 12-month period following a change of control of the Corporation (a " <b>Change of Control</b> "), any unvested Share Units and/or Options immediately vest and may be exercised prior to the earlier of (i) 30 days following such date, or (ii) the expiry date of such Options.

In connection with a Change of Control, the Board will take such steps as are reasonably necessary or desirable to cause the conversion, exchange or replacement of outstanding Awards into, or for, rights or other securities of substantially equivalent (or greater) value in the continuing entity. If such continuing entity does not assume the outstanding Awards, or the Board determines otherwise in its discretion, the Board may provide written notice to all Eligible Participants that the Omnibus Plan shall be terminated effective immediately prior to the Change of Control, and all Options and RSUs, and a specified number of PSUs shall be deemed to be vested, and unless exercised, expire.

The Board may, in its sole discretion, suspend or terminate the Omnibus Plan at any time, or from time to time, amend, revise or discontinue the terms and conditions of the Omnibus Plan or of any Award granted under the Omnibus Plan and any grant agreement relating thereto, subject to any required regulatory and stock exchange approval, provided that such suspension, termination, amendment, or revision will not adversely alter or impair any Award previously granted except as permitted by the terms of the Omnibus Plan or as required by applicable laws.

The Board may amend the Omnibus Plan or any Award at any time without the consent of a participant; provided that such amendment shall: (i) not adversely alter or impair any Award previously granted, except as permitted by the terms of the Omnibus Plan; (ii) be in compliance with applicable law and subject to any regulatory approvals including, where required, the approval of the stock exchange; and (iii) be subject to shareholder approval, where required by law, the requirements of the stock exchange or the Omnibus Plan, provided, however, that shareholder approval shall not be required for the following amendments:

- (a) amendments of a general housekeeping or clerical nature that, among others, clarify, correct or rectify any ambiguity, inconsistency, defective provision, error or omission in the Omnibus Plan;
- (b) changes that alter, extend or accelerate the terms of exercise, vesting or settlement applicable to any Award;
- (c) a change to the Eligible Participants or assignability provisions under the Omnibus Plan;
- (d) any amendment regarding the effect of termination of a participant's employment or engagement;
- (e) any amendment regarding the administration of the Omnibus Plan;
- (f) any amendment necessary to comply with applicable law or the requirements of the stock exchange or any other regulatory body having authority over the Corporation; and
- (g) any other amendment that does not require the approval of the shareholders pursuant to the terms of the Omnibus Plan.

Any of the following amendments to the Omnibus Plan require the Board to obtain shareholder approval:

- (a) any change to the maximum number of Common Shares issuable under the Omnibus Plan;
- (b) any amendment which reduce the exercise price of the Awards;
- (c) any amendment which would permit the introduction or reintroduction of non-employee directors as Eligible Participants on a discretionary basis or an amendment that increases the limits previously imposed on non-employee director participation;
- (d) any amendment to remove or exceed the Insider Participation Limit;
- (e) any amendment permitting the Awards to be transferable or assignable other than for estate settlement purposes; and
- (f) any amendment to the amendment provisions of the Omnibus Plan.

No such amendment to the Omnibus Plan shall cause the Omnibus Plan in respect of RSUs or PSUs to cease to be a plan described in section 7 of the *Income Tax Act* (Canada) or any successor to such provision.

#### Outstanding Stock Options

As at December 31, 2022, there were Stock Options outstanding to acquire an aggregate of 1,532,797 Common Shares (consisting of 997,297 Plan Options and 535,500 Options) at exercise prices of between \$0.37 and \$8 per Common Share. As at the date hereof, Stock Options to acquire an aggregate of 2,157,797 Common Shares (consisting of 1,622,297 Plan Options and 535,500 Options) at exercise prices of between \$0.37 and \$8 per Common Share are outstanding, having been granted by the Corporation to certain directors, officers, employees and consultants of the Corporation.



The number of Common Shares underlying the Stock Options outstanding as of the date hereof represents in the aggregate 2.59% of the issued and outstanding Common Shares as of the date hereof and, given the currently outstanding Stock Options and restricted share units, there remains for issuance 4,467,883 Options to acquire an aggregate of 4,467,883 Common Shares. The Corporation will no longer issue any Stock Options under the Stock Option Plan. Any new grants will be made under the terms of the Omnibus Plan.

#### Restricted Share Units

As at December 31, 2022, there were an aggregate of 1,093,882 restricted share units of the Corporation outstanding under the Omnibus Plan to executive officers, employees, consultants and non-executive directors. As of the date hereof, the Corporation has issued an aggregate of 1,694,168 restricted share units outstanding under the Omnibus Plan to executive officers, employees, consultants and non-executive directors. Given the currently outstanding Stock Options and restricted share units, there remains for issuance 1,633,771 restricted share units.

#### Burn Rate of Awards

During the financial year ended December 31, 2022, 90,000 Options and 3,147,435 restricted share units were granted, representing a burn rate of 41.99% and 1.20%, respectively.

	<b>2022</b>	<b>2021</b>	<b>2020</b>
Annual Burn Rate of Omnibus Plan	43.19%	22.53%	54.96%

## STATEMENT OF EXECUTIVE COMPENSATION

The following information regarding executive compensation is presented in accordance with National Instrument Form 51-102F6 – *Statement of Executive Compensation* (“**Form 51-102F6**”). The objective of this disclosure is to communicate the compensation the Corporation paid, made payable, awarded, granted, gave or otherwise provided to each named executive officer and director for the financial year ended December 31, 2022, and the decision-making process relating to compensation.

Information contained in this form is as of December 31, 2022, unless indicated otherwise.

### Overview and Compensation Governance

The Board has not adopted any formal policies or procedures to determine the compensation of the Corporation's directors or executive officers. The compensation of the directors and executive officers is determined by the Board, based on the recommendations of the Compensation Committee. Recommendations of the Compensation Committee are made giving consideration to the objectives discussed below and, if applicable, considering applicable industry data.

### Compensation Committee

The Board has appointed the Compensation Committee composed entirely of independent directors which is responsible for, among other things, the following matters:

- reviewing and approving corporate goals and objectives relevant to compensation of the Chief Executive Officer, evaluating the Chief Executive Officer's performance in light of those corporate goals and objectives, and determining (or making recommendations to the Board with respect to) the Chief Executive Officer's compensation level based on this evaluation; and
- making recommendations to the Board with respect to officer and director (other than the Chief Executive Officer) compensation, incentive-compensation plans, and equity-based plans.

Following the Meeting, it is anticipated that the Compensation Committee will be comprised of Eileen McCormack (Chair), Dr. Chandrakant Panchal and John McVicar. For details regarding the experience of the members of the Compensation Committee, see the biographies of each member set out above under “*Particulars of Matters to be Acted Upon – Election of Directors*”.

The Board has adopted a written charter (the “**Compensation Committee Charter**”) establishing the Compensation Committee's purpose, responsibilities, member qualifications, member appointment and removal, structure and operation, and the manner of reporting to the Board. The Compensation Committee Charter further provides that the Compensation Committee is authorized to engage and compensate any outside advisor it determines to be necessary to permit it to carry out its duties.

The Compensation Committee endeavors to ensure that the philosophy and operation of the Corporation's compensation program reinforces its culture and values, creates a balance between risk and reward, attracts, motivates, and retains executive officers over the long-term and aligns their interests with those of the shareholders. In addition, the Compensation Committee is to review the Corporation's annual disclosure regarding executive compensation for inclusion where appropriate in the Corporation's disclosure documents.

### Peer Group(s)

The Corporation uses a pay peer group in order to provide competitive market data to support compensation decision making. The 2022 pay peer group consists of other medical cannabis companies and bio-pharmaceutical companies in the Canadian market, within a range of approximately 1/3x to 3x the Corporation's total enterprise value at the time of initially developing the group:

Aleafia Health Inc.  
InMed Pharmaceuticals Inc.  
Tetra Bio-Pharma Inc.

Heritage Cannabis Holdings Corp.  
Khiron Life Sciences Corp.

The Compensation Committee reviews peer group compensation data to provide external context for pay decision making, with particular reference to the peer group median. However, executive and director compensation levels at Avicanna do not directly target a fixed percentile relative to the peer group.

### **Compensation Components**

The Corporation's compensation consists primarily of three (3) elements: (a) base salary; (b) annual bonus; and (c) long term equity incentives. Each element of compensation is described below in more detail.

#### ***Base Salary***

Base salaries for the Corporation's executive officers are to be established based on the scope of their responsibilities and their prior relevant experience, taking into account competitive market compensation paid by other companies in the Corporation's industry for similar positions and the overall market demand for such executives at the time of hire. An executive officer's base salary will also be determined by reviewing the executive officer's other compensation to ensure that the executive officer's total compensation is in line with the Corporation's overall compensation philosophy.

Base salaries are to be reviewed annually and increased for merit reasons, based on the executive officers' success in meeting or exceeding individual objectives, and taking into account prevailing market conditions. Additionally, the Corporation will adjust base salaries as warranted throughout the year for promotions or significant changes in the scope or breadth of an executive officer's role or responsibilities.

#### ***Annual Bonus***

The Corporation's compensation program includes eligibility for an annual incentive cash bonus. Annual incentive cash bonuses are discretionary and are not awarded pursuant to a formal plan. The Board will assess the level of the executive officer's achievement of meeting individual goals, as well as that executive officer's contribution towards corporation-wide goals. The amount of the cash bonus is expected to depend on the level of achievement of the individual performance goals, with a target bonus generally to be set as a percentage of base salary and based on profitability measures.

#### ***Long Term Equity Incentives***

The Corporation believes that equity-based awards will allow it to reward its executive officers for their sustained contributions. The Corporation also believes that equity awards reward continued employment by an executive officer, with an associated benefit to the company of employee continuity and retention. The Board believes that incentive stock options provide management with a strong link to long-term corporate performance and the creation of shareholder value. The Omnibus Plan allows the opportunity to grant stock options to purchase Common Shares and grant share awards.

#### ***Risks Associated with the Compensation Policies and Practices***

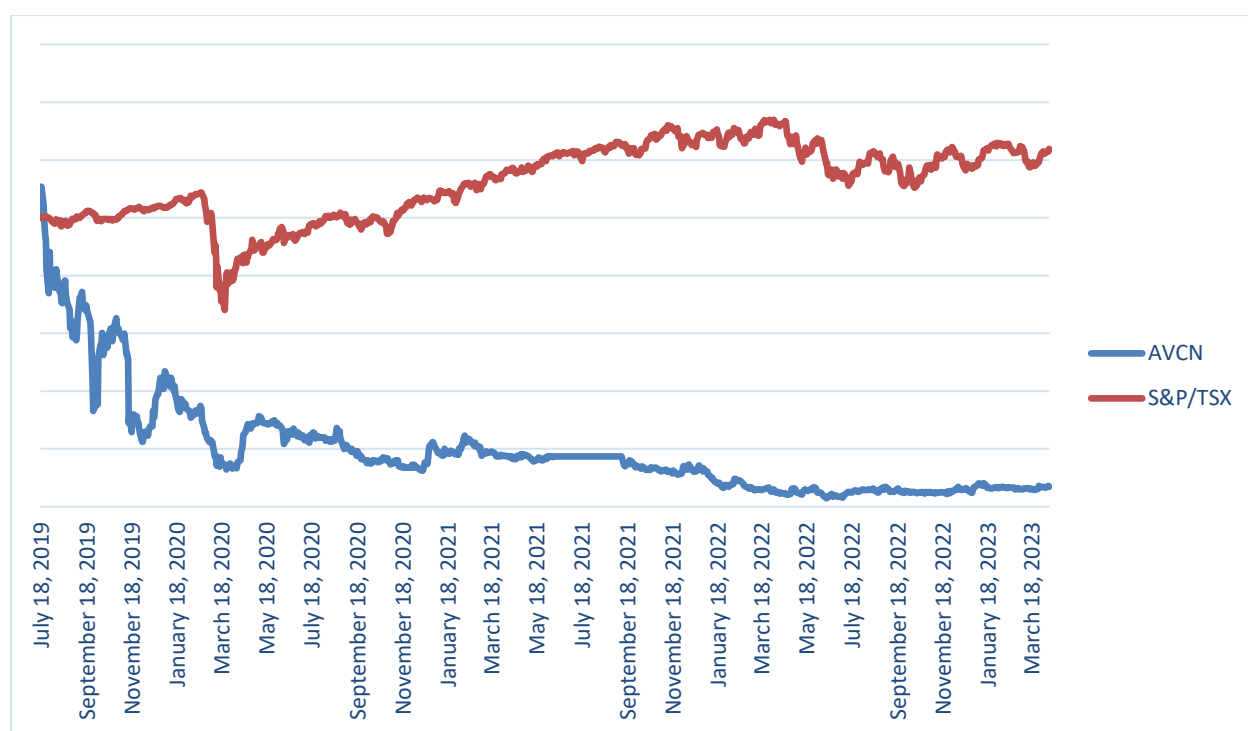
Given the Corporation's size and limited elements of executive compensation, the Board does not currently deem it necessary to consider the implications of the risks associated with the Corporation's compensation policies and practices. The Board believes the current structure of the Corporation's executive compensation arrangements is focused on long-term value and is designed to correlate to the long-term performance of the Corporation.

## Hedging

All of the Corporation's executives, other employees, advisory committee members and directors are subject to Avicanna's insider trading policy (the "**Insider Trading Policy**"), which prohibits trading in Avicanna's securities while in possession of material undisclosed information about the Corporation. Under the Insider Trading Policy, all of the Corporation's executives, other employees, advisory committee members and directors are prohibited from entering into hedging transactions involving Avicanna's securities, such as short sales, puts and calls.

## Performance Graph

Below is a chart comparing the Corporation's shareholder return to the S&P and TSX composite index over the five most recently completed financial years. Compensation for the Named Executive Officers (as defined in Form 51-102F6) was not materially changed or amended from the time the Company went public in July 2019 to the date hereof, other than some reductions to compensation made by management in early 2020, in which all executive officers agreed to a reduction in base compensation.



## Summary Compensation Table

The following table summarizes, for the periods indicated, the compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation to each individual who served as the Corporation's Chief Executive Officer, Chief Financial Officer and each other named executive officer during the year ended December 31, 2022, as such term is defined under Form 51-102F6 – *Statement of Executive Compensation*. Such persons are referred to collectively herein as the "**Named Executive Officers**" or "**NEOs**". All amounts in the following table and the notes thereto are in Canadian dollars unless otherwise indicated.

Name and principal position	Year	Salary (\$)	Share-based awards (\$) <sup>(2)(8)</sup>	Option-based awards (\$) <sup>(8)(3)</sup>	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) <sup>(4)</sup>	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
<b>Aras Azadian</b> Chief Executive Officer <sup>(1)</sup>	2022	160,833	305,066	19,879	-	-	-	-	485,778
	2021	126,667	87,500	9,630	20,000	-	-	-	243,797
	2020	110,000	103,251	59,850	85,000	-	-	-	358,101
<b>Phillip Cardella</b> Chief Financial Officer <sup>(6)</sup>	2022	142,760	103,161	19,879	-	-	-	-	265,800
	2021	58,333	21,875	10,049	-	-	-	-	90,257
<b>Stephen Kim</b> Chief Legal Officer, General Counsel & Corporate Secretary of Avicanna USA Inc. <sup>(7)</sup>	2022	196,306	193,833	24,371	-	-	-	-	414,510
<b>Davender Sohi</b> Former Chief Financial Officer <sup>(5)</sup>	2022	91,701	89,064	-	-	-	-	-	180,765
	2021	151,958	75,000	9,630	19,000	-	-	-	255,588
	2020	135,000	76,751	108,300	85,000	-	-	-	405,051
<b>Lucas Nosiglia</b> President of Avicanna LATAM S.A.S. <sup>(6)</sup>	2022	159,425	195,622	13,253	-	-	-	-	368,299
	2021	192,686	75,000	9,630	19,000	-	-	-	296,316
	2020	126,000	80,428	108,300	85,000	-	-	-	399,728
<b>Frantz Le Devedec</b> Former EVP Research and Product Development	2022	132,000	82,073	13,253	-	-	-	-	227,325
	2021	133,780	12,200	-	40,260	-	-	-	186,240
	2020	120,000	9,750	-	-	-	-	-	\$129,750

Notes:

- (1) Mr. Azadian was also a director during the year ended December 31, 2022 but was not entitled to any compensation in connection with their service as a director.
- (2) The value of the share-based awards represents the fair value on the date the instruments were issued.
- (3) Represents the fair value of the stock option on the grant date. The fair value of the options was estimated at the date of grant using the Black Scholes option pricing model.
- (4) No NEOs received any additional compensation or perquisites.
- (5) Mr. Sohi resigned as Chief Financial Officer of the Corporation effective May 18, 2022.
- (6) Mr. Cardella served as Vice President Finance and was appointed Interim Chief Financial Officer effective May 18, 2022, and appointed Chief Financial Officer effective December 22, 2022.
- (7) Mr. Kim was appointed Chief Legal Officer, General Counsel, & Corporate Secretary of Avicanna USA Inc. on January 17, 2022.
- (8) The Omnibus Plan was approved by the Corporation's shareholders on June 20, 2019, and re-approved by the Corporation's shareholders on August 31, 2022.

***Incentive Plan Awards – Outstanding Option-Based and Share-Based Awards***

The following table shows all outstanding option-based and share-based awards held by each Named Executive Officer as at December 31, 2022.

Name	Option-based Awards				Share-based Awards			
	Number of securities underlying unexercised options	Option exercise price <sup>(1)</sup>	Option expiration date	Value of unexercised in-the-money options <sup>(2)</sup>	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested <sup>(2)</sup>	Number of shares or units of shares that have vested	Market or payout value of vested share-based awards not paid or distributed <sup>(2)</sup>
<b>Aras Azadian</b> Chief Executive Officer	18,492	\$2.50	July 10, 2025	-	42,500	\$17,425	546,411	-
	35,000	\$2.75	January 24, 2026	-				
	20,000	\$1.00	October 20, 2027	-				
<b>Phillip Cardella</b> Chief Financial Officer <sup>(4)</sup>	20,000	\$1.00	October 20, 2027	-	37,320	\$15,031	70,870	-
<b>Stephen Kim</b> Chief Legal Officer, General Counsel & Corporate Secretary of Avicanna USA Inc. <sup>(5)</sup>	20,000	\$1.00	October 20, 2027	-	70,000	\$28,700	50,000	-
<b>Davender Sohi</b> Former Chief Financial Officer <sup>(3)</sup>	19,720	\$2.50	July 10, 2025	-	-	-	346,857	-
	30,000	\$2.75	January 24, 2026	-				
	75,000	\$1.00	November 9, 2026	-				
	20,000	\$1.00	October 20, 2027	-				
<b>Lucas Nosiglia</b> President of Avicanna LATAM S.A.S.	11,820	\$2.50	July 10, 2025	-	36,668	\$15,034	350,053	-
	30,000	\$2.75	January 24, 2026	-				
	75,000	\$1.00	November 9, 2026	-				
	20,000	\$1.00	October 20, 2027	-				
<b>Frantz Le Devedec</b> EVP Research and Product Development	40,000	\$8.00	August 30, 2025	-	10,000	\$4,100	10,000	-
	5,298	\$2.50	July 10, 2025	-				
	10,000	\$2.75	January 24, 2026	-				
	15,000	\$1.00	November 9, 2026	-				

Notes:

(1) Price in CAD.

(2) Based on the TSX closing price of \$0.41 for the Common Shares on December 31, 2022.

- (3) Mr. Sohi resigned as Chief Financial Officer of the Corporation effective May 18, 2022.
- (4) Mr. Cardella served as Vice President Finance and was appointed Interim Chief Financial Officer effective May 18, 2022, and appointed Chief Financial Officer effective December 22, 2022.
- (5) Mr. Kim was appointed Chief Legal Officer, General Counsel, & Corporate Secretary of Avicanna USA Inc. on January 17, 2022.

### ***Incentive Plan Awards – Value Vested or Earned During the Year***

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for the Named Executive Officers for the financial year ended December 31, 2022.

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year<sup>(1)</sup></b>	<b>Non-equity incentive plan compensation – Value earned during the year</b>
<b>Aras Azadian</b> Chief Executive Officer	\$7,516	\$224,029	-
<b>Phillip Cardella</b> Chief Financial Officer	\$2,733	\$29,057	\$3,750
<b>Stephen Kim</b> Chief Legal Officer, General Counsel & Corporate Secretary of Avicanna USA Inc.	-	\$20,500	-
<b>Davender Sohi</b> Former Chief Financial Officer	\$24,167	\$142,211	-
<b>Lucas Nosiglia</b> President of Avicanna LATAM S.A.S.	\$17,083	\$143,522	-
<b>Frantz Le Devedec</b> Former EVP Research and Product Development	\$4,141	\$4,100	-

Notes:

- (1) Based on the TSX closing price of \$0.41 for the Common Shares on December 30, 2022.

### ***Pension Plan Benefits***

As of December 31, 2022, there did not exist a pension plan that provides for payments or benefits to the NEOs at, following, or in connection with retirement.

### ***Deferred Compensation Plans***

As of December 31, 2022, there did not exist any deferred compensation plans.

### ***Termination and Change of Control Benefits***

Other than as described herein, the Corporation does not have any existing contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer currently employed by the Corporation, at, following, or in connection with a termination (whether voluntary, involuntary or constructive), resignation, retirement, a change of control of the Corporation or a change in a Named Executive Officer's responsibilities.

#### ***Aras Azadian, Chief Executive Officer***

Mr. Azadian's employment agreement provides for an annual salary of \$200,000. Mr. Azadian is eligible for a discretionary bonus following the end of each fiscal quarter. Mr. Azadian is entitled to participate in the

Omnibus Plan, and receive other corporate employee benefits, including director and officer insurance coverage, health benefits and expense reimbursement. Mr. Azadian is entitled to receive a lump sum payment equal to 18 months of his then existing monthly base salary plus bonus in the event that he is terminated without cause. Mr. Azadian's employment agreement contains non-competition, non-solicitation and non-disparagement restrictions.

*Phillip Cardella, Chief Financial Officer*

Mr. Cardella's employment agreement provides for an annual salary of \$180,000. Mr. Cardella is eligible for a discretionary bonus following the end of each fiscal year. Mr. Cardella is entitled to participate in the Omnibus Plan, and receive other corporate employee benefits, including director and officer insurance coverage, health benefits and expense reimbursement. Mr. Cardella is entitled to receive payment equal to 3 months of his then existing monthly base salary plus bonus in the event that he is terminated without cause.

*Stephen Kim, Chief Legal Officer, General Counsel & Corporate Secretary of Avicanna USA Inc.*

Mr. Kim's employment agreement provides for an annual salary of \$200,000. Mr. Kim is eligible for a discretionary bonus following the end of each fiscal year. Mr. Kim is entitled to participate in the Omnibus Plan, and receive other corporate employee benefits, including director and officer insurance coverage, health benefits and expense reimbursement. Mr. Kim is entitled to receive payment equal to 12 months of his then existing monthly base salary plus bonus in the event that he is terminated without cause.

**Director Compensation**

The Board, through the Compensation Committee, is responsible for the development and implementation of a compensation plan for the Corporation's directors who are not officers. Officers who are also directors are not paid any compensation for acting as a director.

The primary objectives of the Corporation's director compensation program are to attract highly qualified individuals and to compensate the directors in a manner that is commensurate with the risks and responsibilities of serving on the Board. The Corporation aims to compensate its directors at a level that is similar to the compensation paid to directors in Avicanna's industry. In addition, the Corporation uses director compensation to foster a culture of ownership among the Board.

**Director Compensation Table**

The following table sets forth information concerning the annual and long-term compensation in respect of the directors of the Corporation, other than the directors who were also Named Executive Officers, during the financial year ended December 31, 2022. For details of the compensation for Aras Azadian, the Named Executive Officer who was also a director of the Corporation during 2022, see disclosure under "Statement of Executive Compensation – Summary Compensation Table".

Name	Fees earned	Share-based awards <sup>(4)</sup>	Option-based awards	Non-equity incentive plan compensation	Pension value	All other compensation	Total compensation
Dr. Chandrakant Panchal	\$37,500	\$48,435	-	-	-	-	\$85,935
Giancarlo Davila Char <sup>(1)</sup>	-	\$76,480	-	-	-	\$18,000	\$94,480
Dr. Assad J. Kazeminy <sup>(2)</sup>	\$36,223	\$39,785	-	-	-	-	\$76,008
John McVicar	\$35,625	\$61,470	-	-	-	-	\$97,095
Eileen McCormack <sup>(3)</sup>	\$10,521	\$65,457	-	-	-	-	\$75,978
Setu Purohit <sup>(5)</sup>	-	-	-	-	-	-	-



Notes:

- (1) Mr. Davila Char earned USD\$2,500 per month in the 2021 calendar year and USD\$2,500 per month in the 2020 calendar year, in each case in his capacity as an independent contractor of the Corporation. Mr. Davila Char elected to receive restricted share units in lieu of his fees earned as an independent contractor.
- (2) Dr. Kazeminy did not stand for re-election at the Meeting of Shareholders held August 31, 2022.
- (3) Ms. McCormack was appointed to the Board on January 4, 2022
- (4) Based on the TSX closing price of \$0.41 for the Common Shares on December 31, 2022.
- (5) Mr. Purohit resigned as director of the Corporation on January 4, 2022.

The Corporation compensated independent directors as follows: a total compensation envelope value of \$80,000 per year, plus additional fees for the Lead Director (\$20,000), Chair of the Audit Committee (\$15,000), and Chair of the Compensation Committee (\$12,500). The total value of the compensation envelope for each director is paid 50% in cash fees (payable quarterly) and 50% in equity-based compensation. Directors are also reimbursed for their out-of-pocket expenses incurred in connection with rendering services to the Corporation. The cash component for all US based independent directors was calculated in United States dollars and for all Canadian based independent directors was calculated in Canadian dollars. The equity-based compensation was calculated in Canadian dollars for all directors.

### **Outstanding Option-Based and Share-Based Awards**

The following table shows all outstanding option-based and share-based awards held by each director (other than the directors who were also Named Executive Officers and for whom the identical information is shown on the comparable table for Named Executive Officers set out above) as at December 31, 2022.

Name	Option-based Awards				Share-based Awards			
	Number of securities underlying unexercised options	Option exercise price	Option expiration date	Value of unexercised in-the-money options	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested <sup>(1)</sup>	Number of shares or units of shares that have vested	Market or payout value of vested share-based awards not paid or distributed <sup>(1)</sup>
Dr. Chandrakant Panchal	50,000	\$1.00	October 20, 2027	-	116,343	\$47,700	128,779	-
Giancarlo Davila Char <sup>(2)</sup>	110,000	\$2.00	May 1, 2025	-	201,537	\$82,630	30,000	-
Dr. Assad J. Kazeminy <sup>(3)</sup>	100,000	\$1.00	October 20, 2027	-	86,313	\$35,388	60,996	-
John McVicar	50,000	\$1.00	October 20, 2027	-	138,910	\$56,953	88,462	-
Eileen McCormack <sup>(4)</sup>	-	-	-	-	128,637	\$52,741	31,016	-
Setu Purohit <sup>(5)</sup>	11,832	\$2.50	July 10, 2025	-	-	-	-	-
	6,667	\$1.00	October 20, 2027	-	-	-	-	-
	30,000	\$2.75	January 24, 2026	-	-	-	-	-

Notes:

- (1) Based on the TSX closing price of \$0.41 for the Common Shares on December 31, 2022.
- (2) Mr. Davila Char beneficially owns, controls, or directs, directly or indirectly, 10,000 Options through Siranom Investments Inc.
- (3) Dr. Kazeminy did not stand for re-election at the Meeting of Shareholders held on August 31, 2022.
- (4) Ms. McCormack was appointed to the Board on January 4, 2022
- (5) Mr. Purohit resigned from the Board on January 4, 2022.

### ***Value of Awards Vested or Earned During the Year***

The following table provides information regarding the value on pay-out or vesting of incentive plan awards for each director of the Corporation (other than the directors who are also Named Executive Officers and for whom the identical information appears on the comparable table for Named Executive Officers set out above) for the financial year ended December 31, 2022.

<b>Name</b>	<b>Option-based awards – Value vested during the year<sup>(1)</sup></b>	<b>Share-based awards – Value vested during the year<sup>(1)</sup></b>	<b>Non-equity incentive plan compensation – Value earned during the year</b>
Dr. Chandrakant Panchal	\$13,667	\$31,907	-
Giancarlo Davila Char <sup>(2)</sup>	-	\$6,150	-
Dr. Assad J. Kazeminy <sup>(3)</sup>	\$13,667	\$25,009	-
John McVicar	\$13,667	\$25,685	-
Eileen McCormack <sup>(4)</sup>	-	\$12,716	-
Setu Purohit <sup>(5)</sup>	-	-	-

Notes:

- (1) Based on the TSX closing price of \$0.41 for the Common Shares on December 31, 2022.
- (2) Mr. Davila Char beneficially owns, controls, or directs, directly or indirectly, 10,000 Options through Siranom Investments Inc.
- (3) Dr. Kazeminy did not stand for re-election at the Meeting of Shareholders held on August 31, 2022.
- (4) Ms. McCormack was appointed to the Board on January 4, 2022.
- (5) Mr. Purohit resigned from the Board on January 4, 2022.

### ***Directors and Officers Liability Insurance***

Directors and officers liability insurance was renewed on September 15, 2022 at the Corporation's expense for the protection of all the directors and officers against liability incurred by them in their capacities as directors and officers of the Corporation and the Corporation's past and present subsidiaries.

## **STATEMENT OF CORPORATE GOVERNANCE**

Under the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”), the Corporation is required to disclose certain information relating to its corporate governance practices. This information is set forth below.

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

The Board is currently comprised of five (5) directors and five (5) Board Nominees are being put forward by management for election as directors at the Meeting.

Under the Act, a director may be removed with or without cause by a resolution passed by an ordinary majority of the votes cast by shareholders present in person or by proxy at a meeting and who are entitled to vote. The directors will be elected by shareholders at each annual meeting of shareholders, and all directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed.

Under NI 58-101, a director is considered to be independent if he or she is independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”). Based on information provided by each director concerning his or her background, employment and affiliations, the Board has determined that of the five (5) directors on the Board as at the date hereof, Aras Azadian is not considered independent as a result of his position as an executive officer of the Corporation, and Giancarlo Davila Char is not considered independent as a result of his position as an independent contractor of the Corporation. Dr. Chandrakant Panchal, Chairman of the Board, John McVicar and Eileen McCormack are considered independent within the meaning of NI 52-110. It is anticipated that of the five (5) Board Nominees, three (3) will be considered independent within the meaning of NI 52-110, being Dr. Chandrakant Panchal, John McVicar and Eileen McCormack.

### **Independent Directors**

The Board believes that, given its size and structure, it is able to facilitate independent judgment in carrying out its responsibilities. Currently the majority of the Board is independent and the independent directors meet in the absence of senior executive officers or any non-independent directors. The independent directors hold such in-camera sessions at each scheduled Board meeting.

### **Attendance**

The attendance record of each director for all board meetings held since the beginning of the Corporation's most recently completed financial year is set out below:

<b>Director</b>	<b>Board Meetings Attended</b>	<b>Audit Committee Meetings Attended</b>	<b>Compensation Committee Meetings Attended</b>	<b>Nominating &amp; Corporate Governance Committee Meetings Attended</b>
Aras Azadian	16	-	-	-
Setu Purohit <sup>(1)</sup>	-	-	-	-
Giancarlo Davila Char	13	-	-	-
Dr. Chandrakant Panchal	16	5	2	1
John McVicar	16	5	2	1
Eileen McCormack <sup>(2)</sup>	16	5	1	2
Dr. Assad J. Kazeminy <sup>(3)</sup>	10	-	1	-

Notes:

- (1) Mr. Purohit resigned from his role as a director of the Corporation on January 4, 2022.
- (2) Ms. McCormack was appointed as director of the Corporation on January 4, 2022.
- (3) Dr. Kazeminy did not stand for re-election at the meeting of shareholders held on July 28, 2022.

### **Reporting Issuer Experience**

The following directors of the Corporation are also a director of other reporting issuers:

Director	Name of Other Reporting Issuer and Exchange
Dr. Chandrakant Panchal	Medicenna Therapeutics Corp. (TSX and NASDAQ)
John McVicar	Ion Energy Ltd. (TSXV)

### ***Board Mandate***

The Board is responsible for supervising the management of the business and affairs of the Corporation, including providing guidance and strategic oversight to management. The Board has adopted a formal mandate, the Board Mandate, attached hereto as Appendix "A", in which the Board has acknowledged responsibility for the stewardship of the Corporation, including:

- adopting a strategic planning process;
- identifying risks to the business of the Corporation and ensuring that appropriate procedures are in place for risk management;
- reviewing, approving and monitoring annual operating plans and budgets;
- mandating a culture of corporate social responsibility, ethics and integrity including satisfying itself as to the integrity of the executive officers of the Corporation and that those executive officers create a culture of integrity throughout the organization;
- providing for succession planning, including the appointment, training and supervision of management;
- monitoring financial reporting, including the adequacy of internal controls and management information systems;
- supervising corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders; and
- adopting key corporate policies designed to ensure that the Corporation, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Corporation's business ethically and with honesty and integrity.

### ***Audit Committee***

The Audit Committee is responsible for overseeing the integrity of the Corporation's financial statements, reviewing financial reports and other financial information, recommending the appointment and reviewing and appraising the audit efforts of the Corporation's external auditors, overseeing and monitoring the Corporation's financial reporting processes and internal controls, the Corporation's processes to manage business and financial risk and its compliance with legal, ethical and regulatory requirements and encouraging improvement of, and adherence to, the Corporation's policies, procedures and practices.

The Audit Committee currently consists of three directors, namely, Mr. John McVicar (Chair), Dr. Chandrakant Panchal, and Ms. Eileen McCormack. Each of Mr. McVicar, Dr. Panchal, and Ms. McCormack are persons determined by the Board to be independent directors within the meaning of NI 52-110.

Each of the Audit Committee members is financially literate in accordance with NI 52-110 and has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For additional details regarding the relevant education

and experience of each member of the Audit Committee, see also “*Particulars of Matters to be Acted Upon – Election of Directors*”.

The Audit Committee has a published mandate which is disclosed in the Corporation's Annual Information Form (the “**AIF**”), filed with Canadian securities regulators and posted under the Corporation's profile at [www.sedar.com](http://www.sedar.com). For additional information on the Audit Committee, please see the section of the AIF titled “*Audit Committee*”.

On August 31, 2022, the Corporation re-appointed Kingston Ross Pasnak LLP as its independent registered public accounting firm.

### **Compensation Committee**

For a description of the composition and function of the Compensation Committee, see “*Statement of Executive Compensation – Compensation Committee*”.

### **Nominating & Corporate Governance Committee**

The Board has established the Nominating & Corporate Governance Committee which oversees the nomination of directors. Following the Meeting, it is anticipated that the Nominating & Corporate Governance Committee will be comprised of Eileen McCormack (Chair), John McVicar and Dr. Chandra Panchal.

The Nominating & Corporate Governance Committee is tasked with the responsibility of assisting the Board in fulfilling its responsibilities relating to matters of director nominations process and procedures and developing and maintaining the Corporation's corporate governance policies, including diversity. In addition, the Nominating & Corporate Governance Committee has the following powers and responsibilities, among others: (i) determine the qualifications, qualities, skills and other expertise required to be a director of the Corporation; (ii) develop, and recommend to the Board for its approval, criteria to be considered in selecting nominees for director; (iii) identify and screen individuals qualified to become members of the Board and make recommendations to the Board; (iv) consider any director candidates recommended by the Corporation's shareholders under the procedures set forth in the Act and the Corporation's by-laws; (v) oversee the Corporation's corporate governance practices and procedures, including identifying best practices and reviewing and recommending to the Board for approval any changes to the documents, policies and procedures in the Corporation's corporate governance framework and its articles of incorporation and by-laws; (vi) review and discuss with management disclosure of the Corporation's corporate governance practices, including information regarding the operations of the Nominating & Corporate Governance Committee and other Board committees, director independence and the director nominations process and review and recommend disclosure to be included in the Corporation's management information circular; (vii) develop, subject to approval by the Board, a process for an annual assessment of effectiveness of the Board and its committees and oversee the conduct of this annual assessment; (viii) review the Board's committee structure and composition and make recommendations to the Board regarding the appointment of directors to serve as members of each committee and committee chair annually; (ix) identify and make recommendations to the Board regarding the selection and approval of candidates to fill vacancies either by election by shareholders or appointment by the Board; (x) develop and oversee a Corporation orientation program for new directors and a continuing education program for current directors and periodically review these programs and update them as necessary; (xi) develop and recommend to the Board for approval director independence standards in addition to those required by applicable securities laws and stock exchange requirements and evaluate the independence of each director at least annually; (xii) monitor compliance with the Corporation's Code of Conduct, investigate any alleged breach or violation of the Code of Conduct, enforce the provisions of the Code of Conduct and review the Code of Conduct periodically and recommend any changes to the Board; (xiii) develop and recommend to the Board for approval a Chief Executive Officer succession plan; (xiv) develop and evaluate potential candidates for executive positions; and recommend to the Board any changes to, and any candidates for succession under, the succession plan; and (xv) review any director resignation letter

tendered and evaluate and recommend to the Board whether such resignation should be accepted in accordance with the Corporation's Majority Voting Policy.

### ***Majority Voting Policy***

The Corporation has adopted a Majority Voting Policy for director elections, whereby any nominee for election as a director who receives a greater number of votes “withheld” than votes “for” must tender his or her resignation to the Chairman following the shareholders' meeting to be effective upon acceptance by the Board. Upon such resignation, the Nominating & Corporate Governance Committee will consider the offer of resignation and make a recommendation to the Board on whether or not to accept it. The Board will consider such resignation and will accept the resignation absent exceptional circumstances. A director who tenders his or her resignation pursuant to this policy will not participate in any meeting of the Board or the Nominating & Corporate Governance Committee at which the resignation is considered. Once the determination of the Board to accept or reject the director's resignation has been made, the Corporation will promptly announce the Board's decision by press release.

### ***Position Descriptions***

The Board has adopted a written position description for: (i) the Chair which sets out their key responsibilities, including, among others, duties relating to setting committee meeting agendas, chairing committee meetings and working with the respective committee and management to ensure, to the greatest extent possible, the effective functioning of the committee; (ii) the Lead Director which sets out the key responsibilities of the Lead Director, including, among others, duties relating to assisting the Board in understanding its obligations as a Board and, in particular, the requirement for the Board to operate independent of management; and (iii) the Executive Officers which sets out the key responsibilities of the Executive Officers, including, among other duties in relation to providing overall leadership, ensuring the development of a strategic plan and recommending such plan to the Board for consideration, ensuring the development of an annual corporate plan and budget that supports the strategic plan and recommending such plan to the Board for consideration and supervising day-to-day management and communicating with shareholders and regulators.

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

The Board has adopted a written code of business conduct and ethics (the “**Code of Conduct**”) that applies to all of the Corporation's directors, officers, employees and advisory committee members. The objective of the Code of Conduct is to provide guidelines for maintaining the Corporation's and its subsidiaries' integrity, reputation, honesty, objectivity, and impartiality. The Code of Conduct addresses conflicts of interest, protection of the Corporation's assets, confidentiality, fair dealing with shareholders, competitors and employees, insider trading, compliance with laws, and reporting any illegal or unethical behaviour. As part of the Code of Conduct, any person subject to the Code of Conduct is required to avoid or fully disclose interests or relationships that are harmful or detrimental to the Corporation's best interests or that may give rise to real, potential, or the appearance of, conflicts of interest. The Board has ultimate responsibility for the stewardship of the Code of Conduct and it will monitor compliance through the Nominating & Corporate Governance Committee. Directors, officers, employees and advisory committee members, are required to annually certify that they have not violated the Code of Conduct. The Code of Conduct is filed with the Canadian securities regulatory authorities on SEDAR at [www.sedar.com](http://www.sedar.com).

All of the Corporation's executives, other employees and directors are also subject to the Insider Trading Policy, which prohibits trading in the Corporation's securities while in possession of material undisclosed information about the Corporation. Under this policy, such individuals are prohibited from entering into hedging transactions involving the Corporation's securities, such as short sales, puts and calls. Furthermore, the Corporation permits executives, including the NEOs, to trade in the Corporation's securities, only during prescribed trading windows.

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

The Corporation has implemented an orientation program for new directors under which a new director will meet with the Chairman and members of senior management. New directors will be provided with comprehensive orientation and education as to the nature and operation of the Corporation and its business, the role of the Board and its committees, and the contribution that an individual director is expected to make. The Nominating & Corporate Governance Committee is responsible for overseeing director continuing education designed to maintain or enhance the skills and abilities of the directors and to ensure that their knowledge and understanding of the Corporation's business remains current. The chair of each committee is responsible for coordinating orientation and continuing director development programs relating to the committee's mandate.

### ***Assessments***

The Board, in conjunction with the Nominating & Corporate Governance Committee, has put in place measures to assess the effectiveness and contribution of the Board and its committees, as well as individual directors and each of the officers of the Corporation on an annual basis.

### ***Director Term Limits***

The Corporation has not adopted a policy which imposes term limits for directors. The Corporation believes that it is crucial that directors understand its industry and its 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.

### ***Policies Regarding the Representation of Women on the Board and Executive Management and the Consideration of the Representation of Women in the Director Identification and Selection Process and Executive Officer Appointments***

The Board does not currently have a formal policy with regard to the consideration of diversity in identifying director or executive nominees or a written policy relating to the identification and nomination of women directors or executives. The Corporation has not yet adopted such formal policies on diversity but regularly considers diversity (including the representation of women on the Board) as one of a number of relevant factors when considering potential new nominees. The Corporation recognizes the potential benefit of diversity in leadership positions, including with respect to its Board and executive officer positions, but feels a formal policy is unnecessary for the size of the Corporation.

### ***Targets Regarding the Representation of Women on the Board and in Executive Officer Positions***

At this time the Corporation has not adopted a target regarding the representation of women on the Board or in executive officer positions. The Corporation does not adopt targets because the Corporation is of the view that its current practice of considering diversity as a factor in selecting candidates as potential directors or executive officers permits the Corporation to balance the benefit of diversity with other relevant considerations.

### ***Number of Women on the Board and in Executive Positions***

The Corporation currently has one (1) woman (20%) on the Board and no women (0%) in an executive officer role. One (1) of the Board Nominees is a woman, representing 20% of the five (5) Board Nominees.

## **MANAGEMENT CONTRACTS**

As of December 31, 2022, the Corporation was not party to any management contracts.

## **TRANSFER AGENT AND REGISTRAR**

The transfer agent and registrar of the Corporation is Odyssey Trust Company at its principal office at 323 - 409 Granville St. Vancouver, British Columbia, V6C 1T2.

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

Other than as described herein with respect to Santa Marta Golden Hemp S.A.S. (and Mr. Davila Char's relationship with Bondue), to the knowledge of the Corporation, no "informed person", proposed director, or any associate or affiliate of any of these persons, has any material interest, direct or indirect, in any transaction since January 1, 2022 or in any proposed transaction that has materially affected or would materially affect the Corporation or any of its subsidiaries. An "informed person" means, among others, (i) a director or executive officer of the Corporation or of a subsidiary of the Corporation, (ii) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Corporation or a combination of both carrying more than ten percent (10%) of the voting rights attached to all outstanding voting securities of the Corporation other than voting securities held by the person or company as underwriter in the course of a distribution; and (iii) a reporting issuer that has purchased, redeemed, or otherwise acquired any of its securities, for so long as it holds any of its securities.

## **ADDITIONAL INFORMATION**

Financial information is provided in the financial statements and management's discussion and analysis of the results thereon. Shareholders wishing to receive a copy of such materials should mail a request to the Corporation at 480 University Avenue, Suite 1502, Toronto, Ontario, M5G 1V2, Attention: Legal Department.

Additional information relating to the Corporation is also available free of charge on SEDAR at [www.sedar.com](http://www.sedar.com).



## APPENDIX "A"

### BOARD MANDATE

#### 1. INTRODUCTION

- 1.1 The board of directors (the "**Board**") of Avicanna Inc. (the "**Corporation**") is elected by the shareholders of the Corporation and is responsible for the stewardship of the Corporation. The purpose of this mandate is to describe the principal duties and responsibilities of the Board as well as some of the policies and procedures the Board will adopt in discharging its duties and responsibilities.

#### 2. ROLE AND RESPONSIBILITIES OF THE BOARD

- 2.1 The role of the Board is to represent the shareholders of the Corporation, enhance and maximize shareholder value and conduct the business and affairs of the Corporation ethically and in accordance with the highest standards of corporate governance. The Board is ultimately accountable and responsible for providing independent, effective leadership in supervising the management of the business and affairs of the Corporation. The responsibilities of the Board include:

- adopting a strategic planning process;
- identifying risks to the business of the Corporation and ensuring that appropriate procedures are in place for risk management;
- reviewing, approving and monitoring annual operating plans and budgets;
- mandating a culture of corporate social responsibility, ethics and integrity including satisfying itself as to the integrity of the executive officers of the Corporation and that those executive officers create a culture of integrity throughout the organization;
- providing for succession planning, including the appointment, training and supervision of management;
- monitoring financial reporting, including the adequacy of internal controls and management information systems;
- supervising corporate disclosure and communications;
- adopting measures for receiving feedback from stakeholders; and
- adopting key corporate policies designed to ensure that the Corporation, its directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Corporation's business ethically and with honesty and integrity.

- 2.2 The Board will delegate responsibility for the day-to-day management of the Corporation's business and affairs to the Corporation's senior officers and will supervise such senior officers.

- 2.3 The Board may delegate certain matters within its scope of responsibility to Board committees, presently consisting of the Audit Committee and Compensation Committee. The Board will,

however, retain its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

### **3. STRATEGIC PLANNING PROCESS AND RISK MANAGEMENT**

3.1 The Board will adopt a strategic planning process to establish objectives and goals for the Corporation's business and will review, approve and modify as appropriate the strategies proposed by senior management to achieve such objectives and goals. The Board will review and approve, at least on an annual basis, a strategic plan which takes into account, among other things, the opportunities and risks of the Corporation's business and affairs.

3.2 The Board, in conjunction with management, will identify the principal risks of the Corporation's business and oversee management's implementation of appropriate systems to effectively monitor, manage and mitigate the impact of such risks.

### **4. CORPORATE SOCIAL RESPONSIBILITY, ETHICS AND INTEGRITY**

4.1 The Board will provide leadership to the Corporation in support of its commitment to Corporate Social Responsibility, set the ethical tone for the Corporation and its management and foster ethical and responsible decision making by management. The Board will take all reasonable steps to satisfy itself of the integrity of the Chief Executive Officer and management of the Corporation and all of its subsidiaries and satisfy itself that the Chief Executive Officer and management create a culture of integrity throughout the organization.

### **5. SUCCESSION PLANNING, APPOINTMENT, SUPERVISION AND COMPENSATION**

5.1 The Board will approve the succession plan for the Corporation, including the selection, appointment, supervision and evaluation of the Chief Executive Officer and the other senior officers of the Corporation and its subsidiaries, and will also approve the compensation of the Chief Executive Officer and the other senior officers of the Corporation and its subsidiaries.

### **6. DELEGATIONS AND APPROVAL AUTHORITIES**

6.1 The Board will delegate to the Chief Executive Officer and senior management authority over the day-to-day management of the business and affairs of the Corporation. This delegation of authority will be subject to specified financial limits and any transactions or arrangements in excess of general authority guidelines will be reviewed by and subject to the prior approval of the Board.

### **7. MONITORING OF FINANCIAL REPORTING AND MANAGEMENT**

7.1 The Board will approve all regulatory filings, including the annual audited financial statements, interim financial statements, the notes and management discussion and analysis accompanying such financial statements, quarterly and annual reports, management proxy circulars, annual information forms, prospectuses, and all capital investments, equity financings, borrowings and all annual operating plans and budgets.

7.2 The Board will adopt procedures to ensure the integrity of internal controls and management information systems for the Corporation and all of its subsidiaries to ensure compliance with all applicable laws, rules and regulations, and to prevent violations of applicable laws, rules and regulations relating to financial reporting and disclosure, fraud against the Corporation or any of its subsidiaries and violations of its code of business conduct and ethics.

**8. CORPORATE DISCLOSURE AND COMMUNICATIONS**

- 8.1 The Board will ensure that all corporate disclosure complies with all applicable laws, rules and regulations and the rules and regulations of the stock exchanges upon which the Corporation's securities are listed. In addition, the Board will adopt procedures to ensure the Board receives feedback from security holders on material issues.

**9. REVIEW OF MANDATE**

- 9.1 The Board will annually review and assess the adequacy of this Mandate.