

# **Sprout AI Inc.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON May 28, 2024**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

**April 15, 2024**

**SPROUT AI INC.**

**NOTICE OF ANNUAL GENERAL MEETING  
OF SHAREHOLDERS TO BE HELD ON May 28, 2024**

**NOTICE IS HEREBY GIVEN** that an Annual General Meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (“**Common Shares**”) in the capital of Sprout AI Inc. (“**Sprout**” or the “**Company**”) will be held at 2:00 PM PST on May 28, 2024 at Suite 1150 – 777 Hornby Street, Vancouver, British Columbia.

The Meeting will be held for the following purposes:

1. to receive the annual audited financial statements of the Company for the fiscal year ended January 31, 2023, together with the report of the auditors thereon;
2. to appoint Segal LLP, as the auditors of the Company for the ensuing year and to authorize the Board of Directors of the Company to fix their remuneration;
3. to increase the number of directors of the Corporation from four (4) to seven (7);
4. to elect six (6) directors of the Company for the ensuing year;
5. to transact such other business as may properly be brought before the Meeting or any adjournment(s) thereof.

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

In the event the Company decides to change the date, time and/or location of the Meeting as part of its efforts to reduce the spread of COVID-19, the Company will issue a press release announcing the change and take all reasonable steps necessary to inform all the parties involved in the proxy infrastructure, including intermediaries and the Company’s transfer agent, of the change. The Company strongly encourages each Shareholder to submit a form of proxy or voting instruction form in advance of the Meeting. The Company also encourages all Shareholders to monitor the Company’s website for any changes to Meeting arrangements at <https://sproutai.solutions>.

Only Shareholders at the close of business on April 10, 2024 (the “Record Date”) are entitled to notice of and to vote at the Meeting or any adjournments or postponements thereof.

Shareholders may vote in person at the Meeting or any adjournments or postponements thereof, or they may appoint another person (who needs not be a Shareholder) as their proxy to attend and vote in their place.

To be valid, proxy forms must be dated, completed, signed and forwarded to Endeavor Trust Corporation, # 702, 777 Hornby Street, Vancouver, British Columbia V6Z 1S2 no later than 2 PM PST May 24, 2024, or if the Meeting is adjourned or postponed, by the second business day prior to the date on which the Meeting is reconvened.

Panama City, Panama  
April 15, 2024

BY ORDER OF THE BOARD OF DIRECTORS

(signed) “Chris Bolton”

Chris Bolton  
Chief Executive Officer and Chair

**SPROUT AI INC.  
MANAGEMENT INFORMATION CIRCULAR  
FOR THE Annual General OF SHAREHOLDERS  
TO BE HELD ON May 28, 2024**

**GENERAL INFORMATION RESPECTING THE MEETING**

The information contained in this management information circular (the “Circular”) is given as at **April 15, 2024**, unless otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the other matters described herein other than those contained in this Circular and, if given or made, any such representation should be considered not to have been authorized by the Company.

**This Circular is furnished in connection with the solicitation of proxies by or on behalf of the management of Sprout AI Inc. (“Sprout” or the “Company”) for use at the Annual General Meeting of the holders (the “Shareholders”) of the common shares (the “Common Shares”) in the capital of the Company to be held at 2:00 PM PST on May 28, 2024 at Suite 1150 – 777 Hornby Street, Vancouver, British Columbia, and any adjournment or adjournments thereof (the “Meeting”) for the purposes set forth in the notice of meeting of Shareholders (the “Notice of Meeting”) accompanying this Circular.**

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and Shareholders are urged to consult their own professional advisers in connection therewith.

**Time, Date and Location of Meeting**

The Meeting will be held on May 28, 2024, at 2:00 PM PST at Suite 1150 – 777 Hornby Street, Vancouver, British Columbia. In the event the Company decides to change the date, time and/or location of the Meeting as part of its efforts to reduce the spread of COVID-19, the Company will issue a press release announcing the change and take all reasonable steps necessary to inform all the parties involved in the proxy infrastructure, including intermediaries and the Company’s transfer agent, of the change. The Company encourages all Shareholders to monitor the Company’s website for any changes to Meeting arrangements.

**Currency**

In this Circular, unless otherwise specified herein, all references to dollar amounts are to US Dollars.

**Record Date**

The Board of Directors of the Company (the “Board”) has fixed April 10, 2024, as the record date (the “Record Date”) for determination of persons entitled to receive notice of and to vote at the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their common shares of the Company (the “Common Shares”) voted at the Meeting.

**Appointment of Proxyholders**

The purpose of a proxy is to designate persons who will vote the proxy on behalf of a Shareholder of the Company in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company.

**The individual(s) named in the accompanying form of proxy are management’s representatives. If you are a Shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other**

**than the person(s) designated in the proxy, who need not be a Shareholder of the Company, to attend and act for you and on your behalf at the Meeting.** You may do so either by inserting the name of that other person in the blank space provided in the proxy or by completing and delivering another proper proxy and, in either case, delivering the completed proxy to the office of Endeavor Trust Corporation, at # 702, 777 Hornby Street, Vancouver, British Columbia V6Z 1S2, or by fax or by email, or vote via internet (online) as specified in the proxy form, no later than 2:00 PM PST on May 24, 2024, unless the Chair elects to exercise his discretion to accept proxies received subsequently.

### **Voting by Proxyholder**

The person(s) named in the proxy will vote or withhold from voting the Common Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your Common Shares will be voted accordingly. The proxy confers discretionary authority on the person(s) named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

As at the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. **However, if other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the proxy.**

**Only registered Shareholders or duly appointed proxyholders are permitted to vote at the Meeting.**

If a Shareholder does not specify a choice and the Shareholder has appointed one of the management proxyholders as proxyholder, the management proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

**In respect of a matter for which a choice is not specified in the proxy, the person(s) named in the proxy will vote the Common Shares represented by the Proxy for the approval of such matter.**

Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally or by telephone, facsimile or other means of communication by the directors, officers and employees of the Company, none of whom will be specifically remunerated therefor. The cost of any such solicitation will be borne by the Company.

### **Notice-and-Access**

The Company has elected to use the "notice-and-access" provisions under National Instrument 54-101 – Communications with Beneficial Owners of Securities of a Reporting Issuer (the "Notice-and-Access Provisions") for the Meeting. The Notice-and-Access Provisions are a set of rules developed by the Canadian Securities Administrators that reduce the volume of materials which are mailed to shareholders by allowing a reporting issuer to post an information circular in respect of a meeting of its shareholders and related materials online.

The Company has contracted Broadridge Financial Solutions, Inc. ("Broadridge") to provide list of shareholders, and list of intermediaries holding securities as shown on a NOBO list, in relation to its use of the Notice-and-Access Provisions, the Company will not use procedures known as "stratification", meaning that both Registered Shareholders and shareholders who do not own Common Shares in their own name ("Beneficial Shareholders") will be mailed a notification of availability of Meeting materials directing them to those websites where they can access the Information Circular and other relevant information (the "Notice-and-Access Notification").

The Company anticipates that notice-and-access will directly benefit the Company through substantial reductions in postage and printing costs. The Company believes that notice-and-access is also environmentally responsible to the extent that it decreases the large volume of paper documents generated by printing proxy-related materials.

The Company will be delivering the Notice-and-Access Notification to non-objecting Beneficial Shareholders indirectly with the assistance of Broadridge. Management does not intend to pay for intermediaries to forward the Notice-and-Access Notification to Beneficial Shareholders who have objected to their intermediary/broker disclosing ownership information about them pursuant to applicable securities laws ("Objecting Beneficial Shareholders"). Consequently, an Objecting Beneficial Shareholder will not receive the Notice-and-Access Notification unless the Objecting Beneficial Shareholder's intermediary/broker assumes the cost of delivery.

Shareholders with questions about notice-and-access can call Endeavor Trust Corporation toll free at 1 888 787 0888.

In order to receive a paper copy of this Information Circular and other relevant information, requests by Beneficial Shareholders may be made up to one year from the date the Information Circular was filed on System for Electronic Document Analysis and Retrieval ("SEDAR") by: (i) online at the Company's website: <https://sproutai.solutions>; (ii) calling Endeavor Trust Corporation toll free at 1 888 787 0888. The Company estimates that a Shareholder's request for paper copies of the Information Circular and other relevant information will need to be received prior to May 17, 2024, in order for such Shareholder to have sufficient time to receive and review the materials requested and return the completed Form of Proxy by the due date set out under the heading "Completion of Proxies" in this Information Circular.

### **Registered Shareholders**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form and returning it to the Company's transfer agent, Endeavour Trust Corporation, either: (a) by mail or hand delivery to Endeavor Trust Corporation at # 702, 777 Hornby Street, Vancouver, British Columbia V6Z 1S2; or (b) by fax at 604-559-8908; or (c) by email at [proxy@endeavortrust.com](mailto:proxy@endeavortrust.com); or (d) using the internet through the website of the Company's transfer agent at and entering the digit control number provided. Registered Shareholders must follow the instructions that appear on the screen and refer to the proxy form for the holder's Control Number. In order to be valid and acted upon at the Meeting, proxies and votes must be received at least 48 hours (excluding Saturdays, Sundays and holidays) before the Meeting or the adjournment thereof at which the proxy is to be used. Proxies received after that time may not be accepted by the Chair of the Meeting in the Chair's discretion, and the Chair is under no obligation to accept late proxies.

### **Beneficial Shareholders**

The following information is important to shareholders who do not hold Common Shares in their own name. Beneficial Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by registered Shareholders (those whose names appear on the records of the Company as the registered holders of Common Shares). Most shareholders are "non-registered" shareholders because the shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Shares beneficially owned by a non-registered shareholder are registered either:

- (a) in the name of an intermediary (an "**Intermediary**") that the non-registered shareholder deals with in respect of their shares (Intermediaries include, among others, banks, trust companies, securities dealers, or brokers and trustees or administrators of self-administered RRSP, RRIFs, RESPs and similar plans); or
- (b) in the name of a clearing agency (such as the Canadian Depository for Securities Limited or the Depository Trust & Clearing Corporation) of which the Intermediary is a participant.

If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all such cases those Common Shares will not be registered in the shareholder's name on the records of the

Company. Such Common Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such Common Shares are registered under the name of CDS & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

There are two kinds of beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for objecting beneficial owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for non-objecting beneficial owners).

The Company is taking advantage of the provisions of NI 54-101, which permits it to deliver proxy-related materials indirectly to NOBOs with the assistance of Broadridge. As a result, NOBOs can expect to receive a scannable voting instruction form ("VIF"). These VIFs are to be completed and returned to Broadridge in the envelope provided or by facsimile to the number provided in the VIF.

This Circular, with related material, is being sent to both registered and beneficial Shareholders. If you are a beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary who holds your Common Shares on your behalf. Please return your VIF as specified in your request for voting instructions that you receive.

Beneficial Shareholders who are OBOs should carefully follow the instructions of their Intermediary in order to ensure that their Common Shares are voted at the Meeting.

The form of proxy that will be supplied to beneficial Shareholders by the Intermediaries will be similar to the Proxy provided to registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the beneficial Shareholder. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. in the United States and Broadridge Financial Solutions, Inc. Canada, in Canada (collectively, "**Broadridge**"). Broadridge mails a VIF in lieu of a proxy provided by the Company. The VIF will name the same person(s) as the proxy to represent beneficial Shareholders at the Meeting. Beneficial Shareholders have the right to appoint a person (who need not be a beneficial Shareholder of the Company), other than the person(s) designated in the VIF, to represent them at the Meeting. To exercise this right, beneficial Shareholders should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to Broadridge in the manner specified and in accordance with Broadridge's instructions. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **If you receive a VIF from Broadridge, you cannot use it to vote Common Shares directly at the Meeting. The VIF must be completed and returned to Broadridge in accordance with its instructions, well in advance of the Meeting in order to have the Common Shares voted.**

Although as a beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of your Intermediary, you, or a person designated by you, may attend the Meeting as proxyholder for your Intermediary and vote your Common Shares in that capacity. If you wish to attend the Meeting and indirectly vote your Common Shares as proxyholder for your Intermediary, or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend the Meeting and vote your Common Shares.

In accordance with NI 54-101, arrangements have been made with Intermediaries or their nominees to distribute copies of the Notice of Meeting, this Circular, the form of proxy and the supplemental mailing list (collectively, the "**Meeting Materials**") to OBOs whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward the Meeting Materials to OBOs unless an OBO has waived the right to receive them. The Company does not intend to pay for the delivery of the Meeting Materials to OBOs by the Intermediaries, in the case of an OBO, the OBO will not receive the materials unless the OBO's intermediary assumes the cost of delivery.

**Beneficial Shareholders should carefully follow the instructions of their Intermediary, including those regarding when and where the proxy or voting instruction form is to be delivered.**

### **Revocation of Proxies**

In addition to revocation in any other manner permitted by law, a registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the registered Shareholder or the registered Shareholder's authorized attorney in writing, or if the registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the proxy bearing a later date to Endeavour Trust Corporation at # 702, 777 Hornby Street, Vancouver, British Columbia V6Z 1S4, at any time up to and including the last business day that precedes the date of the Meeting or, if the Meeting is adjourned or postponed, the last business day that precedes any reconvening thereof, or to the Chair of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the registered Shareholder's Common Shares. A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

## **BUSINESS OF MEETING**

To the knowledge of the Board and management of the Company, the only matters to be brought before the Meeting are those set out in the accompanying Notice of Meeting and more particularly detailed below. **However, if other matters should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the proxy.**

### **Presentation of Financial Statements**

The annual audited consolidated financial statements of the Company for the fiscal year ended January 31, 2023 together with the report of the auditors thereon (the "**Fiscal 2023 Financial Statements**"), will be placed before the Meeting. The Fiscal 2023 Financial Statements and the related management's discussion and analysis were mailed to the Shareholders who requested it and are additionally available by contacting the Company's registered office at 810, 789 West Pender Street, Vancouver BC Canada or under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

No vote is required nor will be taken on the Fiscal 2023 Financial Statements and receipt of thereof will not constitute approval or disapproval of any matters referred to therein.

### **Election of Directors**

The Company's Articles of Incorporation provide that the Board consists of a maximum of four (4) directors. The Company wishes to increase this to seven (7) directors, and described the resolution to do so below. There are currently six (6) directors on the Board and the Board has set the number of directors to be elected at the Meeting to six (6), leaving one (1) director position open for future placement. The persons named hereunder will be proposed for election as directors of the Company. Each director elected will hold office until the close of the next annual meeting of Shareholders of the Company, or until his successor is duly elected unless prior thereto he resigns or his office becomes vacant by reason of death or other cause.



Common Shares represented by proxies in favour of management will be voted in favour of each of the individuals nominated for election as a director and named herein (each, a “Nominee”) unless a Shareholder has specified in the proxy that the Shareholder’s Common Shares are to be withheld from voting in respect of any particular Nominee or Nominees. Management does not contemplate that any of such Nominees will be unable to serve as directors; however, if for any reason any of the Nominees do not stand for election or are unable to serve as such, proxies in favour of management’s Nominees will be voted for another Nominee in their discretion unless a Shareholder has specified in the proxy that the Shareholder’s Common Shares are to be withheld from voting in respect of any particular Nominee or Nominees.

The following table sets forth the name, province or state and country of residence and principal occupation during the prior 2022-2023 period of each Nominee and the number of voting securities of the Company beneficially owned, or over which control or direction is exercised, directly or indirectly, by each Nominee. At the Meeting, Shareholders will be entitled to cast their votes for, or withhold their votes from, the election of each Nominee.

Name, Province and Country of Residence	Principal Occupation, Business or Employment	Director of the Company Since	Common Shares Beneficially Owned or Over Which Control or Direction, Directly or Indirectly is Exercised		Options Beneficially Owned or Over Which Control or Direction, Directly or Indirectly is Exercised <sup>(4)</sup>
			Number <sup>(2)</sup>	Percentage (%) <sup>(3)</sup>	
Christopher Bolton, <i>Panama, Panama</i>	Chief Executive Officer and Director(1)		20,971,936	53.%	Nil
Toni Rinow, <i>Quebec, Canada</i>	Board of Director		Nil		Nil
Kevin Delano, <i>Ontario, Canada</i>	Board of Director		Nil		Nil
Katie Sokalsky, <i>Ontario, Canada</i>	Board of Director		Nil		Nil
Douglas Connell, <i>Ontario, Canada</i>	Board of Director		Nil		Nil
Calie-Anne Bolton, <i>Alberta, Canada</i>	Board of Director, Corporate Secretary		Nil		Nil

**Notes:**

<sup>(1)</sup> Christopher Bolton is also the Chairman, and Chief Executive Officer of TheraCann International Benchmark Corporation (TheraCann International).

<sup>(2)</sup> Christopher Bolton owns 43.5% of of TheraCann International as is the majority controlling shareholder of TheraCann International. As at the date of this Circular, to the Company’s knowledge, Christopher Bolton, beneficially owns, directly, or indirectly, or exercise control or direction over 20,971,936 Common Shares of Sprout AI, representing approximately 26.5% of the issued and outstanding Common Shares (on a non-diluted basis).

<sup>(3)</sup> As at the date of this Circular, to the Company’s knowledge, TheraCann Internationals owns 48,211,347 shares of Sprout, with a controlling interest of 53%.



## **Director Biographies**

### ***Mr. Chris Bolton, Chief Executive Officer and Director***

Mr. Bolton is Chief Executive Officer and Chair of Sprout AI Inc. (CSE:BYFM) and TheraCann International Benchmark Corp. Mr. Bolton has over thirty years of global experience in agricultural science and laboratory operations, manufacturing, quality control, software development, vertical urban farming regulatory compliance, business development and consulting. Mr. Bolton holds a Law Degree (LLB) and a Bachelor of Arts with Honours B.A.(Hons.).

Mr. Bolton is a senior executive with over 30 years of experience and a proven reputation for contributing to emerging industries, and / or innovation within traditional sectors, with proven experience in planning, designing, implementing and managing complex technologies while developing an international business operation.

Prior to holding position as CEO of Sprout AI Inc., Mr. Bolton was the CEO of Benchmark Laboratories Group Ltd, an Operational Director of GE Capital IT Solutions, COO of International Productivity Solutions Inc., CEO of the Siberian Business Development Corporation, CEO of FlashPoint Components Ltd. FlashPoint Innovations Ltd., and Partner of Civil and Criminal litigation at Helgeson, McDonald, Bolton.

Mr. Bolton's professional career includes leadership roles in both public and private technology organizations, where he expanded operations across North, Central and South America, Oceania, Africa, Europe, and the Middle East. Mr. Bolton believes in building enterprises that provide solutions that are repeatable, economic, practical, scalable, sustainable, safe and secure. In so doing, Mr. Bolton believes such enterprises will inspire a new generation of entrepreneur, and leave behind organizations that provide long lasting positive legacies.

### ***Dr. Toni Rinow, Director***

Dr. Rinow holds a Master of Business Administration and a Masters in Accounting from the McGill University, as well as a chemical engineer degree from ERASMUS European Higher Institute of Chemistry in Strasbourg, France and a PhD in Biophysics and Chemistry from the University of Montreal. She is trained in artificial intelligence at MIT Massachusetts Institute of Technology.

Dr. Rinow is a transformational finance and business leader with over 20 years of experience and a proven track record in international corporate development. Toni specializes in guiding companies through inflection points of growth, innovation, technology convergence and business integration. Dr. Rinow transforms data into actionable strategies and most recently served in Neptune Wellness, a NASDAQ traded company, raising over \$160 million in capital expansion financing and executed on acquisitions securing a Morgan Stanley capital-backed portfolio.

Dr. Rinow led healthcare organizations as General Manager at global nuclear medicine leader Jubilant Draximage Inc. and as Chief Operating Officer at Isologic Innovative Radiopharmaceuticals.

Dr. Rinow professional career includes leadership roles in both public and private pharmaceutical and healthcare organizations, where she spearheaded acquisitions across Canada, Latin America, Europe, India and USA. Dr. Rinow believes in giving back to the community and sat on the Board of Directors in several non-for profit organization.

### ***Mr. Kevin Dalano, Director***

Mr. Delano, holds a BCom in Marketing and Management, and has founded, or co-founded, a number of businesses over the past 30 years. Mr. Delano has a successful track record, having started and lead many companies across a variety of industries, with revenues ranging from \$2 million up to \$90 million with employees up to 400. Mr. Delano has expertise in innovation, strategy, corporate structure, leadership and operations, with strong market know-how in sales & marketing.

Mr. Delano's recent successes include IMD Health Global Corp (TSXV:DOC), Airtell Aerospace Inc., and Karma Casting Inc., LAUNCH! Brand Marketing Ltd., and Consumer Impact Marketing (CIM).

Mr. Delano's focus has been on corporate growth acceleration, building strong companies, capital expansion, fiscal stewardship, operational excellence, M&A and exits.

***Katie Sokalsky, Director***

Ms. Sokalsky holds an Honours Bachelor of Commerce degree from Queen's University, is a designated CPA and CA, and is a finance and technology leader. As CEO of xpertSea, she's applying her deep experience in digital transformation to bring AI and technification to the shrimp industry in order to help make shrimp supply chains more resilient and sustainable. xpertSea's AI-powered software helps farmers to improve their profitability by over 30%, through optimizing growth and picking the most profitable date to harvest. Ms. Sokalsky's goal is to transform how the global aquaculture industry farms and trades shrimp to help feed the world

Ms. Sokalsky's previously served as VP, Digital Product Management at Scotiabank, where she built collaborative product and customer experience strategies to transform digital banking. Prior to Scotiabank, Ms. Sokalsky was the head of operations and CFO at Goldmoney Inc. (TSX:XAU), a Toronto-based fintech that operates the world's largest 100%-reserved gold-based savings platform and payments network. In addition to overseeing Goldmoney's operations, Ms. Sokalsky managed strategic growth initiatives and partnerships with financial institutions, wealth management providers, and payment processors.

Prior to Goldmoney, Ms. Sokalsky obtained extensive client experience at PwC where she specialized in banking and capital markets. Ms. Sokalsky is also founded of ChefButler, a national food-based subscription box business.

***Doug Connell, Director***

Mr. Connell is both a CPA and a lawyer (called to the Bar of Ontario) and has served on the boards of several private companies in Europe and North America, as well as organizations involved in the performing arts. Mr. Connell is a senior executive with over 40 years experience and a solid track record in international business expansion, mergers and acquisitions, and corporate finance and governance, working with companies in the technology, real estate, consumer business and manufacturing industries. As both an executive and an advisor, he has played a key role in planning, negotiating and implementing major acquisitions, joint ventures, divestments and financing transactions.

For many years, Mr. Connell was a senior international tax partner with Deloitte where he advised clients from Fortune 100 companies to family offices on strategies for international growth and expansion, M&A and financings, including public offerings. As a Deloitte partner he held leadership roles in New York, Toronto, Ottawa and Barbados.

More recently, Mr. Connell served as global head of tax with Hudson's Bay Company (HBC), a retail and real estate multinational, where he worked closely with the CEO, CFO and the Board of Directors on key business strategies and opportunities in Europe, North America and India.

***Calie-Anne Bolton, Director, Corporate Secretary***

Calie-Anne has experience in the roll of corporate secretary for companies both in Canada, and in Panama, since 2017. Calie-Anne also sits on the Board of Directors for TheraCann International, TheraCann International Benchmark Corp, TheraCann Canada Inc., One System One Solution S.A., ETCH Biotrace S.A., and Sprout AI S.A., as well as other companies unrelated to either TheraCann International or Sprout AI. Calie-Anne is currently completing her degree in Bachelor of Business Administration.

**Corporate Cease Trade Orders or Bankruptcies**

The Company's shares are subject to a Trade Halt Order ("THO") on the Canadian Stock Exchange ("CSE") effective June 13, 2022. The THO occurred following this announcement of a Definitive Agreement between TheraCann International and Sprout to complete an amalgamation (the "Fundamental Acquisition"). As the Fundamental Acquisition constitutes a "Fundamental Change" of the Company as defined by Canadian Securities

Exchange (“CSE”). THO will remain in effect until pending receipt and review of acceptable documentation regarding the Fundamental Acquisition pursuant to CSE Policy 8. This regulatory halt is imposed by Investment Industry Regulatory Organization of Canada, the Market Regulator of the Exchange, pursuant to the provisions of Section 10.9(1) of the Universal Market Integrity Rules.

To the knowledge of the Company, none of the Nominees are, or within 10 years prior to the date of this Circular have been, a director or executive officer of any company that, while such person was acting in that capacity, was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant issuer access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days (an “Order”).

To the knowledge of the Company, none of the Nominees was the subject of an Order that was issued after the Nominee ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

To the knowledge of the Company, none of the Nominees are, or within 10 years prior to the date of this Circular have been, a director or executive officer of any company that, while acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### **Personal Bankruptcies**

To the knowledge of the Company, none of the Nominees have, within 10 years prior to the date of this Circular, become bankrupt, made a proposal under any bankruptcy or insolvency legislation, been subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold their assets.

### **Penalties or Sanctions**

To the knowledge of the Company, none of the Nominees have been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or have entered into a settlement agreement with a securities regulatory authority, or any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

### **Appointment of Auditors**

The Shareholders will be asked to pass an ordinary resolution at the Meeting to appoint Segal LLP (“**Segal**”) as auditors of the Company, to hold office until the next annual meeting of the Shareholders, at such remuneration to be determined by the Board. Segal was first appointed auditors of the Company effective March 8, 2022.

**Common Shares represented by proxies in favour of management will be voted in favour of the resolution authorizing the appointment of Segal as auditor of the Company, to hold office for the ensuing year or until a successor is appointed at a remuneration to be fixed by the Board, unless a Shareholder has specified in the proxy that the Shareholder’s common shares are to be withheld from voting in respect thereof.**

### **Approval of Number of Directors Increase**

At the Meeting, Shareholders will be asked to approve an ordinary resolution (the “Number of Directors Increase”) to ratify and approve the Company’s request to increase the number of Directors from four (4) to seven (7). In order to be effective, the increase must be passed by not less than a majority of the votes cast by the holders of Common Shares present in person, or represented by proxy, at the Meeting. If the Number of Directors Increase Resolution is not approved by the Shareholders at the Meeting, then the current limit of three Directors will not be affected; however, the Board may from time to time, in its discretion, nominate additional interim directors until the next annual general meeting.

The foregoing summary of the Number of Directors increase is qualified in its entirety with reference to the full text of the Number of Directors increase, a copy of which is attached hereto as Appendix “B”.

The Board recommends that Shareholders vote FOR the Number of Directors Increase. Unless the Shareholder has specifically instructed in the form of proxy or voting instruction form that the Common Shares represented by such proxy or voting instruction form are to be voted against the Number of Directors Resolution, the persons named in the proxy or voting instruction form will vote FOR the Number of Directors Increase Resolution.

The text of the resolution to be passed is set out below:

**“BE IT RESOLVED THAT:**

1. the Number of Director Increase, substantially in the form attached as Appendix “B” to this Circular, be and is hereby ratified and approved as the Number of Directors of the Company;
2. the form of Number of Director Increase may be amended in order to satisfy the requirements or requests of any regulatory authorities without requiring further approval of the shareholders of the Company; and
3. any one director or officer of the Company be and the same is hereby authorized and directed for and in the name of and on behalf of the Company to execute or cause to be executed, whether under corporate seal of the Company or otherwise, and to deliver or cause to be delivered all such documents, and to do or cause to be done all such acts and things, as in the opinion of such director or officer may be necessary or desirable in order to carry out the terms of this resolution, such determination to be conclusively evidenced by the execution and delivery of such documents or the doing of any such act or thing.”

**Other Business**

The Board knows of no other matters to come before the Meeting other than as referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

**STATEMENT OF EXECUTIVE COMPENSATION**

**Compensation of Named Executive Officers: Compensation Discussion & Analysis**

The purpose of this compensation discussion and analysis is to describe and explain the Company’s executive compensation strategy, philosophy, objectives and processes and to discuss compensation decisions made by the Company in Fiscal 2023 (as defined below). In this Circular, a Named Executive Officer (“**NEO**”) means each of the following individuals for Fiscal 2023: (i) the Company’s Chief Executive Officer and Chair (the “**CEO**”); (ii) the Company’s Chief Financial Officer (the “**CFO**”); (iii) each of the Company’s **three** most highly compensated executive officers, or the most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, whose total compensation at the end of Fiscal 2023 was, individually more than \$150,000 for Fiscal 2023; and (iv) each individual who would be an NEO under (iii) above, but for the fact that such individual was neither an executive officer of the Company, nor serving in a similar capacity, at the end of Fiscal 2023.

Based on the foregoing definitions, the Company’s NEOs in respect of the year ended January 31, 2023 were: (i) Christopher Bolton, CEO, Carlos Zapata, COO and Dean Callaway, CFO.

The general objectives of the Board’s compensation decisions are:

- to encourage management to achieve a high level of performance and results with a view to increasing long-term shareholder value;
- to align management’s interests with the long-term interest of shareholders;

- to provide compensation commensurate with peer companies in order to attract and retain highly qualified executives; and
- to ensure that total compensation paid takes into account the Company's overall financial position.

The Board's compensation program, which is determined by the Board, is designed to provide competitive levels of compensation, a significant portion of which is dependent upon individual and corporate performance and contribution to increasing shareholder value. The Board recognizes the need to provide a total compensation package that will attract and retain qualified and experienced executives as well as align the compensation level of each executive to that executive's level of responsibility. In general, NEO compensation is comprised of consulting fees or salary and Option grants.

The compensation paid to the NEOs was paid to an individual who is proficient, experienced, has sufficient skills and potential and is performing at a high level. The compensation was variable in nature and directly related to the actual amount of work performed. The variable rates were based on market related rates for professionals performing similar duties and possessing a similar skill set.

Option grants are designed to reward the NEOs for success on a similar basis as the shareholders of the Company, but these rewards are highly dependent upon the volatile stock market, much of which is beyond the control of the NEOs.

The Board has not formally considered the risks associated with the Company's compensation policies and practices. The Company's compensation policies and practices give greater weight toward long-term incentives to mitigate the risk of encouraging short term goals at the expense of long-term sustainability. The discretionary nature of Option grants are significant elements of the Company's compensation plans and provide the Board of Directors with the ability to reward historical performance and behaviour that the Board of Directors consider to be aligned with the Company's best interests. The Company has attempted to minimize those compensation practices and policies that expose the Company to inappropriate or excessive risks.

The Company has not established a policy on whether or not a NEO or director is permitted to purchase financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. During the financial year ended January 31, 2023, the Company did not utilize any financial hedges.

### **Compensation of Named Executive Officers: Elements of Compensation**

The Board relies on the knowledge and experience of its members to set appropriate levels of compensation for NEOs. When determining NEO compensation, the Board uses all data available to it to ensure that such compensation is set at a level that is both commensurate with the size of the Company, responsibilities of the particular NEO and retention of the NEOs, who are considered by the Board to be essential to the success of the Company. The Board reviews the various elements of the NEOs' compensation in the context of the total compensation package, including salary, incentive bonuses and awards of Options, and recommends the NEOs' compensation packages.

The executive compensation program consists of three components: (a) base compensation in the form of salary; (b) incentive bonuses in the form of cash payments; and (c) subject to Shareholder approval, long-term compensation in the form of Options issued under the Stock Option Plan.

#### **Base Compensation**

Base compensation for executive officers of the Company is set annually, having regard to the individual's job responsibilities, contribution, experience and proven or expected performance, as well as to market conditions. In setting base compensation levels, consideration is expected to be given to such factors as level of responsibility, experience and expertise in addition to the policies of the CSE. At this time, the Company does not tie base compensation to any milestones or peer groups.

### Incentive Bonuses

Incentive bonuses, in the form of cash payments, are designed to add a variable component of compensation based on corporate and individual performance for executive officers. The Company does not have a formal bonus plan but may award discretionary bonuses that are recommended by the CEO and approved by the Board.

### Stock Options

To provide a long-term component to the executive compensation program, executive officers of the Company are eligible to receive Options. The maximization of shareholder value is encouraged by granting Options since such grants provide an incentive to eligible persons to further the development, growth and profitability of the Company. Consideration will be given to granting Options amongst the various organizational levels of management, including directors, officers and certain consultants. The Chief Executive Officer will make recommendations to the Board for the Chief Financial Officer and other key employees. These recommendations are to take into account factors such as awards made in previous years, the number of Options outstanding per individual and the level of responsibility. The Board, as a whole, will determine the Options to be issued to the Chief Executive Officer.

### Restricted Share Units

The RSU component of a NEO's compensation is an incentive-based method of compensation pursuant to which executives are awarded units in lieu of cash payments that such individuals are entitled to for their service to the Company. When RSUs are granted the award is valued based on the market price of the Corporation's shares at the time of grant and the value of a RSU tracks the market value of the Corporation's shares from the date of grant to the date of expiry, which is generally three years from the grant date. When the RSU is paid out, the value of the RSU will be the market value of the Corporation's shares at the payout date. RSU's may be settled in cash or the Corporation's shares issued from treasury.

### **Compensation of Directors: Compensation Discussion & Analysis**

The Board determines director compensation from time to time. directors shall be compensated for attendance at full board meetings at a sum of \$1,500 per meeting, and \$550 per sub-committee meeting, as well as receiving RSU's. A director must sit for a minimum of 12 months in order to receive RSU's. When RSUs are granted the award is valued based on the market price of the Corporation's shares at the time of grant and the value of a RSU tracks the market value of the Corporation's shares from the date of grant to the date of expiry, which is generally three years from the grant date. When the RSU is paid out, the value of the RSU will be the market value of the Corporation's shares at the payout date. RSU's may be settled in cash or the Corporation's shares issued from treasury.

### **Summary Compensation Table: Directors and Named Executive Officers, Excluding Compensation Securities**

The following table sets forth the information required under Form 51-102F6V – Statement of Executive Compensation-Venture Issuers ("Form 51-102F6V"), regarding all compensation paid, payable, granted or otherwise provided during the most recently completed financial year of the Company, to all persons acting as directors or as NEOs for the 12 month period from January 31, 2023 and ended January 31, 2024 respectively.

Name and principal position	Year	Salary/ Contract Fees (US\$)	Share-based awards (US\$)	Option-based awards (US\$)	Non-equity incentive plan compensation (US\$)		Pension value (US\$)	All other compensation (US\$)	Total compensation (US\$)
					Annual incentive plans	Long term incentive plans			
Christopher John Bolton, Chairman, Chief Executive Officer	2023	\$32,500	Nil	Nil	Nil	N/A	N/A	Nil	\$32,500
Carlos Zapata, Chief Operating Officer	2023	\$91,000	N/A	Nil	Nil	N/A	N/A	Nil	\$91,000
Dean Callaway, Chief Financial Officer <sup>(1)</sup>	2023	\$63,000	N/A	Nil	Nil	N/A	N/A	Nil	\$63,000
Tom Andrews, Director <sup>(2)</sup>	2023	\$4,540	N/A	Nil	Nil	N/A	N/A	Nil	\$4,540
Toni Rinow, Director <sup>(2)</sup>	2023	\$3,861	N/A	Nil	Nil	N/A	N/A	Nil	\$3,861
Kevin McGrough, Director <sup>(2)</sup>	2023	Nil	N/A	Nil	Nil	N/A	N/A	Nil	Nil

**Note 1 :** Dean Callaway will cease to be CFO of TheraCann International at the conclusion of Sprout's 2023 Year End, and during the final stage of amalgamation with Sprout. Pedro Silva, CFO of TheraCann International will accepted position of CFO in the resulting entity following the Special Meeting of Shareholders for Sprout scheduled for July 2024.

**Note 2 :** Tom Andrews, Toni Rinow, and Kevin McGrough resigned their positions prior to allocation of RSU..

### Summary Compensation Table: Stock Options and Other Compensation Securities

There have been no grants of Stock options, RSU's or other compensation by the Company during the financial year ended January 31, 2023.

### Pension Plan Benefits

There have been no pension plan benefit's or other compensation pension benefits by the Company during the financial year ended January 31, 2023.



## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

### Equity Compensation Plan Information

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Company's most recently completed fiscal year:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
<b>Equity Compensation Plans approved by security holders</b>			
Stock Option Plan	None	None	None
Restricted Share Unit Plan	None	None	None
Equity compensation plans not approved by security holders	None	None	None

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No person, director, executive officer, employee or any former director, executive officer or employee of the Company or a subsidiary thereof, and furthermore, no person who is a nominee for election as a director of the Company, and no associate of such persons is, or was as of the date of this Circular indebted to the Company or a subsidiary of the Company or indebted to any other entity where such indebtedness is subject to a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or a subsidiary of the Company.

## CORPORATE GOVERNANCE PRACTICES

In accordance with National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) and National Policy 58-201 – *Corporate Governance Guidelines* (“**NP 58-201**”), issuers are to disclose the corporate governance practices that they have adopted. NP 58-201 provides guidance on corporate governance practices. The Company is also subject to National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”), which has been adopted in each of the Canadian provinces and territories and which prescribes certain requirements in relation to audit committees.

The Board is responsible for the governance of the Company. The Board and the Company's management consider good corporate governance to be central to the effective and efficient operation of the Company. Below is a discussion of the Company's approach to corporate governance.

### Board of Directors

The Board and senior management consider good corporate governance to be central to the effective and efficient operation of the Company. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interest of the Shareholders, but that it also promotes effective decision making at the Board level.

In accordance with NI 58-101, a director is deemed to be “independent” if he or she has no direct or indirect “material relationship” with the issuer. A “material relationship” is as a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a member's independent judgment. The Board maintains the exercise of independent supervision over management by ensuring that the majority of its directors are independent.

The Board is currently comprised of three (3) directors being Chris Bolton, Toni Rinow, and Kevin Delano. Toni Rinow and Kevin Delano are independent within the meaning of NI 58-101. Chris Bolton is not independent as he

is an officer of the Company and thereby has a “material relationship” with the Company. However, upon the appointment of additional independent directors, Chris Bolton will be replaced to ensure a minimum of independent directors.

The Board believes that it functions independently of management and reviews its procedures on an ongoing basis to ensure that it is functioning independently of management.

## **Corporate Governance and Compensation Committee**

### **Board Oversight**

The Board exercises its independent supervision over the Company’s management through a combination of formal meetings of the Board as well as informal discussions amongst the Board members. The independent directors can also hold scheduled meetings at which non-independent directors and members of management are not in attendance. Where matters arise at Board meetings which require decision making and evaluation that is independent of management and interested directors, the meeting breaks into an in-camera session among the independent and disinterested directors.

### **Directorships in Other Reporting Issuers**

Toni Rinow is a director of Converge Technology Solutions Corp., a TSXV and FSE listed company, and had the previous role of CFO and COO of Neptune Wellness Solutions, a NASDAQ listed company.

Kevin Delano was founder of IMD Health Global Corp a TSXV company.

Katie Sokalsky, was head of operations and CFO at Goldmoney Inc. A TSX company.

### **Orientation and Continuing Education**

While the Company does not have a formal orientation and training program, new members of the Board are provided with:

- (a) a copy of the policies and mandates of the Board and its committees and copies of the Company’s corporate governance policies, which provides information respecting the functioning of the Board;
- (b) access to recent, publicly filed documents of the Company;
- (c) access to management; and
- (d) access to legal counsel in the event of any questions relating to the Company’s compliance and other obligations.

Members of the Board are encouraged to communicate with management, legal counsel and, where applicable, auditors and technical consultants of the Company; to keep themselves current with industry trends and developments and changes in legislation with management’s assistance; and to attend related industry seminars and visit the Company’s operations. Board members have full access to the Company’s records.

### **Ethical Business Conduct**

In establishing its corporate governance practices, the Board has been guided by applicable Canadian securities legislation, including NP 58-201, and the guidelines of the CSE for effective corporate governance. The Board is committed to a high standard of corporate governance practices. The Board believes that this commitment is not only in the best interests of its Shareholders, but that it also promotes effective decision making at the Board level.

The Board takes steps to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer of the Company has a material interest, which include ensuring that directors and officers are familiar with the rules concerning reporting conflicts of interest and

obtaining direction from the Company's CEO and/or the Company's legal counsel, as appropriate, regarding any potential conflicts of interest.

The Board encourages and promotes an overall culture of ethical business conduct by: (i) promoting compliance with applicable laws, rules and regulations; (ii) providing guidance to officers and directors to help them recognize and deal with ethical issues; (iii) promoting a culture of open communication, honesty and accountability; and (iv) ensuring awareness of disciplinary action for violations of ethical business conduct.

Additionally, in order to encourage and promote a culture of ethical business conduct, the Board has adopted a Code of Conduct (the "Code") wherein directors, officers and employees of the Company and others are provided with a mechanism by which they can raise complaints regarding financial and regulatory reporting, internal accounting controls, auditing or health, safety and environmental matters or any other matters and raise concerns about any violations of the Code in a confidential and, if deemed necessary, anonymous process.

The Board has instructed its management and employees to abide by the Code and to bring any breaches of the Code to the attention of the Chair of the Audit Committee. Compliance with the Code is monitored primarily through the reporting process within the Company's organizational structure.

It is a requirement of applicable corporate law that directors who have an interest in a transaction or agreement with the Company promptly disclose that interest at any meeting of the Board at which the transaction or agreement will be discussed and abstain from discussions and voting in respect to same if the interest is material. The Code imposes a similar disclosure requirement on all non-director representatives of the Company and requires such persons to report such conflict to the executive officer to whom that person reports in the course of his employment responsibilities, or, in the case of a senior executive officer, to the Audit Committee and fully inform such person or the committee, as applicable, of the facts and circumstances related to the conflict or potential conflict. The representative is prohibited from taking any further action in respect of the matter or transaction giving rise to such conflict or potential conflict unless and until he is authorized to do so by his reporting officer or the Audit Committee.

### **Nomination of Directors**

The Board has not appointed a nominating committee. As a result of the Company's size, its stage of development and the size of the Board, the Board considers that a nominating committee is not required at this time.

### **Other Board Committees**

The Board has no standing committees other than the Audit Committee and the Governance and Human Resources Committee.

### **Assessments**

The Board does not consider formal assessments useful given the stage of the Company's business and operations. However, the Chief Executive Officer of the Company meets annually with each director individually, which facilitates a discussion of his contribution and that of other directors. When needed, time is set aside at a meeting of the Board for a discussion regarding the effectiveness of the Board and its committees. If appropriate, the Board then considers procedural or substantive changes to increase the effectiveness of the Board and its committees. On an informal basis, the Chief Executive Officer is also responsible for reporting to the Board on areas where improvements can be made. Any agreed upon improvements required to be made are implemented and overseen by Board. A more formal assessment process will be instituted as, if, and when the Board considers it to be necessary.

## **AUDIT COMMITTEE AND RELATIONSHIP WITH AUDITORS**

The Audit Committee is a committee of the Board to which the Board delegates its responsibility for oversight of the financial reporting process. The Audit Committee is also responsible for managing, on behalf of the Shareholders, the relationship between the Company and the external auditor. NI 52-110 requires the Company,

as a Venture Issuer (as defined in NI 52-110), to disclose annually in its information circular certain information relating to the Company's audit committee and its relationship with the Company's independent auditors.

### **Audit Committee Charter**

The directors of the Company have adopted a Charter for the Audit Committee, which sets out the Audit Committee's mandate, organization, powers and responsibilities. The full text of the Audit Committee Charter is attached hereto as Appendix "A" to this Circular.

The mandate of the Audit Committee is to oversee and provide assistance in financial reporting, financial policies and internal controls as well as to work with the external auditors to ensure the accuracy of the Company's financial disclosures. The Audit Committee must pre-approve all non-audit services to be provided by an external auditor.

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

As of the date hereof, the Audit Committee is composed of two members, Toni Rinow and Kevin Delano. Each of Ms. Rinow and Mr. Andrews are independent as such term is defined NI 52-110. All current and proposed members of the Audit Committee are "financially literate", as such term is as defined in NI 52-110.

### **Relevant Education and Experience**

Collectively, the Audit Committee has the education and experience to fulfill the responsibilities outlined in the Audit Committee Charter.

For the relevant education and experience of each of the current and proposed members of the Company's Audit Committee, please see the full biographical summaries under the heading "Business of the Meeting – Director Biographies".

Each current and proposed member of the Audit Committee has:

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

### **Audit Committee Oversight**

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

### **Reliance on Certain Exemptions**

Since the Company is a "Venture Issuer" pursuant to NI 52-110 (its securities are not listed or quoted on any of the Toronto Stock Exchange, a market in the United States of America, or a market outside of Canada and the United States of America), it is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee Charter provides for the Audit Committee to establish the auditors' fees. Such fees have been based upon the complexity of the matters in question and the time incurred by the auditors. Management of the Company believes that the fees negotiated in the past with the auditors of the Company were reasonable in the circumstances and would be comparable to fees charged by other auditors providing similar services.

### Audit Fees

The following chart summarizes the aggregate fees billed by the external auditors of the Company for professional services rendered to the Company for audit and non-audit related services for fiscal year 2022 and fiscal year 2023. The amounts indicated below are exclusive of disbursements and HST.

Type of Work	For the 12 month period January 31, 2023 to January 31, 2023	For the 12 month period January 31, 2021 to January 31, 2022
Audit fees	\$70,000	\$77,123
Audit-related fees	0	0
Tax fee	0	0
All other fees	0	0
Total	<b>\$70,000<sup>1</sup></b>	<b>\$77,123<sup>2</sup></b>

**Note 1 :** Current estimated fee of Segal LLP as of date of this Circular.

**Note 2:** As part of the TheraCann International Consolidated Audit, Segal LLP charged an additional fee of \$25,200.

## VOTING OF COMMON SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of Common Shares, which as at the date hereof, there were 90,964,806 fully paid and non-assessable Common Shares issued and outstanding. The holders of the Common Shares are entitled to receive notice of all meetings of Shareholders and to attend and vote the Common Shares at all such meetings. Each Common Share carries with it the right to one vote and no other voting securities are issued and outstanding as of the Record Date.

To the best of the knowledge of the directors and executive officers of the Company, as at the date hereof, the following persons or companies beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Company carrying more than 10% of the voting rights attached to the Common Shares:

Name	Number of Common Shares Held	Percentage of Total Issued and Outstanding Common Shares
TheraCann International Benchmark Corporation	47,500,000	53%

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

Other than as disclosed herein, since the commencement of the Company's most recently completed financial year, no informed person of the Company, or any associate or affiliate of any informed person or nominee, has or had any material interest, direct or indirect, in any transaction or any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries.

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

Other than as disclosed in this Circular, management of the Company is not aware of any material interest of any director or nominee for director or executive officer or anyone who has held office as such since the beginning of the Company's last financial year or of any associate or affiliate of any of the foregoing in any matter to be acted on at the Meeting.

## **ADDITIONAL INFORMATION**

The Company has been a reporting issuer under the securities laws of the Provinces of Ontario, British Columbia and Alberta since June 1, 2021, and is therefore required to file its financial statements, management discussion and analysis and its management information circulars with the securities commissions of such provinces on or before the prescribed filing deadlines under applicable corporate and securities laws.

Financial information of the Company is provided in the Company's comparative annual financial statements and management's discussion and analysis for its most recently completed financial year. Copies of these documents, as well as additional information relating to the Company contained in documents filed by the Company with the Canadian securities regulatory authorities, may also be accessed through the SEDAR website at [www.sedar.com](http://www.sedar.com).

## **APPROVAL OF BOARD OF DIRECTORS**

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

Dated: April 15, 2024.

*"Chris Bolton"*

Chris Bolton  
Chief Executive Officer and Chair

## **APPENDIX “A”**

### **Audit Committee Charter**



## AUDIT COMMITTEE CHARTER

This charter (the “Charter”) sets forth the mandate, composition, authority and duties of the audit committee (the “Committee”) of the board of directors (the “Board”) of Sprout AI Inc. (the “Company”).

### **Section 1      Mandate**

The mandate of the Committee is to:

- (a) assist the Board in fulfilling its oversight responsibilities in respect of:
  - (i) the quality and integrity of the Company’s financial statements, financial reporting processes and systems of internal controls and disclosure controls regarding risk management, finance, accounting and legal and regulatory compliance;
  - (ii) the independence and qualifications of the Company’s external auditors;
  - (iii) the review of the periodic audits performed by the Company’s external auditors and the Company’s internal accounting department; and
  - (iv) the development and implementation of policies and processes in respect of corporate governance matters;
- (b) provide and establish open channels of communication between the Company’s management, internal accounting department, external auditor and directors;
- (c) prepare all filings and disclosure documents required to be prepared by the Committee and/or the Board pursuant to all applicable federal, provincial and state securities legislation and the rules and regulations of all securities commissions having jurisdiction over the Company;
- (d) review and confirm the adequacy of procedures for the review of all public disclosure of financial information extracted or derived from the Company’s financial statements, and to periodically assess the adequacy of those procedures; and
- (e) establish procedures for:
  - (i) the receipt, retention and treatment of complaints or concerns received by the Company regarding accounting, internal accounting controls or auditing matters, including, but not limited to, concerns about questionable accounting or auditing practices; and
  - (ii) the confidential, anonymous submission by employees of the Company of such complaints or concerns.

The Committee will primarily fulfil its mandate by performing the duties set out in Section 7 hereof.

The Board and management of the Company will ensure that the Committee has adequate funding to fulfil its mandate.

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 the Company’s financial statements are complete and accurate or are in accordance with generally accepted accounting principles, accounting standards or applicable laws and regulations. This is the responsibility of the Company’s management, internal accounting department

and external auditors. Because the primary function of the Committee is oversight, the Committee will be entitled to rely on the expertise, skills and knowledge of the Company's management, internal accounting department, external auditors and other external advisors and the integrity and accuracy of information provided to the Committee by such persons in carrying out its oversight responsibilities. Nothing in this Charter is intended to change or in any way limit the responsibilities and duties of the Company's management, internal accounting department or external auditors.

## **Section 2          Composition**

The Committee will be comprised of at least three (3) members of the Board, the number of which may be modified from time to time by resolution of the Board. The composition of the Committee will be determined by the Board such that the membership and independence requirements set out in the rules and regulations, in effect from time to time, of any securities commissions (including, but not limited to, the British Columbia Securities Commission and any exchanges upon which the Company's securities are listed (including, but not limited to, the Canadian Securities Exchange and the OTC QB) are satisfied (the said securities commissions and exchanges are hereinafter collectively referred to as the "**Regulators**").

## **Section 3          Term of Office**

The members of the Committee will be appointed or re-appointed by the Board on an annual basis. Each member of the Committee will continue to be a member thereof until such member's successor is appointed, or until such member resigns or is removed by the Board. The Board may remove or replace any member of the Committee at any time. However, a member of the Committee will automatically cease to be a member of the Committee upon either ceasing to be a director of the Board or ceasing to meet the requirements established, from time to time, by any Regulators. Vacancies on the Committee will be filled by the Board.

## **Section 4          Committee Chair**

The Board, or if it fails to do so, the members of the Committee, will appoint a chair from the members of the Committee. If the chair of the Committee is not present at any meeting of the Committee, an acting chair for the meeting will be chosen by majority vote of the Committee from among the members present. In the case of a deadlock in respect of any matter or vote, the chair will refer the matter to the Board for resolution. The Committee may appoint a secretary who need not be a member of the Board or the Committee.

## **Section 5          Meetings**

The time and place of meetings of the Committee and the procedures at such meetings will be determined, from time to time, by the members thereof, provided that:

- (a) a quorum for meetings will be two members, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and hear each other. The Committee will act on the affirmative vote of a majority of members present at a meeting at which a quorum is present. The Committee may also act by unanimous written consent in lieu of meeting;
- (b) the Committee may meet as often as it deems necessary, but will not meet less than once annually;
- (c) notice of the time and place of every meeting will be given in writing and delivered in pursuing or by facsimile or other means of electronic transmission to each member of the Committee at least 72 hours prior to the time of such meeting; and

- (d) the Committee will maintain written minutes of its meetings, which minutes will be filed with the minutes of the meetings of the Board. The Committee will make regular reports of its meetings to the Board, directly or through its chair, accompanied by any recommendations to the Board approved by the Committee.

## **Section 6 Authority**

The Committee will have the authority to:

- (a) retain (at the Company's expense) its own legal counsel, accountants and other consultants that the Committee believes, in its sole discretion, are needed to carry out its duties and responsibilities;
- (b) conduct investigations that it believes, in its sole discretion, are necessary to carry out its responsibilities;
- (c) take whatever actions it deems appropriate, in its sole discretion, to foster an internal culture within the Company that results in the development and maintenance of a superior level of financial reporting standards, sound business risk practices and ethical behaviour; and
- (d) request that any director, officer or employee of the Company, or other persons whose advice and counsel are sought by the Committee (including, but not limited to, the Company's legal counsel and the external auditors) meet with the Committee and any of its advisors and respond to their inquiries.

## **Section 7 Specific Duties**

In fulfilling its mandate, the Committee will, among other things:

- (a) (i) select the external auditors, based upon criteria developed by the Committee; (ii) approve all audit and non-audit services in advance of the provision of such services and the fees and other compensation to be paid to the external auditors; (iii) oversee the services provided by the external auditors for the purpose of preparing or issuing an audit report or related work; and (iv) review the performance of the external auditors, including, but not limited to, the partner of the external auditors in charge of the audit, in its discretion, approve any proposed discharge of the external auditors when circumstances warrant and appoint any new external auditors. Notwithstanding any other provision of this Charter, the external auditor will be ultimately accountable to the Board and the Committee, as representatives of the shareholders of the Company, and those representatives will have the ultimate authority and responsibility to select, evaluate and, where appropriate, replace the external auditor (or to nominate the external auditor to be proposed for shareholder approval);
- (e) periodically review and discuss with the external auditors all significant relationships that the external auditors have with the Company to determine the independence of the external auditors. Without limiting the generality of the foregoing, the Committee will ensure that it receives, on an annual basis, a formal written statement from the external auditors that sets out all relationships between the external auditor and the Company, and receives an opinion on the financial statements consistent with all professional standards that are applicable to the external auditors (including, but not limited to, those established by any securities legislation and regulations, the Canadian Institute of Chartered Professional Accountants – Chartered Accountants, Canadian generally accepted auditing standards and the standards of the Public Company Accounting Oversight Board (United States) and the American Institute of Certified Public Accountants, and

- those set out in the International Financial Reporting Standards as issued by the International Accounting Standards Board (collectively, the “**Professional Standards**”));
- (f) evaluate, in consultation with the Company’s management, internal accounting department and external auditors, the effectiveness of the Company’s processes for assessing significant risks or exposures and the steps taken by management to monitor, control and minimize such risks; as well as obtain, annually, a letter from the external auditors as to the adequacy of such controls;
  - (g) consider, in consultation with the Company’s external auditors and internal accounting department, the audit scope and plan of the external auditors and the internal accounting department;
  - (h) coordinate with the Company’s external auditors the conduct of any audits to ensure completeness of coverage and the effective use of audit resources;
  - (i) assist in the resolution of disagreements between the Company’s management and the external auditors regarding the preparation of financial statements; and, in consultation with the external auditors, review any significant disagreement between management and the external auditors in connection with the preparation of the financial statements, including management’s responses thereto;
  - (j) after the completion of the annual audit, review separately with each of the Company’s management, external auditors and internal accounting department the following:
    - (i) the Company’s annual financial statements and related footnotes;
    - (ii) the external auditors’ audit of the financial statements and their report thereon;
    - (iii) any significant changes required in the external auditors’ audit plan;
    - (iv) any significant difficulties encountered during the course of the audit, including, but not limited to, any restrictions on the scope of work or access to required information; and
    - (v) the Company’s guidelines and policies governing the process of risk assessment and risk management;
  - (k) other matters related to the conduct of the audit that must be communicated to the Committee in accordance with the standards of any regulatory body (including, but not limited to the Professional Standards);
  - (l) consider and review with the Company’s external auditors (without the involvement of the Company’s management and internal accounting department):
    - (i) the adequacy of the Company’s internal controls and disclosure controls, including, but not limited to, the adequacy of computerized information systems and security;
    - (ii) the truthfulness and accuracy of the Company’s financial statements; and
    - (iii) any related significant findings and recommendations of the external auditors and internal accounting department, together with management’s responses thereto;
  - (m) consider and review with the Company’s management and internal accounting department:

- (i) significant findings during the year and management's responses thereto;
  - (ii) any changes required in the planned scope of the audit plan;
  - (iii) the internal accounting department's budget and staffing; and
  - (iv) the internal accounting department's compliance with the appropriate internal auditing standards;
- (n) establish systems for the regular reporting to the Committee by each of the Company's management, external auditors and internal accounting department of any significant judgments made by management in the preparation of the financial statements and the opinions of each as to appropriateness of such judgments;
- (o) review (for compliance with the information set out in the Company's financial statements and in consultation with the Company's management, external auditors and internal accounting department, as applicable) all filings made with the Regulators and government agencies, and other published documents that contain the Company's financial statements before such filings are made or documents published (including, but not limited to: (i) any certification, report, opinion or review rendered by the external auditors; (ii) any press release announcing earnings (especially those that use the terms "pro forma", "adjusted information" and "not prepared in compliance with generally accepted accounting principles"); and (iii) all financial information and earnings guidance intended to be provided to analysts, the public or to rating agencies);
- (p) prepare and include in the Company's annual proxy statement or other filings made with the Regulators any report from the Committee or other disclosures required by all applicable federal and provincial securities legislation and the rules and regulations of the Regulators having jurisdiction over the Company;
- (q) review with the Company's management: (i) the adequacy of the Company's insurance and fidelity bond coverage, reported contingent liabilities and management's assessment of contingency planning; (ii) management's plans in respect of any changes in accounting practices or policies and the financial impact of such changes; (iii) any major areas that, in management's opinion, have or may have a significant effect upon the financial statements of the Company; and (iv) any litigation or claim (including, but not limited to, tax assessments) that could have a material effect upon the financial position or operating results of the Company;
- (r) at least annually, review with the Company's legal counsel and accountants all legal, tax or regulatory matters that may have a material impact on the Company's financial statements, operations and compliance with applicable laws and regulations;
- (s) review and update periodically the Company's Code of Conduct (the "Code of Conduct") for the directors, officers and employees of the Company; and review management's monitoring of compliance with the Code of Conduct;
- (t) review and update periodically the procedures for the receipt, retention and treatment of complaints and concerns by employees received by the Company regarding accounting, internal accounting controls or auditing matters, including, but not limited to, concerns regarding questionable accounting or auditing practices;
- (u) consider possible conflicts of interest among the Company's directors and officers and the Company and approve for such parties, in advance, all related party transactions;

- (v) review policies and procedures in respect of the expense accounts of the Company's directors and officers, including, but not limited to, the use of corporate assets;
- (w) monitor and periodically review the whistleblower policy of the Company (the "**Whistleblower Policy**") and associated procedures for:
  - (i) the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
  - (ii) the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; and
  - (iii) if applicable, any violations of applicable law, rules or regulations that relate to corporate reporting and disclosure, or violations of the Company's Code of Conduct;
- (x) review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company;
- (y) direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties;
- (z) perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law; and
- (aa) perform such other functions, consistent with this Charter, the Company's constituting documents and governing laws, as the Committee deems necessary or appropriate.

### **Review of Charter**

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

Dated: January 31, 2021  
Approved by: Board of Directors of the Company

## **APPENDIX “B”**

### **Increase Number of Directors**



**Sprout AI Inc.**  
**(the "Company")**

Number of Director Increase

**ARTICLE I**  
**PURPOSE AND INTERPRETATION**

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**Purpose**

The purpose of the increase of the number of Directors is to provide broader depth in assistance for both future full board and sub-committee's, including but not limited to audit, finance, director nominating, and compensation sub-committee's.

The current number of Directors was a total of four (4) as determined at time of the original corporation incorporation in August 2020. Four directors limits adequate inclusion of experienced independent directors to hold both general and sub-committee meetings. In the previous years, the existing Board has appointed a minimum of three (3) independent directors to perform these tasks.

It is recommended that the number of directors be increased to a total of seven (7) directors.

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Authorized Signatory

**SIGNATURE OF OPTIONEE**