



**INDIVA™**  
**OUR ROOTS RUN DEEP**

**INDIVA LIMITED**

343 Preston Street, Suite 1141  
Ottawa, Ontario, K1S 1N4

**NOTICE OF ANNUAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN** that the annual meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of Indiva Limited (the "**Corporation**") will be held at the offices of Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario, M5X 1A4 at 4:00 p.m. (Eastern Daylight time), on June 25, 2019 for the following purposes:

1. to receive the audited annual financial statements of the Corporation for the year-ended December 31, 2018, together with the report of the auditor thereon;
2. to fix the number of directors of the Corporation at five (5) and to elect directors for the ensuing year. For more information, see "*Business of the Meeting – Election of Directors*" in the Corporation's management information circular dated May 24, 2019 (the "**Circular**");
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditor. For more information, see "*Business of the Meeting – Appointment of Auditor*" in the Circular;
4. to consider and, if deemed advisable, to pass, with or without variation, a resolution confirming and approving the share option plan of the Corporation. For more information, see "*Business of the Meeting – Approval of the Option Plan*" in the Circular;
5. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Shareholders should refer to the Circular for more detailed information with respect to the matters to be considered at the Meeting.

**Registered Shareholders may attend the Meeting in person or may be represented by proxy.**

If you are a registered Shareholder and are unable to attend the Meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Investor Services Inc., the transfer agent of the Corporation. To be valid, completed proxy forms must be dated, completed, signed and deposited with the Corporation's transfer agent, Computershare Investor Services: (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (within Canada & the United States) and 416-263-9524 (Internationally); or (iv) by telephone at 1-866-732-8683 (within Canada & the United States) and 312-588-4290

(Internationally). You may also vote through the internet and if you do vote through the internet, you may also appoint another person to be your proxyholder. Please go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions. You will require your 15-digit control number found on your proxy form. Your proxy or voting instructions must be received in each case no later than 9:30 a.m. (Eastern Daylight time) on the second to last business day preceding the day of the Meeting or any adjournment thereof, If you are unable to attend the Meeting, we encourage you to complete the enclosed form of proxy as soon as possible. If a Shareholder received more than one form of proxy because such Shareholder owns Common Shares registered in different names or addresses, each form of proxy should be completed and returned. The chairman of the Meeting shall have the discretion to waive or extend the proxy deadline without notice.

**If you are not a registered Shareholder** and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary. For information with respect to Shareholders who own their Common Shares through an intermediary, see "*General Proxy Information – Non-Registered Shareholders*" in the Circular.

The board of directors of the Corporation has fixed April 26, 2019 as the record date (the "**Record Date**") for the determining Shareholders of the Corporation entitled to receive notice of, and to vote at, the Meeting. Only Shareholders whose names have been entered into the Corporation's register of Shareholders as of the close of business on the Record Date will be entitled to receive notice of the Meeting and to vote thereat or at any adjournment(s) or postponement(s) thereof on the basis of one vote for each Common Share held, except to the extent that: (i) a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date, and (ii) the transferee of those Common Shares produces properly endorsed share certificates, or otherwise establishes that he, she or it owns the Common Shares and demands, not later than 10 days before the Meeting, that his, her or its name be included on the list of persons entitled to vote at the Meeting, in which case, the transferee shall be entitled to vote such Common Shares at the Meeting. The transfer books will not be closed.

DATED at Toronto, Ontario as of the 24<sup>th</sup> day of May, 2019.

By Order of the Board of Directors

(signed) "*Niel Marotta*"  
Niel Marotta  
Chief Executive Officer



**INDIVA**<sup>TM</sup>  
OUR ROOTS RUN DEEP

## MANAGEMENT INFORMATION CIRCULAR

### FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON JUNE 25, 2019

#### GENERAL PROXY INFORMATION

##### **Solicitation of Proxies**

This management information circular is furnished in connection with the solicitation of proxies by the management and the directors of Indiva Limited (the "**Corporation**" or "**Indiva**") for use at the annual and special meeting (the "**Meeting**") of the shareholders ("**Shareholders**") of the Corporation to be held at Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario, at 4:00 p.m. Eastern Daylight time) on June 25, 2019 and at all adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of Meeting**"). The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares ("**Common Shares**") of the Corporation in their own names, or in the names of nominees, for their reasonable expenses for sending forms of proxy and this management information circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of any such solicitation will be borne by the Corporation.

No person is authorized to give any information or to make any representation other than those contained herein and, if given or made, such information or representation should not be relied upon as having been authorized by the Corporation. The delivery of this management information circular shall not, under any circumstances, create an implication that there has not been any change in the information set forth herein since the date hereof.

A registered Shareholder of the Corporation may vote in person at the Meeting or may appoint another person to represent such Shareholder as proxy and to vote the Common Shares of such Shareholder at the Meeting. Only registered Shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. For information with respect to Shareholders who own their Common Shares beneficially through an intermediary, see "*Non-Registered Shareholders*" below.

##### **Appointment and Revocation of Proxies**

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or officers of the Company. **A Shareholder submitting a proxy has the right to**

**appoint a nominee (who need not be a Shareholder) to represent such Shareholder at the Meeting, other than the persons designated in the enclosed form of proxy, by inserting the name of the chosen nominee in the space provided for that purpose on the form of proxy and by striking out the printed names.**

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be dated, completed, signed and deposited with the Company's transfer agent, Computershare Investor Services Inc.: (i) by mail using the enclosed return envelope or one addressed to Computershare Investor Services Inc., Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (ii) by hand delivery to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (within Canada & the United States) and 416-263-9524 (Internationally); or (iv) by telephone at 1-866-732-8683 (within Canada & the United States) and 312-588-4290 (Internationally), by no later than 9:30 a.m. (Eastern Daylight Time) on the second to last business day preceding the day of the Meeting or any adjournment thereof.

A registered Shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to its use by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered Shareholder is a corporation or other similar entity, by an authorized officer or attorney thereof (i) at the registered office of the Corporation, located at 343 Preston Street, Suite 1141, Ottawa, Ontario, K1S 1N4, at any time prior to 9:30 a.m. (Eastern Daylight time) on the second to last business day preceding the day of the Meeting or any adjournment thereof, (ii) with Computershare Investor Services Inc. at Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, at any time prior to 9:30 a.m. (Eastern Daylight Time) on the second to last business day preceding the day of the Meeting or any adjournment thereof, or (iii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephonic or electronic means, a revocation that complies with clauses (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such registered Shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

### **Exercise of Discretion by Proxies**

The Common Shares represented by an appropriate form of proxy will be voted on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions contained on the form of proxy. In the absence of instructions, such Common Shares will be voted in favour of each of the matters referred to in the Notice of Meeting.

The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters identified in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof. At the date hereof, management of the Corporation knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matters which are not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matters in accordance with the judgment of the person named as proxy thereon.

## Signing of Proxy

The form of proxy must be signed by the Shareholder of the Corporation or the duly appointed attorney thereof authorized in writing or, if the Shareholder of the Corporation is a corporation or other similar entity, by an authorized officer of such entity. A form of proxy signed by the person acting as attorney of the Shareholder of the Corporation or in some other representative capacity, including an officer of a corporation which is a Shareholder of the Corporation, should indicate the capacity in which such person is signing and the form of proxy should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Corporation. A Shareholder of the Corporation or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such Shareholder or by or on behalf of his or her attorney, as the case may be.

## Non-Registered Shareholders

Only registered Shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. The Common Shares of a non-registered Shareholder (a "**Non-Registered Shareholder**") who beneficially owns Common Shares will generally be registered in the name of either:

- (a) an intermediary (an "**Intermediary**") with whom the Non-Registered Shareholder deals in respect of the Common Shares (including, among others, banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) a clearing agency (such as The Canadian Depository for Securities Limited in Canada or The Depository Trust Company in the United States) or its nominee of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* published by the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this management information circular, the form of proxy and the applicable financial statements (collectively, the "**Meeting Materials**") directly to Non-Registered Shareholders. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either receive:

- (a) **Voting Instruction Form:** a voting instruction form which is **not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

- (b) **Form of Proxy:** a form of proxy which has **already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Inc. at Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1.

**In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form.** Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those instructions regarding when and where the voting instruction form or the form of proxy is to be delivered.

A Non-Registered Shareholder who has submitted a proxy may revoke it by contacting the Intermediary through which the Common Shares of such Non-Registered Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

### **Quorum**

The quorum for the transaction of business at any meeting of Shareholders is two persons present and holding or representing at least 10% of the outstanding Common Shares. In the event that a quorum is not present within such reasonable time after the time fixed for the holding of the Meeting as the persons present and entitled to vote at the Meeting may determine, such persons may adjourn the Meeting to a fixed time and place.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

### **Description of Share Capital**

The Corporation is authorized to issue an unlimited number of Common Shares of which 83,036,228 Common Shares were outstanding as of the close of business on May 24, 2019.

The holders of the Common Shares are entitled to one vote for each Common Share held on all ballots taken at all meetings of Shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote. Subject to the provisions of the *Business Corporations Act* (Ontario) (the "**OBCA**"), holders of Common Shares are not entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to: (a) increase or decrease any maximum number of authorized Common Shares or increase any maximum number of authorized shares of a class or series of shares having rights or privileges equal or superior to the Common Shares; (b) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or (c) create a new class or series of shares equal or superior to the Common Shares.

## Record Date

The directors of the Corporation have fixed April 26, 2019 as the record date for the determination of the Shareholders of the Corporation entitled to receive notice of the Meeting. Holders of record of Common Shares at the close of business on April 26, 2019 will be entitled to vote at the Meeting and at all adjournments thereof.

## Ownership of Securities of the Corporation

As at May 24, 2019, to the knowledge of the directors and officers of the Corporation, no person, firm or corporation beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attaching to any class of voting securities of the Corporation.

## BUSINESS OF THE MEETING

### 1. Financial Statements

The audited financial statements of the Corporation for the financial year ended December 31, 2018 have been mailed to the Corporation's Shareholders who requested to receive them. The financial statements are also available on SEDAR at [www.sedar.com](http://www.sedar.com). The financial statements of the Corporation for the year ended December 31, 2018 and the report of the auditor thereon will be placed before the Meeting.

### 2. Election of Directors

At the Meeting, Shareholders of the Corporation will be asked to elect the five (5) nominees set forth below as directors for the ensuing year. Each director elected will hold office until the close of the first annual meeting of the Shareholders of the Corporation following his election unless his office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth certain information regarding the nominees, their position with the Corporation, their principal occupation during the last five years, the dates upon which the nominees became directors of the Corporation and the number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of May 24, 2019:

<u>Name, Position and Province of Residence</u>	<u>Principal Occupation During Last Five Years</u>	<u>Date Became Director</u>	<u>Common Shares Owned or Controlled<sup>(1)</sup></u>
Carmine (Niel) Marotta, CEO and Director, Ontario, Canada <sup>(3)</sup>	CEO, Indiva Corporation; CEO, North Street Consulting Inc.	December 13, 2017	4,000,000 <sup>(4)</sup>
Andre Lafleche, Director, Ontario, Canada <sup>(3)</sup>	President, Calco Soils; President, Moose Creek Tire Recycling	December 13, 2017	2,040,231 <sup>(5)</sup>
Hugh Hamish Sutherland, Director, Ontario, Canada <sup>(1)(2)(3)</sup>	President & CEO, White Sheep Corp.; Executive, Bedrocan Cannabis Corp.	December 13, 2017	Nil. <sup>(6)</sup>
John Marotta, Director, Ontario, Canada <sup>(2)(3)</sup>	Managing Director of Marotta Investments Limited	December 13, 2017	4,214,000 <sup>(7)</sup>
James Yersh, Ontario, Director, Canada <sup>(2)(3)</sup>	CAO of eSentire, CFO and EVP of Corporate Development at KORE Telematics; CFO of Blackberry	December 13, 2017	Nil. <sup>(8)</sup>

Notes:

- (1) The information as to the number of securities beneficially owned or over which control or direction is exercised has been furnished by the respective nominee.
- (2) Member of Audit Committee.
- (3) Member of Compensation Committee.
- (4) Represents 1,500,000 Common Shares held by Niel Marotta and 2,500,000 Common Shares held by the Niel Marotta (2017) family trust, over which Mr. Marotta has control or direction. Mr. Marotta also holds 600,000 Options.
- (5) Represents 2,006,897 Common Shares held by 2235313 Ontario Inc., a company controlled by Mr. Lafleche, and 33,334 Common Shares, owned by Mr. Lafleche's spouse over which Mr. Lafleche has control or direction. 2235313 Ontario Inc. and Mr. Lafleche's spouse also hold 113,449 and 16,667 common share purchase warrants. Mr. Lafleche also holds 150,000 Options.
- (6) Mr. Sutherland holds 150,000 Options.
- (7) Includes 4,200,000 Common Shares held by Marotta Investments Limited, a company controlled by Mr. Marotta, 10,000 Common Shares held in a TFSA Account, as well as 4,000 Common Shares held by a family member over which Mr. Marotta has control or direction. Marotta Investments Limited also holds 456,000 common share purchase warrant. Mr. Marotta also holds 150,000 Options.
- (8) Mr. Yersh holds 150,000 Options.

The directors of the Corporation have two committees: the corporate governance and compensation committee (the "Compensation Committee"), and the audit committee (the "Audit Committee"). Following the Meeting, it is expected that: (i) the Governance and Compensation Committee consists of all five directors of the Corporation, and (ii) the Audit Committee consists of three directors, being James Yersh, John Marotta, and Hugh Hamish Sutherland.

None of the nominees for election as a director of the Corporation is, or was within the ten years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to cease trade order or an order that denied such company access to any exemption under securities legislation that was, in each case, in effect for a period of more than 30 consecutive days and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

None of the nominees for election as a director of the Corporation is, or was within the ten years prior to the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the nominees for election as a director of the Corporation has within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the nominees for election as a director of the Corporation 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 a proposed director.

**The persons named in the form of proxy accompanying this management information circular intend to vote FOR the election of the nominees whose names are set forth above, unless the Shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of directors of the Corporation.** Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director of the Corporation for the ensuing year; however, if that should occur for any reason prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying



this management information circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee at their discretion.

### 3. **Appointment of Auditor**

It is proposed that MNP LLP be appointed as auditor of the Corporation to hold office until the close of the next annual meeting of Shareholders of the Corporation and that the directors of the Corporation be authorized to set the auditor's remuneration. MNP LLP is currently the auditor of the Corporation and has been since the completion of the reverse takeover transaction (the "RTO") of the Corporation with Indiva Corporation ("Indiva PrivateCo") on December 13, 2017.

**The persons named in the form of proxy accompanying this management information circular intend to vote FOR the appointment of MNP as the auditor of the Corporation until the close of the next annual meeting of the Shareholders of the Corporation or until its successor is appointed and the authorization of the directors of the Corporation to fix the remuneration of MNP, unless the Shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the appointment of the auditor of the Corporation.**

### 4. **Approval of the Option Plan**

The current share option plan of the Corporation (the "Option Plan") was first approved by the Shareholders of the Corporation on November 22, 2017. Pursuant to the policies of the TSX Venture Exchange (the "TSXV"), the Corporation is required to obtain Shareholder approval of the Option Plan each year because the Option Plan is a rolling-maximum option plan whereby the maximum number of Common Shares that may be reserved for issue and which can be purchased upon the exercise of all options granted under the Option Plan is fixed at 10% of the number of outstanding Common Shares from time to time.

A copy of the Option Plan is available to any Shareholder of the Corporation at or prior to the Meeting upon request to the Secretary of the Corporation and is also attached hereto as Schedule "A". Set forth below is a summary of the Option Plan. The following summary is qualified in all respects by the provisions of the Option Plan. Reference should be made to the Option Plan for the complete provisions thereof.

#### ***Summary of the Option Plan***

##### *Purpose, Administration and Eligible Participants*

The purpose of the Option Plan is to advance the interests of the Corporation through the motivation, attraction and retention of key employees, consultants and directors of the Corporation and designated affiliates of the Corporation and to secure for the Corporation and the Shareholders of the Corporation the benefits inherent in the ownership of Common Shares by key employees, consultants and directors of the Corporation and the designated affiliates of the Corporation through the granting of non-transferable options ("Options") to eligible participants under the Option Plan. The Option Plan is currently administered by the directors of the Corporation. Pursuant to the Option Plan, the directors may delegate the administration of the Option Plan to a committee (the "Committee") of the directors of the Corporation authorized to carry out such administration and, failing a committee being so designated, the Option Plan is to be administered by the directors of the Corporation.

Subject to the provisions of the Option Plan, the Committee has the authority to select those persons to whom Options will be granted. Eligible participants under the Option Plan include the directors, officers and employees (including both full-time and part-time employees) of the Corporation or of any designated affiliate of the Corporation and any person or corporation engaged to provide ongoing management, advisory or consulting services for the Corporation or a designated affiliate of the Corporation or any employee of such person or corporation.

#### *Common Shares Subject to the Option Plan*

The aggregate number of Common Shares reserved for issue and which can be purchased upon the exercise of all Options granted under the Option Plan may not exceed 10% of the Common Shares outstanding from time to time. The Option Plan is a "rolling" maximum share option plan, and any increase or reduction in the number of outstanding Common Shares will result in an increase or reduction, respectively, in the number of Common Shares that are available to be issued under the Option Plan.

The maximum number of Common Shares reserved for issue pursuant to Options granted to participants who are insiders of the Corporation in any 12 month period may not exceed, in the aggregate, 10% of the number of Common Shares then outstanding, unless disinterested Shareholder approval is received therefor in accordance with the policies of the Exchange. The maximum number of Common Shares reserved for issue to any one participant upon the exercise of Options in any 12 month period shall not exceed 5% of the number of Common Shares then outstanding, unless disinterested Shareholder approval is received therefor in accordance with the policies of the TSXV. The maximum number of Common Shares reserved for issue to any one participant (other than a participant who is an eligible director or eligible employee) upon the exercise of Options in any 12 month period shall not exceed 2% of the number of Common Shares then outstanding.

The maximum number of Common Shares reserved for issue to all eligible employees and to all participants (other than participants who are eligible directors) conducting Investor Relations Activities (as such terms are defined in the policies of the TSXV) upon the exercise of Options in any 12 month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding. Options granted to participants (other than participants who are eligible directors or eligible employees) performing Investor Relations Activities shall vest in stages over a 12 month period, with no more than ¼ of the Options vesting in any 3 month period. The directors of the Corporation shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Corporation by all grantees of options performing Investor Relations Activities.

As of May 24, 2019, there were 5,033,315 Common Shares reserved for issue upon the exercise of outstanding Options.

#### *Exercise Price of Options*

The exercise price of any Option may not be less than the closing price of the Common Shares on the principal stock exchange on which the Common Shares are listed on the last trading day immediately preceding the date of grant of the Option less the maximum discount, if any, permitted by such stock exchange and, if the Common Shares are not then listed on any stock exchange, the exercise price may not be less than the fair market value of the Common Shares as may be determined by the directors of the Corporation on the day immediately preceding the day of the grant of such Option.

### *Expiry Date of Options*

Each Option, unless sooner terminated pursuant to the provisions of the Option Plan, will expire on a date to be determined by the Committee at the time the Option is granted, subject to amendment by an employment contract, which date cannot be later than ten years after the date the Option is granted. However, if the expiry date falls within a "blackout period" or within ten business days after the expiry of a "blackout period", then the expiry date of the Option will be the date which is ten business days after the expiry of the blackout period.

### *Vesting and Exercise of Options*

Except as otherwise provided in the Option Plan or in any employment contract, each Option may be exercised during the term of the Option only in accordance with the vesting schedule, if any, determined by the Committee at the time of the grant of the Option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the Committee from time to time with respect to a particular Option, subject to applicable regulatory requirements. If the Committee does not determine a vesting schedule at the time of the grant of any particular Option, such Option will be exercisable in whole at any time, or in part from time to time, during the term of the Option.

### *Effect of Termination*

No Option granted under the Option Plan may be exercised unless the optionee at the time of exercise thereof is:

- (a) in the case of an eligible employee, an officer of the Corporation or a designated affiliate of the Corporation or in the employment of the Corporation or a designated affiliate of the Corporation and has been continuously an officer or so employed since the date of the grant of such Option;
- (b) in the case of an eligible director who is not also an eligible employee, a director of the Corporation or a designated affiliate of the Corporation and has been such a director continuously since the date of the grant of such Option; and
- (c) in the case of any other eligible participant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting, technical or other services for the Corporation or a designated affiliate of the Corporation and has been so engaged since the date of the grant of such Option;

provided, however, that if a participant: (i) ceases to be a director of the Corporation and of the designated affiliates of the Corporation (and is not or does not continue to be an employee thereof) for any reason (other than death); or (ii) ceases to be employed by, or provide services to, the Corporation or the designated affiliates of the Corporation (and is not or does not continue to be a director or officer thereof), or any corporation engaged to provide services to the Corporation or the designated affiliates of the Corporation, for any reason (other than death) or receives notice from the Corporation or any designated affiliate of the Corporation of the termination of his or her employment contract, except as otherwise provided in any employment contract, such participant will have 90 days from the date of such termination to exercise his or her Options to the extent that such participant was entitled to exercise such Options at the date of such termination. Notwithstanding the foregoing or any employment contract, in no event shall such right extend beyond the period during which the Option was exercisable under the terms of its grant or one year from the date of such termination.

*Consolidation, Merger, etc.*

If there is a consolidation, merger or statutory amalgamation or arrangement of the Corporation with or into another corporation, a separation of the business of the Corporation into two or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Corporation to another entity, upon the exercise of an Option under the Option Plan the holder thereof is entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the Committee otherwise determines the basis upon which such Option shall be exercisable.

*Securities Exchange Take-Over Bid*

If a take-over bid (within the meaning of the *Securities Act* (Ontario)) is made as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute of the Corporation or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all optionees requiring them to surrender their Options within ten days of the mailing of such notice, and the optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that, among other things, the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement options to the optionees on the equity securities offered as consideration.

*Acceleration on Take-Over Bid, Consolidation or Merger*

In the event that: (a) the Corporation seeks or intends to seek approval from the Shareholders of the Corporation for a transaction which, if completed, would constitute an Acceleration Event (as hereinafter defined); or (b) a person makes a bona fide offer or proposal to the Corporation or the Shareholders of the Corporation which, if accepted or completed, would constitute an Acceleration Event, then the Corporation is required to send notice to all optionees of such transaction, offer or proposal as soon as practicable. Provided that the Committee has determined that no adjustment will be made under the provisions of the Option Plan described above under the heading "Consolidation, Merger, etc.", (i) the Committee may by resolution, and notwithstanding any vesting schedule applicable to any Option, permit all Options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an Option), so that the optionee may participate in such transaction, offer or proposal, and (ii) the Committee may accelerate the expiry date of such Options and the time for the fulfillment of any conditions or restrictions on such exercise. An "**Acceleration Event**" means an acquisition by any offeror of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Corporation, any consolidation merger or statutory amalgamation or arrangement of the Corporation with or into another corporation and pursuant to which the Corporation will not be the surviving entity (other than a transaction under which the Shareholders of the Corporation immediately prior to completion of the transaction will have the same proportionate ownership of the surviving corporation), a separation of the business of the Corporation into two or more entities, a sale, lease exchange or other transfer of all or substantially all of the assets of the Corporation to another entity or the approval by Shareholders of the Corporation of any plan of liquidation or dissolution of the Corporation.

*Amendments, Modifications and Changes*

The Committee has the right under the Option Plan to make certain amendments to the Option Plan, including, but not limited to, amendments of a "housekeeping" nature, to comply with applicable law or

regulation, to the vesting provisions of the Option Plan, to the terms of any Option previously granted (with the consent of the optionee), and with respect to the effect of the termination of an optionee's position, employment or services under the Option Plan, to the categories of persons who are participants in respect of the administration or implementation of the Option Plan.

The Committee has the right, under the Option Plan, with the approval of the Shareholders, to make certain amendments to the Option Plan, including, but not limited to, any change to the number of Common Shares issuable from treasury under the Option Plan, any amendment which reduces the exercise price of any Option, any amendment which extends the expiry date of an Option other than as permitted under the Option Plan, any amendment which cancels any Option and replaces such Option with an Option which has a lower exercise price, any amendment which would permit Options to be transferred or assigned by any participant other than as currently permitted under the Option Plan, and any amendments to the amendment provisions of the Option Plan.

#### *Shareholder Approval of the Option Plan*

At the Meeting, Shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, a resolution (the "**Option Plan Resolution**") confirming and approving the Option Plan. The full text of the Option Plan Resolution is set out in Schedule "B" attached hereto.

In order to be passed, the Option Plan Resolution requires the approval of a majority of the votes cast thereon by Shareholders of the Corporation present in person or represented by proxy at the Meeting. **The Board unanimously recommend that Shareholders vote in favour of the Option Plan Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Option Plan Resolution.**

#### **OTHER BUSINESS**

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy accompanying this management information circular to vote the shares represented thereby in accordance with their best judgment on such matter.

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

Other than as set forth herein, management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year, or of any associate or affiliate of any such persons, in any matter to be acted upon at the Meeting.

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

The purpose of this Statement of Executive Compensation is to provide information about the Company's philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation provided to the most highly compensated executive officers of the Corporation (the "**Named Executive Officers**" or "**NEOs**"). For the purposes of this Circular, a NEO means each of the following individuals:

- a) a chief executive officer ("**CEO**") of the Corporation;



**Notes:**

- (1) Messrs. Niel Marotta, Koby Smutylo, John Marotta, Andre Lafleche, Hugh Hamish Sutherland, and James Yersh were appointed to the Board on December 13, 2017 in connection with the completion of the RTO.
- (2) Mr. Marotta was appointed as CEO on December 13, 2017 in connection with the completion of the RTO.
- (3) Messrs. Marotta and Smutylo did not receive any compensation for serving as directors of the Corporation.
- (4) Represents Mr. Marotta's salary from December 13 – 31, 2017. Including that paid by Indiva PrivateCo, Mr. Marotta's salary for the period of January 1 to December 31, 2017 was \$121,667.
- (5) Ms. Welsh was appointed as CFO of the Corporation on December 13, 2017 in connection with the completion of the RTO.
- (6) Represents Ms. Welsh's salary from December 13 – 31, 2017. Including amounts received from Indiva PrivateCo, Ms. Welsh's salary and consulting fees for the period of January 1 to December 31, 2017 were \$99,917.
- (7) Mr. Smutylo was appointed as COO on December 13, 2017 in connection with the completion of the RTO. He resigned as COO and director on January 22, 2019.

**Stock options and other compensation securities**

No stock options or other compensation securities were granted or issued to any director or named executive officer by the Corporation for the year ended December 31, 2018. Furthermore, no stock options or other compensation securities were exercised by NEOs or directors in the year ended December 31, 2018.

**Employment, consulting and management agreements**

The following is a description of material provisions of the employment agreements of executive officers of the Corporation. For purposes of the employment agreements referred to herein, a "**change of control**" means: (i) any consolidation, merger, reorganization or other transaction of the Corporation that results in 40% or more of the aggregate voting power being acquired by another entity; (ii) sale, lease or disposition of all or substantially all of the Corporation's assets; or (iii) any transaction which results in the current board of directors (the "**Board**") ceasing to constitute the majority of the Board. No severance is due in the event of a change of control if the employee is offered the same or higher remuneration, benefits and bonuses and their duties continue to reflect their status and qualifications prior to the change of control. If employment is terminated within 180 days before or 365 days after a change in control, then each executive officer shall be entitled to a severance payment.

*Niel Marotta (CEO)*

If the Corporation terminates his employment without cause, it is obligated to pay Mr. Marotta twelve months salary plus two months for each completed year of service, to a maximum of two years' salary. In the event that Mr. Marotta's employment is terminated due to a change of control, Mr. Marotta is entitled to receive a lump sum amount equal to two years' of his annual salary. Any option-based awards held by Mr. Marotta become fully exercisable in the event of a change of control.

*Jennifer Welsh (CFO)*

If the Corporation terminates Ms. Welsh's employment without cause, it is obligated to pay Ms. Welsh four months' salary plus one month for each completed year of service, to a maximum of one year's salary. In the event that her employment is terminated due to a change of control, Ms. Welsh is entitled to receive a lump sum amount equal to one year plus two months per completed year of service of her annual salary to a maximum of two years' salary. Any option-based awards held by Ms. Welsh become fully exercisable in the event of a change of control.

*Koby Smutylo (COO)*

If the Corporation terminates his employment without cause, it is obligated to pay Mr. Smutylo twelve months salary plus two months for each completed year of service, to a maximum of two years'

salary. In the event that Mr. Smutylo's employment is terminated due to a change of control, Mr. Smutylo is entitled to receive a lump sum amount equal to two years' of his annual salary. Any option-based awards held by Mr. Smutylo become fully exercisable in the event of a change of control.

### **Oversight and description of director and named executive officer compensation**

The Corporation's Compensation Committee is responsible for annually determining the compensation for the directors and the executive officers.

The Compensation Committee's primary responsibilities include, among other things, assisting the Board with the selection, retention, adequacy and form of the compensation of senior management and the Board. See "*Nomination of Board*" and "*Compensation*" under the heading "*Corporate Governance Disclosure*" hereto for further information regarding the role of the Compensation Committee.

The Compensation Committee has been tasked with establishing an executive compensation program, which includes equity compensation under the Option Plan, discussed above under the heading "*Business of the Meeting – Approval of the Option Plan*" and the other elements of compensation described under the heading "*Director and named executive officer compensation*", above.

#### *Compensation Objectives and Principles*

The primary goal of Indiva's executive compensation program is to attract and retain the key executives necessary for Indiva's long-term success, to encourage executives to further the development of Indiva and its operations, and to motivate top quality and experienced executives. The key elements of the executive compensation program are: (i) base salary; (ii) potential annual incentive award; and (iii) incentive stock options.

The Compensation Committee reviews the adequacy of remuneration for the executive officers by evaluating their performance in light of the Corporation's goals and objectives, the bonus opportunities contained in their employment agreements, and by comparing the performance of the Corporation with other reporting issuers of similar size in the same industry.

The directors are of the view that all elements of the total program should be considered, rather than any single element, and as such does not use fixed criteria in determining the mix of compensation and instead determines compensation based on a contextual analysis of the Corporation. While the Corporation does not have a formally established peer group in determining compensation, the Compensation Committee will make reference from time to time to other comparable publicly traded Canadian companies to align its compensation practices with market practice.

The terms of any proposed compensation for the directors of the Corporation who are not also officers of the Corporation (including any Options to be granted) will be determined by the Compensation Committee.

The compensation program is designed to provide income certainty, to attract and retain executives and to provide incentives for the achievement of both short-term and long-term objectives of Indiva.

#### *Compensation Process*

Indiva relies on its Compensation Committee, through discussion without any formal objectives, criteria or analysis, to determine the compensation of Indiva's executive officers. The Compensation Committee has not established formal criteria or goals that are tied to total compensation or any significant



element of total compensation. The Board is responsible for determining all forms of compensation, including long-term incentives in the form of Options, to be granted to Indiva's Named Executive Officers and directors, and for reviewing the recommendations respecting compensation of other officers of Indiva from time to time, to ensure such arrangements reflect the responsibilities and risks associated with each position. When determining compensation, the Compensation Committee considers: (i) recruiting and retaining executives critical to Indiva's success and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and Indiva's Shareholders; and (iv) rewarding performance, both on an individual basis and with respect to Indiva's operations in general.

#### *Option Based Awards*

Long-term incentives in the form of Options are intended to align the interests of Indiva's directors and its executive officers with those of its Shareholders, to provide a long-term incentive that rewards these individuals for their contribution to the creation of shareholder value, and to reduce the cash compensation Indiva would otherwise have to pay. The Option Plan is administered by Indiva's Board. While the Corporation does not have a formally established peer group in determining compensation, in considering the number of the options to be granted to the Named Executive Officers, reference is made to the number of stock options granted to officers of other comparable publicly traded Canadian companies. The Compensation Committee also considers previous grants of Options and the overall number of Options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of Options and the size and terms of any such grants, as well as the level of effort, time, responsibility, ability, experience and level of commitment of the executive officer in determining the level of Option compensation.

See "*Business of the Meeting – Approval of the Option Plan – Summary of the Plan*" above for further detail regarding the Option Plan.

### **EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth, as of December 31, 2018, information concerning securities authorized for issue under equity compensation plans of the Corporation:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by security holders	4,278,315	\$0.78	4,025,308
Equity compensation plans not approved by security holders	Nil	-	Nil

Please see "*Business of the Meeting – Approval of the Option Plan – Summary of the Plan*" for disclosure relating to the material features of the Option Plan.

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

As of the date hereof, there is not, nor at any time since the beginning of the most recently completed financial year of the Corporation has there been, any indebtedness of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last

financial year, or of any associate of such persons, to or guaranteed or supported by the Corporation or its subsidiaries either pursuant to an employee stock purchase program of the Corporation or otherwise.

## **AUDIT COMMITTEE DISCLOSURE**

### **Charter**

The text of the charter (the "**Charter**") of the Audit Committee is attached hereto as Schedule "C".

### **Audit Committee Composition**

The audit committee of the Corporation (the "**Audit Committee**") is composed of James Yersh (Chair), Hugh Hamish Sutherland, and John Marotta. Each of the members of the Audit Committee is "independent" and "financially literate" within the meaning of National Instrument 52-110 – *Audit Committees* ("**NI 52-110**").

### **Relevant Education and Experience**

#### *James Yersh (Chair)*

James Yersh is the Chief Administrative Officer of eSentire. Prior to joining eSentire, James served as the Chief Financial Officer and Executive Vice President of Corporate Development of KORE Wireless Group where he was responsible for all aspects of the company's financial operations as well as key cross functional projects and partnerships. He also previously held the role of the Chief Financial Officer of BlackBerry, a global leader in secure mobile communications. In this role, he was responsible for all aspects of the BlackBerry's financial operations and investor relations, including consolidated and legal entity accounting, the external reporting function, insurance programs, as well as a number of aspects of management reporting and results analysis, and the consolidation of forecasts and plans. Prior to joining BlackBerry, he held various senior positions at Cognos Incorporated and Deloitte in Canada. James graduated magna cum laude with a Bachelor of Commerce (Hon. Accounting) from the University of Ottawa.

#### *John Marotta*

Mr. Marotta recently retired from the Scarborough Truck Centre business, which he operated between 2014 and 2017. Between 1984 and 2014, he was the President of the Woodbine Truck Centre business. Mr. Marotta is an accountant by training, having received his Chartered Professional Accountant designation in 2012 and his Chartered Accountant designation in 1978. He graduated from the Schulich School of Business with a B.A. (Business) in 1975. He is currently the Managing Director of Marotta Investments Limited.

#### *Hugh Hamish Sutherland*

Mr. Sutherland is a pioneer in the Canadian medical cannabis space. He is the President and CEO of White Sheep Corp. He previously held the role of Chief Operating Officer at Bedrocan Cannabis Corp., a leading Canadian medical cannabis firm prior to its acquisition by Tweed Marijuana Inc. (now Canopy Growth Corporation). Mr. Sutherland continues to be involved in the Canadian medical cannabis industry today. Mr. Sutherland is an engineer by training, and also holds an MBA from Schulich School of Business at York University. Mr. Sutherland also acts as Managing Principal at Initiative Capital Limited.

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemption listed in Item 5 of Form 52-110F2 – *Disclosure by Venture Issuers*. The Corporation is relying on the exemption in Section 6.1 of NI 52-110.

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

Pursuant to its charter, the Audit Committee must pre-approve all non-audit services to be provided to the Corporation or any of its subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Audit Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the Audit Committee at its first scheduled meeting following such pre-approval.

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

The aggregate fees billed by the Corporation's external auditors in each of the last two fiscal years for audit fees are as follows:

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
December 31, 2018	\$87,468	\$42,265	\$20,142	\$25,621
December 31, 2017	\$17,940	Nil	\$13,495	\$7,490

## **CORPORATE GOVERNANCE DISCLOSURE**

### **Governance and Compensation Committee**

The directors of the Corporation established the Compensation Committee to assist the directors in fulfilling their oversight responsibilities with respect to, among other things: (i) developing governance guidelines and principles for the Corporation; (ii) identifying individuals qualified to be nominated as directors of the Corporation; (iii) evaluating the structure and composition of the committees of the directors of the Corporation; and (iv) evaluating the performance and effectiveness of the directors of the Corporation.

The Compensation Committee is mandated to conduct an annual review of the following principal corporate policies and recommend updates or amendments for consideration by the directors of the Corporation:

- Code of Business Conduct and Ethics;
- Corporate Disclosure Policy;
- Whistleblower Policy; and

- Insider Trading Policy

The Governance and Compensation Committee is comprised of five members, Niel Marotta, Andre Lafleche, Hugh Hamish Sutherland, James Yersh and John Marotta. Each of Messrs. Lafleche, Sutherland, Yersh and John Marotta are considered independent for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* published by the Canadian Securities Administrators ("NI 58-101").

### **Independence of the Directors of the Corporation**

The Corporation has five directors, a majority of whom are considered to be independent. Only Mr. Niel Marotta, the CEO of the Corporation, is not considered to be independent because he is an executive officer of the Corporation.

The directors of the Corporation annually review and make a determination as to the independence of each director in light of all applicable laws, rules, regulations and stock exchange requirements. The Corporation seeks to maintain a board of directors with at least a majority of independent directors.

The directors facilitate independent supervision over management by holding in camera sessions at each regular meeting of the directors without any members of management present (including those members of management who also serve as directors of the Corporation). Notwithstanding the foregoing, the directors of the Corporation believe that there is value in having certain members of senior management attend each meeting of the directors to provide information and presentations regarding the business of the Corporation in order to assist the directors in their deliberations. Attendance by senior management is determined by the CEO of the Corporation with the concurrence of the board of directors of the Corporation.

Management of the Corporation is expected to make appropriate use of the directors' collective and individual expertise before any decisions on key issues are made. The directors of the Corporation approve annual business plans and budgets and also approve general authority guidelines that place limits on management's ability to approve contractual and financial arrangements and commitments both in accordance with and outside approved budgets. All transactions, arrangements and commitments outside approved budgets and defined limits require the approval of the directors of the Corporation.

### ***Other Directorships***

Certain directors of the Corporation are also directors of other reporting issuers (or the equivalent in foreign jurisdictions) as set out below:

<u>Name of Director</u>	<u>Other Reporting Issuers</u>
Hugh Hamish Sutherland	Lineage Grow Company Ltd.

### **Orientation and Continuing Education**

The Corporation does not have a formal orientation or continuing education program. The CEO of the Corporation is responsible for providing an orientation and education program for new directors of the Corporation. When a person joins the board of directors, he or she will be given the opportunity to become familiar with the Corporation by meeting with the other directors of the Corporation and with the officers and representatives of the Corporation. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of the individual director.

## **Ethical Business Conduct**

The directors of the Corporation have established a Code of Business Conduct and Ethics (the "**Ethics Code**"), a copy of which may be found under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). The Ethics Code provides a set of ethical standards by which each director, officer, employee, consultant and contractor of the Corporation is expected to conduct their business and, for each officer and employee of the Corporation, constitutes conditions of employment and, for each consultant and contractor, constitutes conditions of providing services to the Corporation. The Ethics Code is intended to give an overview of the Corporation's expectations for its directors, officers, employees, consultants and contractors and is supplemented by any other applicable policies adopted by the Corporation.

The directors of the Corporation expect all directors, officers and employees of the Corporation to act honestly and ethically at all times and to adhere to the Ethics Code. The directors of the Corporation may permit a waiver of the Ethics Code for any director or executive officer of the Corporation. However, any such waiver will be promptly disclosed to the extent required by applicable law or stock exchange rules and regulations.

The Ethics Code sets out that all directors, officers, employees, contractors and consultants of the Corporation, in discharging their duties, must comply with:

- the laws, rules and regulations of the location in which the Corporation is conducting business activities;
- the Ethics Code; and
- all other policies of the Corporation, including, without limitation, the Corporate Disclosure Policy and the Insider Trading Policy.

All directors, officers, employees, contractors and consultants are required to provide an annual certification to the Corporation confirming compliance with all laws, rules and regulations of the location in which the Corporation is performing business activities, as well as compliance with all applicable policies of the Corporation. The CEO of the Corporation is responsible for ensuring that all annual certifications are obtained, providing confirmation to the directors of the Corporation that such certifications have been obtained and summarizing the results thereof.

The CEO of the Corporation is responsible for setting the ethical tone for the Corporation and its management, including: (i) overseeing the administration and implementation of, and compliance with, the Corporation's policies and procedures; (ii) taking all reasonable steps to satisfy the directors of the Corporation as to the integrity of the CEO and other senior officers of the Corporation; (iii) taking all reasonable steps to satisfy the directors of the Corporation that the CEO and other senior officers of the Corporation create a culture of integrity throughout the organization; and (iv) fostering ethical and responsible decision making by management.

## **Nomination of Directors**

The directors of the Corporation as a whole are responsible for identifying and recommending new candidates, having regard to the appropriate number of directors of the Corporation and the necessary competencies and skills of the directors collectively and individually. New nominees should have a track record in general business management, special expertise in an area of strategic interest to the Corporation and the ability to devote the time required to fulfill the duties of a director of the Corporation.

The Compensation Committee annually: (i) reviews and assesses the size, composition and operation of the board of directors to ensure effective decision making; (ii) reviews and assesses the size, composition and chairmen of all committees of the directors; and (iii) identifies and reviews candidates for appointment or nomination as directors of the Corporation based upon an assessment of the independence, skills, qualifications and experience of the candidate and makes recommendations to the directors for their consideration. In addition, the Governance and Compensation Committee is required under its charter to annually review the characteristics, qualities, skills and experience which form the criteria for candidates to be considered for nomination as directors of the Corporation. The objective of the review is to maintain the composition of the board of directors in a way that provides the best mix of skills and experience to provide for the overall stewardship of the Corporation. All directors are required to possess fundamental qualities of intelligence, honesty, integrity, ethical behavior, fairness and responsibility and to be committed to representing the long-term interests of the Shareholders of the Corporation. They must also have a genuine interest in the Corporation, have the ability to be objective at all times about the best interests of the Corporation, have independent opinions on all issues and be both willing and able to state them in a constructive manner and be able to devote sufficient time to discharge their duties and responsibilities effectively.

The directors of the Corporation have the ability to increase or decrease the size of the board of directors within the limits set out in the articles and by-laws of the Corporation and applicable laws. The directors will determine the size of the board of directors having regard to the best interests of the Corporation. The directors believe that the size of the board of directors should be sufficient to provide a diversity of expertise and opinions and to allow effective committee organization, yet small enough to enable efficient meetings and decision-making and maximize full attendance at meetings of the directors of the Corporation. The directors of the Corporation will review the size of the board of directors if a change is recommended by the Governance and Compensation Committee.

### **Compensation**

See "*Statement of Executive Compensation*" above for information regarding the decision-making process relating to compensation made to certain executives and to directors of the Corporation.

### **Assessments**

The Compensation Committee is mandated to undertake an annual assessment of the overall performance and effectiveness of the directors of the Corporation collectively and each committee thereof and to report on the results of such assessment to the directors of the Corporation. The purpose of the assessment is to ensure the continued effectiveness of the directors of the Corporation in discharging their duties and responsibilities and to contribute to a process of continuing improvement.

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

Except as otherwise disclosed herein, no informed person (as that term is defined in NI 51-102) or any nominee for election as a director, or any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year of the Corporation that has materially affected or is reasonably expected to materially affect the Corporation.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Financial information is provided in the comparative financial statements and

the management's discussion and analysis of the Corporation for the financial year of the Corporation ended December 31, 2018. Shareholders may also obtain these documents, without charge, upon request to the Corporation at its offices located at 343 Preston Street, Suite 1141, Ottawa, Ontario, K1S 1N4.

**APPROVAL**

The contents of this management information circular and the sending thereof to the Shareholders of the Corporation have been approved by the directors of the Corporation.

DATED at Toronto, Ontario as of this 24<sup>th</sup> day of May, 2019.

By Order of the Board of Directors

(signed) "*Niel Marotta*"

---

Niel Marotta  
Chief Executive Officer



## SCHEDULE "A"

### INDIVA LIMITED SHARE OPTION PLAN

#### ARTICLE ONE

##### DEFINITIONS AND INTERPRETATION

Section 1.01 **Definitions** For purposes of this Share Option Plan, unless such capitalized word or term is otherwise defined herein or the context in which such capitalized word or term is used herein otherwise requires, the following words and terms with the initial letter or letters thereof capitalized shall have the following meanings.

- (a) "**Acceleration Event**" has the meaning given to such term in Section 3.09 hereof;
- (b) "**Blackout Period**" means a period of time during which:
  - (i) the trading guidelines of the Company, as amended or replaced from time to time, restrict one or more Participants from trading in securities of the Company; or
  - (ii) the Company has determined that one or more Participants may not trade any securities of the Company;
- (c) "**Blackout Period Expiry Date**" means the date on which a Blackout Period expires;
- (d) "**Business Day**" means a day on which the Stock Exchange is open for trading;
- (e) "**Committee**" means the Directors or, if the Directors so determine in accordance with Section 2.03 hereof, the committee of the Directors authorized to administer this Share Option Plan;
- (f) "**Common Shares**" means the common shares of the Company, as adjusted in accordance with the provisions of Article Five hereof from time to time;
- (g) "**Company**" means Indiva Limited, a corporation existing under the *Business Corporations Act* (Ontario), and any successor thereof;
- (h) "**Designated Affiliates**" means the affiliates of the Company designated by the Committee for purposes of this Share Option Plan from time to time;
- (i) "**Directors**" means the directors of the Company from time to time;
- (j) "**Eligible Directors**" means the Directors or the directors of any Designated Affiliate from time to time;
- (k) "**Eligible Employees**" means employees and officers, whether Directors or not, of the Company or any Designated Affiliate, provided that such employees and officers are either individuals who are considered employees under the *Income Tax Act* (Canada) or individuals who work full-time, or on a continuing and regular basis for a minimum amount of time per week, for the Company or a Designated Affiliate providing services normally provided by an employee and who are subject to the same control and direction by the

Company or a Designated Affiliate over the details and methods of work as an employee of the Company or a Designated Affiliate, but for whom income tax deductions are not made at source;

- (l) "**Employment Contract**" means any contract between the Company or any Designated Affiliate and any Participant relating to, or entered into in connection with, the employment or departure of the Eligible Employee, the appointment, election or departure of the Eligible Director or the engagement of the Other Participant or any other agreement to which the Company or a Designated Affiliate is a party with respect to the rights of such Participant in respect of a change in control of the Company or the termination of employment, appointment, election or engagement of such Participant;
- (m) "**Exercise Price**" has the meaning given to such term in Section 3.03 hereof;
- (n) "**Insider**" has the meaning given to such term in the policies of the TSX Venture Exchange;
- (o) "**Option**" means an option to purchase Common Shares granted pursuant to, or governed by, this Share Option Plan;
- (p) "**Optionee**" means a Participant to whom an Option has been granted pursuant to this Share Option Plan;
- (q) "**Option Period**" means the period of time during which the particular Option may be exercised, including as extended in accordance with Section 3.04 hereof;
- (r) "**Other Participant**" means, other than an Eligible Director or an Eligible Employee, any person engaged to provide ongoing management, advisory, consulting, technical or other services (other than services provided in relation to a distribution of securities of the Company) for the Company or a Designated Affiliate, or any employee of such person, under a written contract between the Company and such person, and who spends or will spend a significant amount of time and attention on the affairs and business of the Company or a Designated Affiliate and has a relationship with the Company or a Designated Affiliate that enables such person to be knowledgeable about the business and affairs of the Company or Designated Affiliate, as the case may be;
- (s) "**Participant**" means each Eligible Director, Eligible Employee and Other Participant;
- (t) "**Prior Option Plan**" has the meaning given to such term in Section 2.06(e) hereof;
- (u) "**Share Option Plan**" means this share option plan as amended from time to time;
- (v) "**Stock Exchange**" means the TSX Venture Exchange or, if the Common Shares are not then listed on the TSX Venture Exchange, such other principal market on which the Common Shares are then traded as designated by the Committee from time to time;
- (w) "**Termination**" has the meaning given to such term in Section 3.11 hereof; and
- (x) "**U.S. Securities Act**" has the meaning given to such term in Section 4.02 hereof.

Section 1.02 **Headings.** The headings of all articles, sections, paragraphs and subparagraphs in this Share Option Plan are inserted for convenience of reference only and shall not affect the construction or interpretation of this Share Option Plan.

Section 1.03 **Context, Construction.** Whenever the singular or masculine are used in this Share Option Plan the same shall be construed as being the plural or feminine or neuter or vice versa where the context so requires. The word "person" shall be given the widest meaning possible and shall include, without limitation, an individual, a corporation, a partnership, a limited partnership or any other unincorporated entity.

Section 1.04 **References to this Share Option Plan.** The words "hereto", "herein", "hereby", "hereunder", "hereof" and similar expressions mean or refer to this Share Option Plan as a whole and not to any particular article, section, paragraph, subparagraph or other part hereof.

Section 1.05 **Canadian Funds.** Unless otherwise specifically provided, all references to dollar amounts in this Share Option Plan are references to lawful money of Canada.

## ARTICLE TWO

### PURPOSE AND ADMINISTRATION OF THIS SHARE OPTION PLAN

Section 2.01 **Purpose of this Share Option Plan.** This Share Option Plan provides for the potential acquisition of Common Shares by Participants for the purpose of advancing the interests of the Company through the motivation, attraction and retention of key employees, directors and consultants of the Company and the Designated Affiliates and to secure for the Company and the shareholders of the Company the benefits inherent in the ownership of Common Shares by key employees, directors and consultants of the Company and the Designated Affiliates, it being generally recognized that share incentive plans can aid in attracting, retaining and encouraging employees, directors and consultants due to the opportunity offered to them to acquire a proprietary interest in the Company.

Section 2.02 **Administration of this Share Option Plan.** This Share Option Plan shall be administered by the Committee and the Committee shall have full authority to administer this Share Option Plan, including the authority to interpret and construe any provision of this Share Option Plan and to adopt, amend and rescind such rules and regulations for administering this Share Option Plan as the Committee may deem necessary or desirable in order to comply with the requirements of this Share Option Plan, subject in all cases to compliance with regulatory requirements. All actions taken and all interpretations and determinations made by the Committee in good faith shall be final and conclusive and shall be binding on the Participants and the Company. No member of the Committee shall be personally liable for any action taken or determination or interpretation made in good faith in connection with this Share Option Plan and all members of the Committee shall, in addition to their rights as Directors, be fully protected, indemnified and held harmless by the Company with respect to any such action taken or determination or interpretation made. The appropriate officers of the Company are hereby authorized and empowered to do all things and execute and deliver all instruments, undertakings and applications and writings as they, in their absolute discretion, consider necessary or desirable for the implementation of this Share Option Plan and of the rules and regulations established for administering this Share Option Plan. All costs incurred in connection with this Share Option Plan shall be for the account of the Company. This Share Option Plan shall be administered in accordance with the rules and policies of the TSX Venture Exchange by the Committee so long as the Common Shares are listed on the TSX Venture Exchange.

Section 2.03 **Delegation to Committee.** All of the powers exercisable hereunder by the Directors may, to the extent permitted by applicable law and as determined by resolution of the Directors, be exercised by a committee of the Directors comprised of not less than three Directors.

Section 2.04 **Record Keeping.** The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee;
- (b) the number of Common Shares subject to Options granted to each Optionee; and
- (c) the aggregate number of Common Shares subject to Options.

Section 2.05 **Determination of Participants.** The Committee shall from time to time determine the Participants who may participate in this Share Option Plan. The Committee shall from time to time determine the Participants to whom Options shall be granted, the number of Common Shares to be made subject to, and the expiry date of, each Option granted to each Participant and the other terms, including any vesting provisions, of each Option granted to each Participant, all such determinations to be made in accordance with the terms and conditions of this Share Option Plan, and the Committee may take into consideration the present and potential contributions of, and the services rendered by, the particular Participant to the success of the Company and any other factors which the Committee deems appropriate and relevant. All Eligible Employees and Other Participants shall be bona fide Eligible Employees or Other Participants, as the case may be.

Section 2.06 **Maximum Number of Shares.**

- (a) The maximum number of Common Shares reserved for issue pursuant to this Share Option Plan shall be determined from time to time by the Committee but, in any case, shall not exceed, in the aggregate, 10% of the number of Common Shares then outstanding.
- (b) The maximum number of Common Shares reserved for issue pursuant to Options granted under this Share Option Plan to Participants who are Insiders of the Company in any 12 month period shall not exceed 10% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (c) The maximum number of Common Shares reserved for issue to any one Participant upon the exercise of Options in any 12 month period shall not exceed 5% of the number of Common Shares then outstanding, unless disinterested shareholder approval is received therefor in accordance with the policies of the Stock Exchange.
- (d) The maximum number of Common Shares reserved for issue to any one Other Participant upon the exercise of Options in any 12 month period shall not exceed 2% of the number of Common Shares then outstanding.
- (e) The maximum number of Common Shares reserved for issue to all Eligible Employees and to all Other Participants conducting Investor Relations Activities (as such terms are defined in the policies of the TSX Venture Exchange) upon the exercise of Options in any 12 month period shall not exceed, in the aggregate, 2% of the number of Common Shares then outstanding. Options granted to Other Participants performing Investor Relations Activities shall vest in stages over a 12 month period, with no more than  $\frac{1}{4}$  of the Options vesting in

any three month period. The Directors shall, through the establishment of appropriate procedures, monitor the trading in the securities of the Company by all Optionees performing Investor Relations Activities.

For purposes of this Section 2.06, "the number of Common Shares then outstanding" shall mean the number of Common Shares outstanding on a non-diluted basis calculated at the date of the proposed grant of the applicable Option. All Common Shares reserved for issue upon the exercise of options outstanding under the previous stock option plan approved by the shareholders of the Company on June 2, 2016 (the "**Prior Option Plan**"), shall be counted toward the maximum number of Common Shares permitted to be reserved for issue pursuant to any of the provisions of this Section 2.06.

### ARTICLE THREE

#### SHARE OPTION PLAN

Section 3.01 **The Share Option Plan and Participants.** This Share Option Plan is hereby established for Eligible Directors, Eligible Employees and Other Participants.

Section 3.02 **Option Notice or Agreement.** Each Option granted to a Participant may be evidenced by a stock option notice or stock option agreement setting out terms and conditions consistent with the provisions of this Share Option Plan, which terms and conditions need not be the same in each case and which terms and conditions may be changed from time to time.

Section 3.03 **Exercise Price.** The price per share (the "**Exercise Price**") at which any Common Share which is the subject of an Option may be purchased shall be determined by the Committee at the time the Option is granted, provided that the Exercise Price shall be not less than the closing price of the Common Shares on the Stock Exchange on the last trading day immediately preceding the date of the grant of such Option less the maximum discount, if any, permitted by the Stock Exchange or, if the Common Shares are not then listed on any stock exchange, the Exercise Price shall not be less than the fair market value of the Common Shares as may be determined by the Directors on the day immediately preceding the date of the grant of such Option. Disinterested shareholder approval shall be required for any reduction in the Exercise Price of any Option if the Optionee is an Insider of the Company at the time of the proposed amendment to the Exercise Price.

Section 3.04 **Term of Option.** The Option Period for each Option shall be such period of time as shall be determined by the Committee, subject to amendment by an Employment Contract, provided that in no event shall an Option Period exceed ten years. Notwithstanding the definition of Option Period contained herein or the foregoing, the expiration date of an Option will be the date fixed by the Directors with respect to such Option unless such expiration date falls within a Blackout Period or within ten days after a Blackout Period Expiry Date, in which case the expiration date of the Option will be the date which is ten Business Days after the Blackout Period Expiry Date. Disinterested shareholder approval shall be required for the extension of any Option Period if the Optionee is an Insider of the Company at the time of the proposed amendment to the Option Period.

Section 3.05 **Lapsed Options.** If Options granted under this Share Option Plan (or stock options granted under the Prior Option Plan) are surrendered, terminate or expire without being exercised in whole or in part, new Options may be granted covering the Common Shares not purchased under such lapsed Options (or such lapsed stock options).

**Section 3.06 Limit on Options to be Exercised.** Except as otherwise specifically provided herein or in any Employment Contract, Options may be exercised by the Optionee in whole at any time, or in part from time to time (in each case to the nearest full Common Share), during the Option Period only in accordance with the vesting schedule, if any, determined by the Committee, in its sole and absolute discretion, subject to the applicable requirements of the Stock Exchange, at the time of the grant of the Option, which vesting schedule may include performance vesting or acceleration of vesting in certain circumstances and which may be amended or changed by the Committee from time to time with respect to a particular Option. If the Committee does not determine a vesting schedule at the time of the grant of any particular Option, such Option shall be exercisable in whole at any time, or in part from time to time, during the Option Period, subject to the applicable requirements of the Stock Exchange. In the event that the Common Shares are listed on the TSX Venture Exchange, Options with an Exercise Price based on the Discounted Market Price (as such term is defined in the policies of the TSX Venture Exchange), and the Common Shares issuable upon the exercise thereof, shall be subject to the restricted period and legending requirements imposed by the policies of the TSX Venture Exchange.

**Section 3.07 Eligible Participants on Exercise.** An Option may be exercised by the Optionee in whole at any time, or in part from time to time, during the Option Period, provided however that, except as otherwise specifically provided in Section 3.10 or Section 3.11 hereof or in any Employment Contract, no Option may be exercised unless the Optionee at the time of exercise thereof is:

- (a) in the case of an Eligible Employee, an officer of the Company or a Designated Affiliate or in the employment of the Company or a Designated Affiliate and has been continuously an officer or so employed since the date of the grant of such Option, provided however that a leave of absence with the approval of the Company or such Designated Affiliate shall not be considered an interruption of employment for purposes of this Share Option Plan;
- (b) in the case of an Eligible Director who is not also an Eligible Employee, a director of the Company or a Designated Affiliate and has been such a director continuously since the date of the grant of such Option; and
- (c) in the case of an Other Participant, engaged, directly or indirectly, in providing ongoing management, advisory, consulting, technical or other services for the Company or a Designated Affiliate and has been so engaged since the date of the grant of such Option.

**Section 3.08 Payment of Exercise Price.** The issue of Common Shares on the exercise of any Option shall be contingent upon receipt by the Company of payment of the aggregate purchase price for the Common Shares in respect of which the Option has been exercised by cash or certified cheque delivered to the registered office of the Company together with a completed notice of exercise. No Optionee or legal representative, legatee or distributee of any Optionee will be, or will be deemed to be, a holder of any Common Shares with respect to which such Optionee was granted an Option, unless and until certificates for such Common Shares are issued to such Optionee, or them, under the terms of this Share Option Plan. Subject to Section 3.12 hereof, upon an Optionee exercising an Option and paying the Company the aggregate purchase price for the Common Shares in respect of which the Option has been exercised, the Company shall as soon as practicable thereafter issue and deliver a certificate representing the Common Shares so purchased.

**Section 3.09 Acceleration on Take-over Bid, Consolidation, Merger, etc.** In the event that:

- (a) the Company seeks or intends to seek approval from the shareholders of the Company for a transaction which, if completed, would constitute an Acceleration Event (as defined below); or

- (b) a person makes a bona fide offer or proposal to the Company or the shareholders of the Company which, if accepted or completed, would constitute an Acceleration Event,

the Company shall send notice to all Optionees of such transaction, offer or proposal as soon as practicable and, provided that the Committee has determined that no adjustment will be made pursuant to Section 5.06 hereof, (i) the Committee may, by resolution and notwithstanding any vesting schedule applicable to any Option or Section 3.06 hereof, permit all Options outstanding which have restrictions on their exercise to become immediately exercisable during the period specified in the notice (but in no event later than the applicable expiry date of an Option), so that the Optionee may participate in such transaction, offer or proposal, and (ii) the Committee may accelerate the expiry date of such Options and the time for the fulfillment of any conditions or restrictions on such exercise.

In this Section 3.09, an "**Acceleration Event**" means:

- (a) the acquisition by any person of beneficial ownership of more than 50% of the votes attached to the outstanding voting securities of the Company, by means of a take-over bid or otherwise;
- (b) any consolidation, merger, statutory amalgamation or arrangement involving the Company and pursuant to which the Company will not be the continuing or surviving corporation or pursuant to which the Common Shares will be converted into cash or securities or property of another entity, other than a transaction involving the Company and in which the shareholders of the Company immediately prior to the completion of the transaction will have the same proportionate ownership of the surviving corporation immediately after the completion of the transaction;
- (c) a separation of the business of the Company into two or more entities;
- (d) any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to another entity; or
- (e) the approval by the shareholders of the Company of any plan of liquidation or dissolution of the Company.

**Section 3.10 Effect of Death.** If a Participant or, in the case of an Other Participant which is not an individual, the primary individual providing services to the Company or Designated Affiliate on behalf of the Other Participant, shall die, any outstanding Option held by such Participant or Other Participant at the date of such death shall become immediately exercisable notwithstanding Section 3.06 hereof, and shall be exercisable in whole or in part only by the person or persons to whom the rights of the Optionee under the Option shall pass by the will of the Optionee or the laws of descent and distribution for a period of 12 months after the date of death of the Optionee or prior to the expiration of the Option Period in respect of the Option, whichever is earlier, and then only to the extent that such Optionee was entitled to exercise the Option at the date of the death of such Optionee in accordance with Sections 3.06, 3.07 and 3.11 hereof.

**Section 3.11 Effect of Termination of Engagement.** If a Participant shall:

- (a) cease to be a Director or of a Designated Affiliate, as the case may be (and is not or does not continue to be an employee thereof), for any reason (other than death); or
- (b) cease to be employed by, or provide services to, the Company or the Designated Affiliates (and is not or does not continue to be a director or officer thereof), or any corporation

engaged to provide services to the Company or the Designated Affiliates, for any reason (other than death) or shall receive notice from the Company or any Designated Affiliate of the termination of his Employment Contract;

(the earliest to occur of any of the foregoing events being referred to herein as a "**Termination**"), except as otherwise provided in any Employment Contract, such Participant may, but only within the 90 days next succeeding such Termination (or, subject to the limitations set forth below, such other period of time as may be determined by the Board of Directors of the Company), exercise the Options to the extent that such Participant was entitled to exercise such Options at the date of such Termination. Notwithstanding the foregoing or any Employment Contract, in no event shall such right extend beyond the Option Period or one year from the date of Termination.

Section 3.12 **Necessary Approvals.** The obligation of the Company to issue and deliver any Common Shares in accordance with this Share Option Plan shall be subject to any necessary approval of any stock exchange or regulatory authority having jurisdiction over the securities of the Company. If any Common Shares cannot be issued to any Participant upon the exercise of an Option for whatever reason, the obligation of the Company to issue such Common Shares shall terminate and any exercise price paid to the Company in respect of the exercise of such Option shall be returned to the Participant.

Section 3.13 **Conflict.** To the extent there is any inconsistency or ambiguity between this Share Option Plan and any Employment Contract, the terms of such Employment Contract shall govern to the extent of such inconsistency or ambiguity, subject only to compliance with applicable law and Stock Exchange policy.

#### ARTICLE FOUR

##### WITHHOLDING TAXES AND SECURITIES LAWS OF THE UNITED STATES OF AMERICA

Section 4.01 **Withholding Taxes.** The Company or any Designated Affiliate may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company or any Designated Affiliate is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Option or Common Share including, without limiting the generality of the foregoing, the withholding of all or any portion of any payment or the withholding of the issue of Common Shares to be issued upon the exercise of any Option, until such time as the Participant has paid the Company or any Designated Affiliate for any amount which the Company or the Designated Affiliate is required to withhold with respect to such taxes.

Section 4.02 **Securities Laws of the United States of America.** Neither the Options which may be granted pursuant to this Share Option Plan nor the Common Shares which may be issued pursuant to the exercise of Options have been registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**"), or under any securities law of any state of the United States of America. Accordingly, any Participant who is issued Common Shares or granted an Option in a transaction which is subject to the U.S. Securities Act or the securities laws of any state of the United States of America may be required to represent, warrant, acknowledge and agree that:

- (a) the Participant is acquiring the Option and/or any Common Shares as principal and for the account of the Participant;
- (b) in granting the Option and/or issuing the Common Shares to the Participant, the Company is relying on the representations and warranties of the Participant to support the conclusion



of the Company that the granting of the Option and/or the issue of Common Shares do not require registration under the U.S. Securities Act or to be qualified under the securities laws of any state of the United States of America;

- (c) each certificate representing Common Shares so issued may be required to have the following legend:

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR UNDER ANY STATE SECURITIES LAWS, AND THE SECURITIES REPRESENTED HEREBY MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE COMPANY, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 OR 144A UNDER THE U.S. SECURITIES ACT, IF APPLICABLE, AND IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, OR (D) WITH THE PRIOR WRITTEN CONSENT OF THE COMPANY (WHICH WILL BE DELIVERED PROMPTLY AND WILL NOT BE UNREASONABLY WITHHELD, BUT WHICH MAY BE CONDITIONAL ON DELIVERY OF A LEGAL OPINION IN FORM AND SUBSTANCE SATISFACTORY TO THE COMPANY), PURSUANT TO ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS.

THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE. A CERTIFICATE WITHOUT A LEGEND MAY BE OBTAINED FROM THE REGISTRAR AND TRANSFER AGENT OF THE COMPANY IN CONNECTION WITH A SALE OF THE SECURITIES REPRESENTED HEREBY AT A TIME WHEN THE COMPANY IS A "FOREIGN ISSUER" AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT, UPON DELIVERY OF THIS CERTIFICATE AND A DULY EXECUTED DECLARATION, IN A FORM SATISFACTORY TO THE REGISTRAR AND TRANSFER AGENT AND THE COMPANY, TO THE EFFECT THAT SUCH SALE OF THE SECURITIES REPRESENTED HEREBY IS BEING MADE IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT.";

provided that if such Common Shares are being sold outside the United States of America in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act and provided that the Company is a "foreign issuer" within the meaning of Regulation S under the U.S. Securities Act at the time of such sale, such legend may be removed by providing a written declaration signed by the holder to the registrar and transfer agent for the Common Shares to the following effect:

"The undersigned (A) represents and warrants that the sale of the securities of Indiva Limited (the "**Company**") to which this declaration relates is being made in compliance with Rule 904 of Regulation S under the *United States Securities*

*Act of 1933*, as amended (the "**U.S. Securities Act**"), and (B) certifies that (1) the undersigned is not an affiliate of the Company as that term is defined in the U.S. Securities Act, (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the undersigned and any person acting on its behalf reasonably believe that the buyer was outside the United States or (B) the transaction was executed on or through the facilities of a Designated Offshore Securities Market and neither the undersigned nor any person acting on behalf thereof knows or has any reason to believe that the transaction has been prearranged with a buyer in the United States, (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any directed selling efforts in the United States in connection with the offer and sale of such securities, (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act), (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of the U.S. Securities Act with fungible unrestricted securities and (6) the contemplated sale is not a transaction, or part of a series of transactions which, although in technical compliance with Regulation S under the U.S. Securities Act, is part of a plan or scheme to evade the registration provisions of the U.S. Securities Act. Terms used herein have the meanings given to them by Regulation S under the U.S. Securities Act.";

- (d) other than as contemplated by Section 4.02(c) hereof, prior to making any disposition of any Common Shares acquired pursuant to this Share Option Plan which might be subject to the requirements of the U.S. Securities Act, the Participant shall give written notice to the Company describing the manner of the proposed disposition and containing such other information as is necessary to enable counsel for the Company to determine whether registration under the U.S. Securities Act or qualification under any securities laws of any state of the United States of America is required in connection with the proposed disposition and whether the proposed disposition is otherwise in compliance with such legislation and the regulations thereto;
- (e) other than as contemplated by Section 4.02(c) hereof, the Participant will not attempt to effect any disposition of the Common Shares owned by the Participant and acquired pursuant to this Share Option Plan or of any interest therein which might be subject to the requirements of the U.S. Securities Act in the absence of an effective registration statement relating thereto under the U.S. Securities Act or an opinion of counsel satisfactory in form and substance to counsel for the Company that such disposition would not constitute a violation of the U.S. Securities Act and then will only dispose of such Common Shares in the manner so proposed;
- (f) the Company may place a notation on the records of the Company to the effect that none of the Common Shares acquired by the Participant pursuant to this Share Option Plan shall be transferred unless the provisions of the Plan have been complied with; and
- (g) the effect of these restrictions on the disposition of the Common Shares acquired by the Participant pursuant to this Share Option Plan is such that the Participant may not be able to sell or otherwise dispose of such Common Shares for a considerable length of time in a transaction which is subject to the provisions of the U.S. Securities Act other than as contemplated by Section 4.02(c) hereof.

## ARTICLE FIVE

### GENERAL

Section 5.01 **Effective Time of this Share Option Plan.** This Share Option Plan shall become effective upon a date to be determined by the Directors.

Section 5.02 **Amendment of Plan.** The Committee shall have the right:

- (a) without the approval of the shareholders of the Company, subject to Section 5.02(b) of the Share Option Plan, to make any amendments to the Share Option Plan, including but not limited to the following amendments:
  - (i) any amendment of a "housekeeping" nature, including, without limitation, amending the wording of any provision of the Share Option Plan for the purpose of clarifying the meaning of existing provisions or to correct or supplement any provision of the Share Option Plan that is inconsistent with any other provision of the Share Option Plan, correcting grammatical or typographical errors and amending the definitions contained within the Share Option Plan;
  - (ii) any amendment to comply with the rules, policies, instruments and notices of any regulatory authority to which the Company is subject, including the Stock Exchange, or to otherwise comply with any applicable law or regulation;
  - (iii) other than changes to the expiration date and the exercise price of an Option as described in Section 5.02(b)(iii) and Section 5.02(b)(iv) of this Share Option Plan, any amendment, with the consent of the Optionee, to the terms of any Option previously granted to such Optionee under the Share Option Plan;
  - (iv) any amendment to the provisions concerning the effect of the termination of an Optionee's position, employment or services on such Optionee's status under the Share Option Plan;
  - (v) any amendment to the categories of persons who are Participants; and
  - (vi) any amendment respecting the administration or implementation of the Share Option Plan;
- (b) with the approval of the shareholders of the Company by ordinary resolution, including if required by the applicable Stock Exchange, disinterested shareholder approval, to make any amendment to the Share Option Plan not contemplated by Section 5.02(a) of the Share Option Plan, including, but not limited to:
  - (i) any change to the number of Common Shares issuable from treasury under the Share Option Plan, including an increase to the fixed maximum percentage of Common Shares or a change from a fixed maximum percentage of Common Shares to a fixed maximum number, other than an adjustment pursuant to Section 5.07 of the Share Option Plan;
  - (ii) any amendment which reduces the exercise price of any Option, other than an adjustment pursuant to Section 5.07 of the Share Option Plan;

- (iii) any amendment which extends the expiry date of an Option;
- (iv) any amendment which cancels any Option and replaces such Option with an Option which has a lower exercise price, other than an adjustment pursuant to Section 5.07 of the Share Option Plan,
- (v) any amendment which would permit Options to be transferred or assigned by any Participant other than as allowed by Section 5.03 of the Share Option, and
- (vi) any amendments to this Section 5.02 of the Share Option Plan.

Notwithstanding the foregoing, any amendment to the Share Option Plan shall be subject to the receipt of all required regulatory approvals including, without limitation, the approval of the Stock Exchange.

Section 5.03 **Non-Assignable.** No rights under this Share Option Plan and no Option awarded pursuant to this Share Option Plan are assignable or transferable by any Participant other than pursuant to a will or by the laws of descent and distribution.

Section 5.04 **Rights as a Shareholder.** No Optionee shall have any rights as a shareholder of the Company with respect to any Common Shares which are the subject of an Option. No Optionee shall be entitled to receive any dividends, distributions or other rights declared for shareholders of the Company for which the record date is prior to the date of issue of certificates representing Common Shares acquired upon the exercise of Options of such Optionee.

Section 5.05 **No Contract of Employment.** Nothing contained in this Share Option Plan shall confer or be deemed to confer upon any Participant the right to continue in the employment of, or to provide services to, the Company or any Designated Affiliate nor interfere or be deemed to interfere in any way with any right of the Company or any Designated Affiliate to discharge any Participant at any time for any reason whatsoever, with or without cause. Participation in any of this Share Option Plan by a Participant shall be voluntary.

Section 5.06 **Consolidation, Merger, etc.** If there is a consolidation, merger or statutory amalgamation or arrangement of the Company with or into another corporation, a separation of the business of the Company into two or more entities or a sale, lease exchange or other transfer (in one transaction or a series of related transactions) of all or substantially all of the assets of the Company to another entity, upon the exercise of an Option under this Share Option Plan the holder thereof shall be entitled to receive the securities, property or cash which the holder would have received upon such consolidation, merger, amalgamation, arrangement, separation or transfer if the holder had exercised the Option immediately prior to the effective time of such event, unless the Committee otherwise determines the basis upon which such Option shall be exercisable.

Section 5.07 **Adjustment in Number of Common Shares Subject to the Plan.** In the event there is any change in the Common Shares, whether by reason of a stock dividend, consolidation, subdivision, reclassification or otherwise, an appropriate adjustment shall be made by the Committee in:

- (a) the number of Common Shares available under this Share Option Plan;
- (b) the number of Common Shares subject to any Option; and
- (c) the exercise price of the Common Shares subject to Options.

If the foregoing adjustment shall result in a fractional Common Share, the fraction shall be disregarded. All such adjustments shall be conclusive, final and binding for all purposes of this Share Option Plan.

**Section 5.08 Securities Exchange Take-over Bid.** In the event that the Company becomes the subject of a take-over bid (within the meaning of the *Securities Act* (Ontario)) as a result of which all of the outstanding Common Shares are acquired by the offeror through compulsory acquisition provisions of the incorporating statute or otherwise, and where consideration is paid in whole or in part in equity securities of the offeror, the Committee may send notice to all Optionees requiring them to surrender their Options within 10 days of the mailing of such notice, and the Optionees shall be deemed to have surrendered such Options on the tenth day after the mailing of such notice without further formality, provided that:

- (a) the Committee delivers with such notice an irrevocable and unconditional offer by the offeror to grant replacement options to the Optionees on the equity securities offered as consideration;
- (b) the Committee has determined, in good faith, that such replacement options have substantially the same economic value as the Options being surrendered; and
- (c) the surrender of Options and the granting of replacement options can be effected on a tax free rollover basis under the *Income Tax Act* (Canada).

**Section 5.09 No Representation or Warranty.** The Company makes no representation or warranty as to the future market value of any Common Shares issued in accordance with the provisions of this Share Option Plan.

**Section 5.10 Participation through RRSPs and Holding Companies.** Subject to the approval of the Committee, an Eligible Employee or Eligible Director may elect, at the time rights or Options are granted under this Share Option Plan, to participate in this Share Option Plan by holding any rights or Options granted under this Share Option Plan in a registered retirement savings plan established by such Eligible Employee or Eligible Director for the sole benefit of such Eligible Employee or Eligible Director or in a personal holding corporation controlled by such Eligible Employee or Eligible Director. For the purposes of this Section 5.10, a personal holding corporation shall be deemed to be controlled by an Eligible Employee or Eligible Director if (i) voting securities carrying 100% of the votes for the election of directors of such corporation are held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director and the votes carried by such voting securities are entitled, if exercised, to elect a majority of the board of directors of such corporation, and (ii) all of the equity securities of such corporation are directly held, otherwise than by way of security only, by or for the benefit of such Eligible Employee or Eligible Director. In the event that an Eligible Employee or Eligible Director elects to hold the Options granted under this Share Option Plan in a registered retirement savings plan or personal holding corporation, such Eligible Employee or Eligible Director must submit certifications, undertakings or any other documents, if any, required by the Stock Exchange, and the provisions of this Share Option Plan shall continue to apply as if the Eligible Employee or Eligible Director held such Options directly.

**Section 5.11 Compliance with Applicable Law.** If any provision of this Share Option Plan or any Option contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction over the securities of the Company, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

**Section 5.12 Interpretation.** This Share Option Plan shall be governed by, and be construed in accordance with, the laws of the Province of Ontario.

**SCHEDULE "B"**

**OPTION PLAN RESOLUTION**

"BE IT RESOLVED THAT:

1. the Share Option Plan of the Corporation attached as Schedule "A" to the Management Information Circular dated May 24, 2019 of the Corporation be, and the same hereby is, confirmed and approved as the Share Option Plan of the Corporation."

## SCHEDULE "C"

### CHARTER OF THE AUDIT COMMITTEE

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the "**Committee**") of the directors (the "**Board**") of Indiva Limited ("**Indiva**").

#### 1. PURPOSE

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (i) financial reporting and disclosure requirements;
- (ii) ensuring that an effective risk management and financial control framework has been implemented by the management of Indiva; and
- (iii) external and internal audit processes.

#### 2. COMPOSITION AND MEMBERSHIP

- (i) The members (collectively "**Members**" and individually a "**Member**") of the Committee shall be appointed by the Board to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will cease to be a Member upon ceasing to be a director of Indiva.
- (ii) The Committee will consist of at least three Members. Every Member must be a director of Indiva who is independent and financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules, regulations and stock exchange requirements (collectively "**Applicable Laws**"), it being understood that for such time as Indiva remains a "venture issuer" under Applicable Laws, a majority (rather than all) of the Members of the Committee is required to be "independent". In this Charter, the terms "independent" and "financially literate" have the meanings ascribed to such terms in Applicable Laws and include the meanings given to similar terms in Applicable Laws to the extent such similar terms are used in this Charter and are applicable under Applicable Laws.
- (iii) The chairman of the Committee (the "**Chairman**") will be appointed by the Board and confirmed by the Committee or appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Board or Committee may determine in their business judgment is necessary. The Corporate Secretary of Indiva (the "**Corporate Secretary**") will be the secretary of all meetings and will maintain minutes of all meetings, deliberations and proceedings of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

### 3. MEETINGS

- (i) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than four (4) times per year. Any Member or the auditor of Indiva may call a meeting of the Committee at any time upon not less than forty-eight (48) hours advance notice being given to each Member orally, by telephone, by facsimile or by email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.
- (ii) At the request of the external auditors of Indiva, the Chief Executive Officer or the Chief Financial Officer of Indiva or any Member will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (iii) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one of their number to act as chairman of the meeting.
- (iv) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority of Members present at the meeting at which the vote is taken. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- (v) The Committee may invite from time to time such persons as the Committee considers appropriate to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee, except to the extent the exclusion of certain persons is required pursuant to this Charter or by Applicable Laws. The Committee will meet in camera without management at each meeting of the Committee.
- (vi) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Indiva to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

### 4. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee as they relate to the following matters, to the extent considered appropriate or desirable or required by Applicable Laws, are to:

- (a) Financial Reporting and Disclosure
  - (i) review and recommend to the Board for approval, the audited annual financial statements of Indiva, including the auditors' report thereon, the management's discussion and analysis of Indiva prepared in connection with the annual financial statements, financial reports of Indiva, guidance with respect to earnings per share, and any initial public release of financial information of Indiva through press release or otherwise, with such documents to indicate whether such information has been reviewed by the Board or the Committee;



- (ii) review and recommend to the Board for approval of the quarterly financial statements of Indiva including the management's discussion and analysis prepared in connection with the quarterly financial statements, with such documents to indicate whether such information has been reviewed by the Board or the Committee;
  - (iii) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents;
  - (iv) review with management of Indiva and with the external auditors of Indiva significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Indiva's financial position and the results of its operations in accordance with IFRS;
  - (v) annually review Indiva's Corporate Disclosure Policy and recommend any proposed changes to the Board for consideration; and
  - (vi) review the minutes from each meeting of the disclosure committee of Indiva established pursuant to Indiva's Corporate Disclosure Policy, since the last meeting of the Committee.
- (b) Internal Controls and Audit
- (i) review and assess the adequacy and effectiveness of Indiva's system of internal control and management information systems through discussions with management and the external auditor of Indiva to ensure that Indiva maintains: (a) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect Indiva's transactions; (b) effective internal control systems; and (c) adequate processes for assessing the risk of material misstatement of the financial statements of Indiva and for detecting control weaknesses or fraud. From time to time the Committee will assess whether a formal internal audit department is necessary or desirable having regard to the size and stage of development of Indiva at any particular time;
  - (ii) satisfy itself that management has established adequate procedures for the review of Indiva's disclosure of financial information extracted or derived directly from Indiva's financial statements;
  - (iii) periodically assess the adequacy of such systems and procedures to ensure compliance with regulatory requirements and recommendations;
  - (iv) review and discuss the major financial risk exposures of Indiva and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities;
  - (v) review and assess, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of Indiva's risk management policies and procedures with regard to identification of Indiva's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by Indiva; and

(c) External Audit

- (i) recommend to the Board a firm of external auditors to be engaged by Indiva;
- (ii) ensure the external auditors report directly to the Committee on a regular basis;
- (iii) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (iv) review and approve the compensation of the external auditors, and the scope and timing of the audit and other related services rendered by the external auditors;
- (v) review the audit plan of the external auditors prior to the commencement of the audit;
- (vi) establish and maintain a direct line of communication with Indiva's external and, if applicable, internal auditors;
- (vii) meet in camera with only the auditors (if present), with only management (if present), and with only the Members at every Committee meeting;
- (viii) review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;
- (ix) oversee the work of the external auditors appointed by the shareholders of Indiva with respect to preparing and issuing an audit report or performing other audit, review or attest services for Indiva, including the resolution of issues between management of Indiva and the external auditors regarding financial disclosure;
- (x) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with management of Indiva and the ramifications of their use, as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- (xi) discuss with the external auditors their perception of Indiva's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- (xii) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and
- (xiii) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by

governmental or professional authorities respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

(d) Associated Responsibilities

- (i) monitor and periodically review Indiva's Whistleblower Policy and associated procedures for:
  - (A) the receipt, retention and treatment of complaints received by Indiva regarding accounting, internal accounting controls or auditing matters;
  - (B) the confidential, anonymous submission by directors, officers and employees of Indiva of concerns regarding questionable accounting or auditing matters; and
  - (C) any violations of any Applicable Laws that relate to corporate reporting and disclosure, or violations of Indiva's Code of Conduct and Ethics; and
- (ii) review and approve the hiring policies of Indiva regarding employees and partners, and former employees and partners, of the present and former external auditors of Indiva.

(e) Non-Audit Services

Pre-approve all non-audit services to be provided to Indiva or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the Committee at its first scheduled meeting following such pre-approval.

(f) Oversight Function

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Indiva's financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of the management and the external auditors of Indiva. The Committee, the Chairman and any Members identified as having accounting or related financial expertise are directors of Indiva, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Indiva, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Indiva's financial information or public disclosure.

## 5. REPORTING

The Committee shall provide the Board with a summary of all actions taken at each Committee meeting or by written resolution. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Secretary will circulate the minutes of each meeting of the

Committee and each written resolution passed by the Committee to the Board. The Committee shall produce and provide the Board with all reports or other information required to be prepared under Applicable Laws.

#### 6. ACCESS TO INFORMATION AND AUTHORITY

The Committee will be granted unrestricted access to all information regarding Indiva and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Indiva's expense, outside legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with external and, if applicable, internal auditors of Indiva.

#### 7. REVIEW OF CHARTER

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.

#### 8. CHAIR

The Chair of the Committee should:

- (i) provide leadership to the Committee with respect to its functions as described in this mandate and as otherwise may be appropriate, including overseeing the operation of the Committee;
- (ii) chair meetings of the Committee, unless not present, including in camera sessions, and report to the Board following each meeting of the Committee on the activities and any recommendations of the Committee;
- (iii) ensure that the Committee meets at least once per quarter and otherwise as considered appropriate;
- (iv) in consultation with the Chairman of the Board and the Committee members, establish dates for holding meetings of the Committee;
- (v) set the agenda for each meeting of the Committee, with input from other Committee members, the Chairman of the Board, and any other appropriate persons;
- (vi) ensure that Committee materials are available to any director upon request;
- (vii) act as liaison and maintain communication with the Chairman of the Board and the Board to optimize and co-ordinate input from directors, and to optimize the effectiveness of the Committee. This includes reporting to the Board on all decisions of the Committee at the first meeting of the Board after each Committee meeting and at such other times and in such manner as the Committee considers advisable; and
- (viii) report annually to the Board on the role of the Committee and the effectiveness of the Committee in contributing to the effectiveness of the Board.

Original Approval Date: February 2, 2018

Approved by: Audit Committee; Board of Directors