

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

**SCHEDULE 13D**

(Rule 13d-101)

INFORMATION TO BE INCLUDED IN STATEMENTS FILED PURSUANT  
TO RULES 13d 1(a) AND AMENDMENTS THERETO FILED  
PURSUANT TO RULE 13d 2(a)<sup>1</sup>

**TerrAscend Corp.**

(Name of Issuer)

**Common Shares, no par value**

(Title of Class of Securities)

**88105E108**

(CUSIP Number)

**JW Asset Management, LLC,  
14 North Lake Rd.  
Armonk, NY 10504**

(Name, Address and Telephone Number of Person Authorized to Receive Notice and Communications)

**March 10, 2022**

(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Rule 13d 1(e), 13d 1(f) or 13d 1(g), check the following box.

Note: Schedules filed in paper format shall include a signed original and five copies of the Schedule, including all exhibits. See Rule 13d 7(b) for other parties to whom copies are to be sent.

<sup>1</sup> The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter the disclosures provided in a prior cover page.

The information required in the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

CUSIP No. 88105E108		13D		Page 2 of 13 Pages
1.	names of reporting persons i.r.s. identification no. of above persons (entities only) <b>JW PARTNERS, LP</b>			
2.	check the appropriate box if a group* (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>			
3.	sec use only			
4.	sources of funds WC			
5.	check box if disclosure of legal proceedings is required pursuant to item 2(d) or 2(e)			
6.	citizenship or place of organization <b>Delaware, United States of America</b>			
number of shares beneficially owned by each reporting person with:	7.	sole voting power		0
	8.	shared voting power		72,416,292
	9.	sole dispositive power		0
	10.	shared dispositive power		72,416,292
11.	aggregate amount beneficially owned by each reporting person			72,416,292
12.	check box if the aggregate amount in row (11) excludes certain shares (See Instructions)			
13.	percent of class represented by amount in row (11)			28.76%
14.	type of reporting person (See Instructions) <b>PN</b>			

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1.	names of reporting persons i.r.s. identification no. of above persons (entities only) <b>JW OPPORTUNITIES MASTER FUND, LTD.</b>			
2.	check the appropriate box if a group* (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>			
3.	sec use only			
4.	sources of funds WC			
5.	check box if disclosure of legal proceedings is required pursuant to item 2(d) or 2(e)			
6.	citizenship or place of organization <b>CAYMAN ISLANDS</b>			
number of shares beneficially owned by each reporting person with:	7.	sole voting power		0
	8.	shared voting power		28,107,401
	9.	sole dispositive power		0
	10.	shared dispositive power		28,107,401
11.	aggregate amount beneficially owned by each reporting person			28,107,401
12.	check box if the aggregate amount in row (11) excludes certain shares (See Instructions)			
13.	percent of class represented by amount in row (11)			11.16%
14.	type of reporting person (See Instructions) <b>CO</b>			

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1.	names of reporting persons i.r.s. identification no. of above persons (entities only) <b>JW ASSET MANAGEMENT, LLC</b>			
2.	check the appropriate box if a group* (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>			
3.	sec use only			
4.	sources of funds OO			
5.	check box if disclosure of legal proceedings is required pursuant to item 2(d) or 2(e)			
6.	citizenship or place of organization <b>Delaware, United States of America</b>			
number of shares beneficially owned by each reporting person with:	7.	sole voting power		0
	8.	shared voting power		123,859,867
	9.	sole dispositive power		0
	10.	shared dispositive power		123,859,867
11.	aggregate amount beneficially owned by each reporting person			123,859,867
12.	check box if the aggregate amount in row (11) excludes certain shares (See Instructions)			
13.	percent of class represented by amount in row (11)			49.19%
14.	type of reporting person (See Instructions) <b>OO; IA</b>			

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1.	names of reporting persons i.r.s. identification no. of above persons (entities only) <b>JW GP, LLC</b>			
2.	check the appropriate box if a group* (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>			
3.	sec use only			
4.	sources of funds <b>OO</b>			
5.	check box if disclosure of legal proceedings is required pursuant to item 2(d) or 2(e)			
6.	citizenship or place of organization <b>Delaware, United States of America</b>			
<b>number of shares beneficially owned by each reporting person with:</b>	7.	sole voting power		<b>0</b>
	8.	shared voting power		<b>123,691,309</b>
	9.	sole dispositive power		<b>0</b>
	10.	shared dispositive power		<b>123,691,309</b>
11.	aggregate amount beneficially owned by each reporting person			<b>123,691,309</b>
12.	check box if the aggregate amount in row (11) excludes certain shares (See Instructions)			
13.	percent of class represented by amount in row (11)			<b>49.12%</b>
14.	type of reporting person (See Instructions) <b>OO</b>			

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1.	names of reporting persons i.r.s. identification no. of above persons (entities only) <b>JASON G. WILD</b>			
2.	check the appropriate box if a group* (a) <input checked="" type="checkbox"/> (b) <input type="checkbox"/>			
3.	sec use only			
4.	sources of funds PF; OO			
5.	check box if disclosure of legal proceedings is required pursuant to item 2(d) or 2(e)			
6.	citizenship or place of organization <b>UNITED STATES OF AMERICA</b>			
number of shares beneficially owned by each reporting person with:	7.	sole voting power	2,582,305	
	8.	shared voting power	123,859,867	
	9.	sole dispositive power	2,582,305	
	10.	shared dispositive power	123,859,867	
11.	aggregate amount beneficially owned by each reporting person			126,442,172
12.	check box if the aggregate amount in row (11) excludes certain shares (See Instructions)			
13.	percent of class represented by amount in row (11)			50.21%
14.	type of reporting person (See Instructions) <b>IN</b>			

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**ITEM 1. Security and Issuer**

- (a) The name of the issuer is TerrAscend Corp. (the “Issuer”).
- (b) The address of the Issuer’s principal executive offices is 3610 Mavis Road, Mississauga, Ontario, L5C 1W2.

This Schedule 13D (the “Schedule”) relates to the common shares, with no par value (“Common Shares”), of the Issuer.

**ITEM 2. Identity and Background**

This Schedule is being filed with respect to the Common Shares of the Issuer which are beneficially owned by the following reporting persons:

- (i) JW Partners, LP (“JWP”),
- (ii) JW Opportunities Master Fund, Ltd. (“JWO”),
- (iii) JW Asset Management, LLC (the “Advisor”),
- (iv) JW GP, LLC (the “General Partner”), and
- (v) Jason G. Wild (“Wild”, and together with JWP, JWO, the Advisor, and the General Partner, the “Reporting Persons”).

Any disclosures herein with respect to persons other than the Reporting Persons are made on information and belief after making inquiry to the appropriate party.

JWP is a Delaware limited partnership. JWO is a Cayman corporation. The principal business of each of JWP and JWO is investing, directly or indirectly, in securities. The business address of JWP is 14 North Lake Rd., Armonk, NY 10504. The business address of JWO is 27 Hospital Road, George Town, Grand Cayman, E9, KY1-9008. During the last five years, neither JWP nor JWO has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was, or is subject to, a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Each of the Advisor and the General Partner is a Delaware limited liability company. The principal business of the Advisor is acting as an investment adviser for investment funds. The principal business of the General Partner is acting as the general partner for investment funds. The business address of each of the Advisor and the General Partner is 14 North Lake Rd., Armonk, NY 10504. During the last five years, neither the Advisor nor the General Partner has been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was, or is subject to, a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

Wild is a United States Citizen. Wild is the managing member of the Advisor and the General Partner. During the last five years, Wild has not been (i) convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors), or (ii) a party to a civil proceeding of a judicial or administrative body of competent jurisdiction and, as a result of such proceeding, was, or is subject to, a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, federal or state securities laws or finding any violation with respect to such laws.

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**ITEM 3. Source and Amount of Funds or Other Consideration**

JWP has purchased, in a series of open market transactions, private placements from the Issuer and an all-stock merger transaction, an aggregate of 72,416,292 Common Shares of the Issuer, for a total consideration of \$74,370,107, derived from JWP's working capital.

JWO has purchased, in a series of open market transactions, private placements from the Issuer and an all-stock merger transaction, an aggregate of 28,107,401 Common Shares of the Issuer, for a total consideration of \$38,947,347, derived from JWO's working capital.

The Advisor has purchased indirectly through JWP, JWO and certain other investment vehicles, in a series of open market transactions, private placements from the Issuer and an all-stock merger transaction, an aggregate of 123,859,867 Common Shares of the Issuer, for a total consideration of \$170,470,591, derived from each such investment vehicle's working capital, respectively, and prime brokerage margin borrowing, which borrowing has been repaid.

The General Partner has purchased indirectly through JWP, JWO and certain other investment vehicles, in a series of open market transactions, private placements from the Issuer and an all-stock merger transaction, an aggregate of 123,691,309 Common Shares of the Issuer, for a total consideration of \$169,554,531, derived from each such investment vehicle's working capital, respectively, and prime brokerage margin borrowing, which borrowing has been repaid.

Wild has purchased indirectly through JWP, JWO and certain other investment vehicles, in a series of open market transactions, private placements from the Issuer and an all-stock merger transaction, an aggregate of 123,859,867 Common Shares of the Issuer, for a total consideration of \$170,470,591, derived from each such investment vehicle's working capital, respectively, and prime brokerage margin borrowing, which borrowing has been repaid. Wild has purchased directly in a series of open market transactions, placements from the Issuer and an all-stock merger transaction, an aggregate of 1,782,305 Common Shares of the Issuer, for a total consideration of \$2,803,181, derived from Wild's personal funds, and Wild has been awarded 800,000 option grants and certain restricted stock units of the Issuer because he also serves as an officer and director of the Issuer.

**ITEM 4. Purpose of Transaction**

Wild is the Executive Chairman and a member of the board of directors of the Issuer.

On October 9, 2018, the Issuer announced its intention to pursue growth opportunities in the US marijuana market, including potential acquisitions of operators in states that have legalized marijuana for medical or recreational use. Although the Issuer at the time did not engage in the business of, or derive any revenue from, the cultivation, distribution or possession of marijuana in the US, the Issuer announced that it had identified certain acquisition prospects with significant market share and strong brand recognition. To support its new strategy, the Issuer entered into an agreement with Canopy Growth Corporation ("Canopy Growth"), RIV Capital Inc. (formerly Canopy Rivers Inc.) ("RIV Capital"), and entities controlled by Wild (JWO, JWP and Pharmaceutical Opportunities Fund, LP) to reorganize the capital of the Issuer (the "TerrAscend Reorganization") and obtain waivers of certain contractual covenants that at the time, restricted the Issuer from operating in the US. The TerrAscend Reorganization was implemented by way of a statutory plan of arrangement on the terms set out in the Arrangement Agreement and was subject to court approval, the approval of the Issuer's shareholders, and other customary conditions. The TerrAscend Reorganization was completed on November 30, 2018.

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On December 14, 2018, TerrAscend USA, Inc., the Issuer's wholly owned subsidiary, entered into a \$75 million credit facility (the "Credit Facility") with certain of the Reporting Persons advised by the Advisor. The Credit Facility was intended to give the Issuer access to non-dilutive capital for acquisitions in the United States, as well as for general corporate and working capital purposes. The facility matured on December 19, 2019 and bore interest at 8.75% per annum, with a 1% origination fee. Amounts drawn on the facility were guaranteed by the Issuer and one of the Issuer's wholly owned Canadian subsidiaries and was secured by certain of such subsidiary's inventory and trade receivables. On December 2, 2019, certain of the Reporting Persons agreed to amend the terms of the Credit Facility to extend the maturity then due on December 18, 2019 for up to three months and to provide for an interest rate of 12.5% and executed a term sheet to convert any amounts outstanding under the credit facility into a two-year term loan with an expected maturity of March, 2022. This term loan was never completed and as of the date hereof, there was no principal amount outstanding under the Credit Facility and it has been fully repaid and terminated.

On August 31, 2021, Wild and the Issuer entered into a Voting Support and Lock-Up Agreement by which he promised to vote the shares held by the Reporting Persons for the merger transaction by which Gage Growth Corp. merged with and into the Issuer.

Wild, through his position of control of the other Reporting Persons, may, from time to time, have conflicts of interest with the Issuer as the Reporting Persons are active investors in the legal cannabis industry which is the industry in which the Issuer conducts its operations. All decisions to be made by directors and officers of the Issuer are required to be made in accordance with their duties and obligations to act honestly and in good faith with a view to the best interests of the Issuer. In addition, the directors and officers are required to declare their interests in, and such directors are required to refrain from voting on, any matter in which they may have a material conflict of interest.

As a result of the Reporting Persons' significant beneficial ownership of the Issuer's securities, Wild exerts significant control over matters that may be put forth for the consideration of all Issuer shareholders, including for example, the approval of a potential business combination or consolidation, a liquidation or sale of all or substantially all of the Issuer's assets, electing members to the Issuer's board, and adopting amendments to the Issuer's constating documents, including its articles of incorporation, as amended and by-laws.

From time to time, the Reporting Persons have purchased privately placed securities from the Issuer, and exercised warrants, to support the Issuer's capital raising objectives.

Each Reporting Person may, at any time and from time to time, review or reconsider its or his position and/or change its or his purpose and/or formulate plans or proposals with respect thereto. Depending on various factors including, without limitation, the price of the Common Shares, the terms and conditions of the transaction, prevailing market conditions and such other considerations as such Reporting Person deems relevant, each Reporting Person may, at any time or from time to time, and subject to any required regulatory approvals, (i) acquire additional Common Shares, stock options, warrants, preferred stock or other securities convertible into or exercisable or exchangeable for Common Shares from time to time on the open market, in privately- negotiated transactions, directly from the Issuer, or upon the exercise or conversion of securities convertible into or exercisable or exchangeable for Common Shares, (ii) dispose of or distribute some or all of its or his Common Shares or such other securities as it or he owns or may subsequently acquire, and/or (iii) otherwise changing their intention with respect to any and all matters referred to in Item 4 of Schedule 13D. The Reporting Persons intend to influence the operations and affairs of the Issuer through the exercise of their voting rights.

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**ITEM 5. Interest in Securities of the Issuer**

(a)-(b) JWP may be deemed, for purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, to be the beneficial owner of an aggregate of 72,416,292 Common Shares as of March 10, 2022, which represent 28.76% of the Issuer's outstanding Common Shares.

- (i) Sole power to vote or direct vote: 0
- (ii) Shared power to vote or direct vote: 72,416,292
- (iii) Sole power to dispose of or direct the disposition: 0
- (iv) Shared power to dispose of or direct the disposition: 72,416,292

JWO may be deemed, for purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, to be the beneficial owner of an aggregate of 28,107,401 Common Shares as of March 10, 2022, which represent 11.16% of the Issuer's outstanding Common Shares.

- (i) Sole power to vote or direct vote: 0
- (ii) Shared power to vote or direct vote: 28,107,401
- (iii) Sole power to dispose of or direct the disposition: 0
- (iv) Shared power to dispose of or direct the disposition: 28,107,401

The Advisor may be deemed, for purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, to be the beneficial owner of an aggregate of 123,859,867 Common Shares as of March 10, 2022, which represent 49.19% of the Issuer's outstanding Common Shares.

- (i) Sole power to vote or direct vote: 0
- (ii) Shared power to vote or direct vote: 123,859,867
- (iii) Sole power to dispose of or direct the disposition: 0
- (iv) Shared power to dispose of or direct the disposition: 123,859,867

The General Partner may be deemed, for purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, to be the beneficial owner of an aggregate of 123,691,309 Common Shares as of March 10, 2022, which represent 49.12% of the Issuer's outstanding Common Shares.

- (i) Sole power to vote or direct vote: 0
- (ii) Shared power to vote or direct vote: 123,691,309
- (iii) Sole power to dispose of or direct the disposition: 0
- (iv) Shared power to dispose of or direct the disposition: 123,691,309

Wild may be deemed, for purposes of Rule 13d-3 under the Securities Exchange Act of 1934, as amended, to be the beneficial owner of an aggregate of 126,442,172 Common Shares as of March 10, 2022, which represent 50.21% of the Issuer's outstanding Common Shares.

- (i) Sole power to vote or direct vote: 2,582,305
  - (ii) Shared power to vote or direct vote: 123,859,867
  - (iii) Sole power to dispose of or direct the disposition: 2,582,305
  - (iv) Shared power to dispose of or direct the disposition: 123,859,867
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For purposes of calculating the percentages set forth in this Item 5, the number of Common Shares outstanding is assumed to be the aggregate of 251,804,942, as disclosed by the Issuer to the Reporting Persons.

Each Reporting Person, as a member of a “group” with the other Reporting Persons for the purposes of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, may be deemed the beneficial owner of the Common Shares directly owned by the other Reporting Persons. Each Reporting Person disclaims beneficial ownership of such shares except to the extent of his or its pecuniary interest therein. See Exhibit 2.

(c) In the past sixty days, the Reporting Persons effected no transactions in the Common Shares other than those set forth in the following table:

Date	Name of Entity Effecting the Transactions	No. of Shares <sup>2</sup>	Consideration
3/10/22	Jason Wild	1,410,470 Common Shares	4,700,000 common shares of Gage Growth Corp.
3/10/22	JW Partners LP	3,149,669 Common Shares	10,495,400 common shares of Gage Growth Corp.
		1,800,600 warrants	6,000,000 warrants of Gage Growth Corp.
3/10/22	JW Opportunities Master Fund Ltd	1,169,798 Common Shares	3,898,029 common shares of Gage Growth Corp.
		771,685 warrants	2,571,429 warrants of Gage Growth Corp.
3/10/22	JW Opportunities Fund LLC	2,859,524 Common Shares	9,528,572 common shares of Gage Growth Corp.
		2,679,464 warrants	8,928,572 warrants of Gage Growth Corp.
3/10/22	JW Select Investments LP	1,834,897 Common Shares	6,114,286 common shares of Gage Growth Corp.
		1,834,897 warrants	6,114,286 warrants of Gage Growth Corp.
3/10/22	JW Growth Fund LLC	34,297 Common Shares	114,286 common shares of Gage Growth Corp.
		34,297 warrants	114,286 warrants of Gage Growth Corp.
3/10/22	Insight Wellness Fund LLC	8,574 Common Shares	28,572 common shares of Gage Growth Corp.
		8,574 warrants	28,572 warrants of Gage Growth Corp.

All of the above share transactions were effected as a result of the merger of Gage Growth Corp. with and into the Issuer.

(d) Not applicable.

(e) Not applicable.

<sup>2</sup> Represents the aggregate number of Common Shares and derivative securities acquired or sold, as applicable, by the identified entity on the specified date.

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**ITEM 6. Contracts, Arrangements, Understandings or Relationships With Respect to Securities of the Issuer.**

To the knowledge of the Reporting Persons, except for the matters described in this Schedule 13D or as set forth below, there is no contract, arrangement, understanding or relationship (legal or otherwise) among the Reporting Persons or between the Reporting Persons and any other person with respect to any securities of the Issuer.

**ITEM 7. Material to be Filed as Exhibits.**

- Exhibit 1 – Joint Filing Agreement
  - Exhibit 2 – Item 5 Statements
  - Exhibit 3 – Voting Support and Lock-Up Agreement dated August 31, 2021 between the Issuer and Jason Wild
  - Exhibit 4 – Existing Warrants
  - Exhibit 5 – Warrants to Purchase Common Shares dated March 10, 2022
  - Exhibit 99.13 - Arrangement Agreement, dated October 8, 2018, by and among the Issuer, Canopy Growth Corporation, Canopy Rivers Corporation, JW Opportunities Master Fund, Ltd., JW Partners, LP and Pharmaceutical Opportunities Fund, LP
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**SIGNATURE**

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: March 16, 2022

**JW PARTNERS, LP**

By: JW GP, LLC, its General Partner

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

**JW OPPORTUNITIES MASTER FUND, LTD.**

By: JW GP, LLC, its Manager

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

**JW GP, LLC**

By: Jason G. Wild, its Managing Member

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

**JW ASSET MANAGEMENT, LLC**

By: Jason G. Wild, its Managing Member

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

**JASON G. WILD**

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

Pursuant to that certain Power of Attorney dated February 14, 2022 with respect to securities of TerrAscend Corp., the original statement shall be signed by each person on whose behalf the statement is filed or his authorized representative. If the statement is signed on behalf of a person by his authorized representative other than an executive officer or general partner of the filing person, evidence of the representative's authority to sign on behalf of such person shall be filed with the statement, provided, however, that a power of attorney for this purpose which is already on file with the Commission may be incorporated by reference. The name and any title of each person who signs the statement shall be typed or printed beneath his signature.

*NOTE:* Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See §240.13d-7 for other parties for whom copies are to be sent.



JOINT FILING AGREEMENT

In accordance with Rule 13d-1(f) under the Securities Exchange Act of 1934, as amended, the persons named below agree to the joint filing on behalf of each of them of this Schedule 13D (including amendments thereto) with respect to the Common Shares of TerrAscend Corp. and further agree that this Joint Filing Agreement be included as an Exhibit to such joint filing. In evidence thereof, the undersigned, hereby execute this Agreement this 16<sup>th</sup> day of March, 2022.

**JW PARTNERS, LP**

By: JW GP, LLC, its General Partner

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

**JW OPPORTUNITIES MASTER FUND, LTD.**

By: JW GP, LLC, its Manager

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

**JW GP, LLC**

By: Jason G. Wild, its Managing Member

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

**JW ASSET MANAGEMENT, LLC**

By: Jason G. Wild, its Managing Member

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

**JASON G. WILD**

/s/ Jason Klarreich

Jason Klarreich, Attorney-In-Fact

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IDENTIFICATION AND CLASSIFICATION OF MEMBERS OF THE GROUP

JW PARTNERS, LP  
JW OPPORTUNITIES MASTER FUND, LTD.  
JW ASSET MANAGEMENT, LLC  
JW GP, LLC  
JASON G. WILD

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**VOTING SUPPORT AND LOCK-UP AGREEMENT**

THIS AGREEMENT is made as of August 31, 2021

**BETWEEN:**

**JASON WILD** (the “Shareholder”)

- and -

**TERRASCEND CORP.**, a corporation existing under the laws of the Province of Ontario (“Purchaser”)

**RECITALS:**

**WHEREAS**, in connection with an arrangement agreement between the Purchaser and Gage Growth Corp. (the “Company”) dated the date hereof (as may be amended, modified or supplemented from time to time in accordance with its terms, the “Arrangement Agreement”), the Purchaser proposes to acquire all of the issued and outstanding Company Shares (as defined below) subject to the terms and conditions set forth in the Arrangement Agreement;

**AND WHEREAS**, it is contemplated that the proposed transaction will be effected pursuant to a statutory plan of arrangement (the “Arrangement”) under Section 192 of the *Canada Business Corporations Act*,

**AND WHEREAS**, the Shareholder is the registered and/or beneficial owner, directly or indirectly, of the Company Securities listed in Schedule A hereto;

**AND WHEREAS**, the Shareholder believes it will derive benefit from the Arrangement and wishes to confirm its support for the Arrangement;

**AND WHEREAS**, the Purchaser is relying on the covenants, representations and warranties of the Shareholder set forth in this Agreement in connection with the Purchaser’s execution and delivery of the Arrangement Agreement and would not enter into the Arrangement Agreement but for the execution and delivery of this Agreement by the Shareholder; and

**AND WHEREAS**, this Agreement sets out the terms and conditions of the agreement of the Shareholder to abide by the covenants in respect of the Company Securities and the other restrictions and covenants set forth herein;

**NOW THEREFORE**, in consideration of the mutual covenants and agreements set forth in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged) the Parties hereto agree as follows:

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

Capitalized terms used herein and not otherwise defined have the meanings ascribed thereto in the Arrangement Agreement. In this Agreement, including the recitals, the following terms have the following meanings:

“affiliate” has the meaning specified in National Instrument 45-106 – *Prospectus Exemptions* as in effect on the date of this Agreement;



“**Agreement**” means this voting support agreement dated as of the date hereof between the Shareholder and the Purchaser, as it may be amended, modified or supplemented from time to time in accordance with its terms;

“**Alternative Transaction**” has the meaning ascribed thereto Section 3.1(l) hereof;

“**Arrangement Agreement**” has the meaning ascribed thereto in the recitals hereof; “**Company**” has the meaning ascribed thereto in the recitals hereof;

“**Company Securities**” means the Company Subordinate Voting Shares, Company Super Voting Shares, Company Exchangeable Units, Company RSUs, Company Stock Options and Company Warrants listed on Schedule A hereto and any securities of the Company acquired by the Shareholder or any of its affiliates subsequent to the date hereof, and includes all securities which such Company Securities may be converted into, exchanged for or otherwise changed into;

“**Company Shares**” means a share in the capital of the Company, and includes the Company Subordinate Voting Shares, the Company Super Voting Shares and the Company Proportionate Voting Shares;

“**Expiry Time**” has the meaning ascribed thereto in Section 3.1(a);

“**Governmental Entity**” means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, ministry, agency or instrumentality, domestic or foreign, including the U.S. Internal Revenue Service and the Canada Revenue Agency, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange, including the CSE.

“**Notice**” has the meaning ascribed thereto in Section 4.8;

“**Parties**” means the Shareholder and the Purchaser and “**Party**” means any one of them;

“**Person**” includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

“**Purchaser**” has the meaning ascribed thereto in the recitals hereof;

“**Shareholder**” has the meaning ascribed thereto in the recitals hereof;

“**Transfer**” has the meaning ascribed thereto in Section 3.1(l); and

“**Voting Support Outside Date**” means six (6) months from the date hereof.

## **1.2 Gender and Number**

Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

## **1.3 Headings**

The division of this Agreement into Articles, Sections and Schedules and the insertion of the recitals and headings are for convenient reference only and do not affect the construction or interpretation of this Agreement and, unless otherwise stated, all references in this Agreement or in the Schedules hereto to Articles, Sections and Schedules refer to Articles, Sections and Schedules of and to this Agreement or of the Schedules in which such reference is made, as applicable.

#### **1.4 Date for any Action**

A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. (Toronto time) on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. (Toronto time) on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Agreement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding Business Day.

#### **1.5 Governing Law**

This Agreement will be governed by and interpreted and enforced in accordance with the Laws of the Province of Ontario and the federal Laws of Canada applicable therein, without giving effect to any principles of conflict of Laws thereof that would result in the application of the Laws of any other jurisdiction. Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the courts of the Province of Ontario and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

#### **1.6 Incorporation of Schedules**

Schedule A attached hereto, for all purposes hereof, forms an integral part of this Agreement.

### **ARTICLE 2 REPRESENTATIONS AND WARRANTIES**

#### **2.1 Representations and Warranties of the Shareholder**

The Shareholder represents and warrants to the Purchaser (and acknowledges that the Purchaser is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) that:

- (a) The Shareholder, if the Shareholder is not a natural Person, is a corporation or other entity validly existing under the Laws of the jurisdiction of its incorporation.
- (b) The Shareholder, if the Shareholder is not a natural Person, has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. This Agreement has been duly executed and delivered by the Shareholder and constitutes a legal, valid and binding agreement of the Shareholder enforceable against the Shareholder in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other applicable Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
- (c) The Shareholder exercises control or direction over all of the Company Securities set forth opposite its name in Schedule A hereto. Subject to Section 3.1(a), at and immediately prior to the Effective Time and at all times between the date hereof and the Effective Time, the Shareholder will control or direct, directly or indirectly, all of the Company Securities. Other than the Company Securities, neither the Shareholder nor any of its affiliates, beneficially own, or exercise control or direction over any additional securities, or any securities convertible or exchangeable into any additional securities, of the Company or any of its affiliates.

- (d) As at the date hereof, the Shareholder is, and, subject to Section 3.1(a), immediately prior to the time at which the Company Securities are acquired by the Purchaser under the Arrangement or an Alternative Transaction, the Shareholder will be, the sole beneficial owner of the Company Securities, with good and marketable title thereto, free and clear of all Liens.
- (e) The Shareholder has the sole right to sell and vote or direct the sale and voting of the Company Securities, to the extent such Company Securities carry a right to vote.
- (f) No Person has any agreement or option, or any right or privilege (whether by Law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the Company Securities or any interest therein or right thereto, except the Purchaser pursuant to this Agreement or the Arrangement Agreement.
- (g) No material consent, approval, order or authorization of, or declaration or filing with, any Person is required to be obtained by the Shareholder in connection with the execution and delivery of this Agreement by the Shareholder and the performance by it of its obligations under this Agreement, other than those that are contemplated by the Arrangement Agreement.
- (h) There are no claims, actions, suits, audits, proceedings, investigations or other actions pending against or, to the knowledge of the Shareholder, threatened against or affecting the Shareholder or any of the beneficial owners of the Company Securities that, individually or in the aggregate, could reasonably be expected to have an adverse effect on the Shareholder's ability to execute and deliver this Agreement and to perform its obligations contemplated by this Agreement.
- (i) None of the Company Securities is subject to any proxy, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of any of the Company's securityholders or give consents or approvals of any kind, except this Agreement or as will be contemplated by the Arrangement Agreement.
- (j) None of the execution and delivery by the Shareholder of this Agreement or the completion of the transactions contemplated hereby or the compliance by the Shareholder with its obligations hereunder will violate, contravene, result in any breach of, or be in conflict with, or constitute a default under, or create a state of facts which after notice or lapse of time or both would constitute a default under, any term or provision of: (i) any constating documents of the Shareholder (if the Shareholder is not a natural Person); (ii) any contract to which the Shareholder is a party or by which the Shareholder is bound; (iii) any judgment, decree, order or award of any Governmental Entity; or (iv) any applicable Law, except for any violation, breach, contravention or default that could not, individually or in the aggregate, impair the ability of the Shareholder to execute and deliver this Agreement and to perform its obligations under this Agreement.

## **2.2 Representations and Warranties of the Purchaser**

The Purchaser represents and warrants to the Shareholder (and acknowledges that the Shareholder is relying on these representations and warranties in completing the transactions contemplated hereby and by the Arrangement Agreement) that:

- (a) The Purchaser validly subsists under the laws of Ontario and has necessary requisite corporate power and capacity to execute and deliver this Agreement and to perform its obligations hereunder.

- (b) The execution, delivery and performance of this Agreement by Purchaser have been duly authorized and no other internal proceedings on its part are necessary to authorize this Agreement or the transactions contemplated hereunder.
- (c) This Agreement has been duly executed and delivered by Purchaser and constitutes a legal, valid and binding obligation, enforceable against it in accordance with its terms, subject only to bankruptcy, insolvency and other similar laws affecting creditors' rights generally, and to the discretion that a court may exercise in granting equitable remedies.

**ARTICLE 3  
COVENANTS**

**3.1 Covenants of the Shareholder**

- (a) The Shareholder hereby covenants with the Purchaser that from the date of this Agreement until the termination of this Agreement in accordance with its terms (the "**Expiry Time**"), the Shareholder will not directly or indirectly, without having first obtained the prior written consent of the Purchaser:
  - (i) sell, transfer, gift, assign, grant a participation interest in, convey, pledge, hypothecate, grant a security interest in, encumber, option or otherwise dispose of any right or interest in, or enter into any forward sale, repurchase agreement, option or other arrangement or monetization transaction with respect to, any of its Company Securities, or any right or interest therein (legal or equitable) to any Person or group of Persons, or tender any of the Company Securities to a take-over bid or enter into any agreement, arrangement, commitment or understanding in connection therewith, or agree to do any of the foregoing, other than (A) pursuant to the Arrangement or an Alternative Transaction, (B) any exercise of warrants or options exercisable for Company Shares in accordance with their terms, or (C) to one or more corporations, family trusts, RRSP account or other entity directly or indirectly owned or controlled by, or under common control with the Shareholder, provided that (i) such transfer will not relieve the Shareholder of or from its obligations under this Agreement to vote or cause to be voted all Company Securities at the Company Meeting, (ii) prompt written notice of such transfer is provided to the Purchaser; and (iii) the transferee continues to be an entity or corporation directly or indirectly owned or controlled by the Shareholder at all times until the Expiry Time;
  - (ii) other than as set forth herein, grant or agree to grant any proxies or powers of attorney, deliver any voting instruction form, deposit any Company Securities into a voting trust or pooling agreement, or enter into a voting agreement, commitment, understanding or arrangement, oral or written, with respect to the voting of any Company Securities; or
  - (iii) requisition or join in the requisition of any meeting of any of the securityholders of the Company for the purpose of considering any resolution.
- (b) The Shareholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all of the Company Securities (to the extent they carry a right to vote):
  - (i) at any meeting of any of the securityholders of the Company at which the Shareholder or any registered or beneficial owner of the Company Securities are entitled to vote, including the Company Meeting; and

- (ii) in any action by written consent of the securityholders of the Company, in favour of the approval, consent, ratification and adoption of the Arrangement Resolution and the transactions contemplated by the Arrangement Agreement (and any actions required for the consummation of the transactions contemplated by the Arrangement Agreement). In connection with the foregoing, subject to this Section 3.1(b), the Shareholder hereby agrees to deposit and to cause any beneficial owners of Company Securities eligible to be voted to deposit a proxy, or voting instruction form, as the case may be, duly completed and executed in respect of all of its Company Securities (to the extent that they carry the right to vote) as soon as practicable following the mailing of the Company Circular and in any event at least 10 Business Days prior to the Company Meeting, voting all such Company Securities (to the extent that they carry the right to vote) in favour of the Arrangement Resolution. The Shareholder hereby agrees that it will not take, nor permit any Person on its behalf to take, any action to withdraw, revoke, change, amend or invalidate any proxy or voting instruction form deposited pursuant to this Agreement notwithstanding any statutory or other rights or otherwise which the Shareholder might have unless this Agreement has at such time been previously terminated in accordance with Section 4.1. The Shareholder will provide copies of each such proxy or voting instruction form (or screen shots evidencing electronic voting thereof) referred to above to the Purchaser at the address below concurrently with its delivery as provided for above.
- (c) The Shareholder hereby covenants, undertakes and agrees from time to time, until the Expiry Time, to cause to be counted as present for purposes of establishing quorum and to vote (or cause to be voted) all of the Company Securities (to the extent that they carry the right to vote) against any proposed action by the Company, any Company Shareholder, any of the Company's Subsidiaries or any other Person: (i) in respect of any Acquisition Proposal or Superior Proposal involving the Company or any Subsidiary of the Company that requires the approval of Company Shareholders under applicable Law, other than the Arrangement or an Alternative Transaction; (ii) which would reasonably be regarded as being directed towards or likely to prevent or delay the successful completion of the Arrangement, including without limitation any amendment to the articles or by-laws of the Company or any of its Subsidiaries or their respective corporate structures or capitalization; (iii) any action, agreement, transaction or proposal that would result in a breach of any representation, warranty, covenant, agreement or other obligation of the Company under the Arrangement Agreement. If the Shareholder is the beneficial owner, but not the registered holder, of any of its Company Securities, the Shareholder agrees to take all actions necessary to cause the registered holder and any nominees to vote all of its Company Securities in accordance with this Section 3.1(c).
- (d) The Shareholder hereby covenants, undertakes and agrees, in the event that any transaction for the proposed acquisition of at least a majority of the Company Shares of the Company, where such transaction requires the approval of Company Shareholders under applicable Law, other than the Arrangement or an Alternative Transaction, is presented prior to the Expiry Time for approval of, or acceptance by, the Company Shareholders, whether or not it may be recommended by the Company Board, not to directly or indirectly, accept, assist or otherwise further the successful completion of such transaction or purport to tender or deposit into any such transaction any of the Company Securities.
- (e) The Shareholder will not, and will ensure that its affiliates do not, directly or indirectly, through any officer, director, employee, representative or agent or otherwise:
  - (i) solicit proxies or become a participant in a solicitation in opposition to or competition with the Purchaser's proposed purchase of the Company Shares as contemplated by the Arrangement;

- (ii) assist any Person in taking or planning any action that would compete with, restrain or otherwise serve to interfere with or inhibit the Purchaser's proposed purchase of the Company Shares as contemplated by the Arrangement;
  - (iii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the Purchaser's proposed purchase of the Company Shares as contemplated by the Arrangement;
  - (iv) solicit, assist, initiate, knowingly encourage or otherwise facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Company or any subsidiary or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;
  - (v) withdraw, amend, modify or qualify, or publicly propose or state an intention to withdraw, amend, modify or qualify support for the transactions contemplated by the Arrangement Agreement;
  - (vi) participate in any discussions or negotiations with any Person (other than the Purchaser) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal;
  - (vii) accept or enter into, or publicly propose to accept or enter into, any letter of intent, agreement, arrangement or understanding regarding any Acquisition Proposal; or
  - (viii) cooperate in any way with, assist or participate in, knowingly encourage or otherwise facilitate or encourage any effort or attempt by any other Person to do or seek to do any of the foregoing.
- (f) If the Shareholder is a Representative of the Company or any of its Subsidiaries, the Shareholder hereby acknowledges and agrees to comply with the terms of Sections 5.1 and 5.2 of the Arrangement Agreement.
- (g) The Shareholder will not: (i) exercise any rights of appraisal or dissent rights that the Shareholder may have under applicable Law or otherwise in respect of the Arrangement or the transactions contemplated by the Arrangement Agreement; (ii) contest in any way the approval of the Arrangement by any Governmental Entity; or (iii) take any other action of any kind, directly or indirectly, in each case which might reasonably be regarded as likely to reduce the success of, or delay or interfere with the completion of, the transactions contemplated by the Arrangement Agreement.
- (h) The Shareholder will, and will cause each of its affiliates and will instruct each of its representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiations, or other activities commenced prior to the date of this Agreement with any Person (other than the Purchaser or an affiliate thereof) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, whether or not initiated by the Shareholder or any of its affiliates or their respective officers, directors, employees, representatives or agents.
- (i) At the request of the Purchaser, the Shareholder will, and will cause its applicable affiliates and representatives to, use all commercially reasonable efforts in its capacity, and their capacities, as a Company Shareholder to assist the Company and the Purchaser to successfully complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and this Agreement, including, without limitation, cooperating with the Purchaser and the Company to make all requisite regulatory filings.

- (j) The Shareholder hereby consents to:
- (i) the details of this Agreement being set out in any press release, information circular, including the Company Circular, and court documents produced by the Company, the Purchaser or any of their respective affiliates in connection with the transactions contemplated by this Agreement and the Arrangement Agreement; and
  - (ii) this Agreement being made publicly available, including by filing on the System for Electronic Document Analysis and Retrieval (SEDAR) operated on behalf of the Securities Authorities.
- (k) Except as required by applicable Law, the Shareholder will not, and will ensure that their affiliates and representatives do not, make any public announcement with respect to the transactions contemplated herein or pursuant to the Arrangement Agreement without the prior written approval of the Purchaser.
- (l) Subject to the completion of the Arrangement, the Shareholder hereby undertakes with the Purchaser that, from the date of the completion of the Arrangement, the common shares of the Purchaser acquired by the Shareholder as a result of the Arrangement (the “**Purchaser Shares**”), or other securities convertible into, exchangeable for or exercisable to acquire common shares of the Purchaser, directly or indirectly (together with Purchaser Shares, the “**Purchaser Securities**”), shall be subject to the restrictions on Transfer set out in Schedule B. The Shareholder agrees that it will not sell, transfer, gift, assign, grant a participation interest in, convey, pledge, hypothecate, grant a security interest in, encumber, option or otherwise dispose of any right or interest in, or enter into any forward sale, repurchase agreement, option or other arrangement or monetization transaction with respect to, any of its Purchaser Securities, or any right or interest therein (legal or equitable) to any Person or group of Persons, or tender any of the Purchaser Securities to a take-over bid or enter into any agreement, arrangement, commitment or understanding in connection therewith, or agree to do any of the foregoing with respect to the Purchaser Securities (each, a “**Transfer**”) until such time as such Purchaser Securities have been released in accordance with Schedule B, other than (A) any exercise or conversion, as applicable, of warrants, options or exchangeable shares exercisable for or convertible into Purchaser Shares in accordance with their terms, provided that such Purchaser Shares are also subject to this Section 3.1(l), (B) with the prior written consent of the Purchaser, (C) to one or more corporations, family trusts, RRSP account or other entity directly or indirectly owned or controlled by, or under common control with the Shareholder, provided that (i) any such Transfer will not relieve the Shareholder of or from its obligations under this Agreement, (ii) prompt written notice of such Transfer is provided to the Purchaser; and (iii) the transferee continues to be an entity or corporation directly or indirectly owned or controlled by the Shareholder at all times, or (D) pursuant to a *bona fide* take-over bid made to all holders of Purchaser Shares, arrangement, merger, amalgamation or other business combination or similar transaction in which other holders of Purchaser Shares are entitled to participate and that is approved or supported by the Purchaser Board, provided that in the event that such transaction is not completed, the Purchaser Securities subject to this Agreement shall remain subject to this Agreement.

### 3.2 Alternative Transaction

- (a) If the Purchaser concludes after the date of this Agreement that it is necessary or desirable to proceed with an alternative transaction structure (including, without limitation, a take-over bid) whereby Purchaser and/or its affiliates would effectively acquire all the Company Securities or interests of the Company on economic terms and other terms and conditions having consequences to the Shareholder that are substantially equivalent to or better than those contemplated by the Arrangement Agreement (any such transaction is referred to as an “**Alternative Transaction**”), the Shareholder agrees to support the completion of the Alternative Transaction in the same manner as this Agreement provides with respect to the Arrangement, including, (i) in the case of a take-over bid, by causing all of the Shareholder’s Company Shares to be validly tendered in acceptance of such take-over bid together with the letter of transmittal and, if applicable, notice of guaranteed delivery, and any other documents required in accordance with such take-over bid, and will not withdraw the Shareholder’s Company Shares from such take-over bid except as expressly otherwise provided in this Agreement, and/or (ii) voting or causing to be voted all of the Shareholder’s Company Shares (to the extent that they carry the right to vote at such meeting) in favour of, and not dissenting from, such Alternative Transaction.
- (b) In the event of any proposed Alternative Transaction, any reference in this Agreement to the Arrangement shall refer to the Alternative Transaction to the extent applicable, and all covenants, representations and warranties of each of the Parties in this Agreement shall be and shall be deemed to have been made, mutatis mutandis, in respect of the Alternative Transaction.

### 3.3 Covenants of the Purchaser.

The Purchaser agrees to comply with its obligations under the Arrangement Agreement. The Purchaser hereby agrees and confirms to the Shareholder that it shall take all steps required of it to consummate the Arrangement and cause the consideration to be made available to pay for the Company Securities, in each case in accordance with and subject to the terms and conditions of the Arrangement Agreement and the Plan of Arrangement.

## ARTICLE 4 GENERAL

### 4.1 Termination

- (a) This Agreement will terminate and be of no further force or effect upon the earliest to occur of:
  - (i) the mutual agreement in writing of the Shareholder and the Purchaser;
  - (ii) 5:00 p.m. (Toronto time) on the date that the Arrangement Agreement is validly terminated in accordance with its terms;
  - (iii) the completion of the acquisition by the Purchaser of the Company Securities;  
and
  - (iv) the Voting Support Outside  
Date,except that the obligations under Section 3.1(i) shall survive any termination under Section 4.1(a)(ii) and shall terminate upon the release of all Purchaser Shares from the restrictions on Transfer set out in Schedule B.
- (b) This Agreement may be terminated by the Shareholder if the form or amount of the consideration offered by the Purchaser to the Company Shareholders pursuant to the Transaction is, without the prior written consent of the Shareholder, reduced or changed in any respect that is, in each case, materially adverse to the Shareholder, provided that a reduction or change in the market price of the Purchaser’s Shares will not constitute a reduction or change in the amount of the consideration payable for the outstanding Company Shares as set out in the Arrangement Agreement.



#### **4.2 Time of the Essence**

Time is of the essence in this Agreement.

#### **4.3 Effect of Termination**

If this Agreement is terminated in accordance with the provisions of Section 4.1, no Party will have any further liability to perform its obligations under this Agreement except as expressly contemplated by this Agreement, and provided that neither the termination of this Agreement nor anything contained in Section 4.1 will relieve any Party from any liability for any breach by it of this Agreement, including from any inaccuracy in its representations and warranties and any non-performance by it of its covenants made herein.

#### **4.4 Equitable Relief**

The Parties agree that irreparable harm may occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek injunctive and other equitable relief to prevent breaches of this Agreement, and to enforce compliance with the terms of this Agreement without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which the Parties may be entitled at Law or in equity.

#### **4.5 Fiduciary Duty**

Notwithstanding anything to the contrary herein, nothing herein shall restrict or limit any director or officer of the Company from taking any action required to be taken in the discharge of his or her fiduciary duty as a director or officer of the Company that is otherwise permitted by, and done in compliance with, the terms of the Arrangement Agreement. The Purchaser further hereby agrees that the Shareholder is not making any agreement or understanding herein in any capacity other than in the capacity as beneficial owner of the Company Securities.

#### **4.6 Waiver; Amendment**

Each Party hereto agrees and confirms that any provision of this Agreement may be amended or waived if, and only if, such amendment or waiver is in writing and signed, in the case of an amendment, by all of the Parties or in the case of a waiver, by the Party against whom the waiver is to be effective. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right. No waiver of any of the provisions of this Agreement will be deemed to constitute a waiver of any other provision (whether or not similar).

#### **4.7 Entire Agreement**

This Agreement constitutes the entire agreement among the Parties with respect to the subject matter hereof and supersedes all prior agreements and understandings among the Parties with respect thereto.

#### 4.8 Notices

Any notice, direction or other communication given regarding the matters contemplated by this Agreement (each a “**Notice**”) must be in writing, sent by personal delivery, courier or electronic mail and addressed:

(a) if to the Purchaser at:

TerrAscend Corp.  
P.O. Box 43125  
Mississauga, ON L5C 1W2

Attention: General Counsel  
Email: [legal@terrascend.com](mailto:legal@terrascend.com)

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP  
Suite 3300 – 222 Bay Street  
P.O. Box 53  
Toronto, ON M5K 1E7

Attention: Andrea Brewer  
Email: [andrea.brewer@nortonrosefulbright.com](mailto:andrea.brewer@nortonrosefulbright.com)

(b) to the Shareholder, at the address set out at Schedule A hereto.

Any Notice is deemed to be given and received: (i) if sent by personal delivery, same day courier or email, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, or (ii) if sent by overnight courier, on the next Business Day. A Party may change its address for service from time to time by providing a Notice in accordance with the foregoing. Any subsequent Notice must be sent to the Party at its changed address. Any element of a Party’s address that is not specifically changed in a Notice will be assumed not to be changed. Sending a copy of a Notice to a Party’s legal counsel, as contemplated above, is for information purposes only and does not constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to a Party’s legal counsel does not invalidate delivery of that Notice to such Party.

#### 4.9 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

#### 4.10 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the Parties hereto and their respective heirs, administrators, executors, legal representatives, successors and permitted assigns, provided that no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Party hereto, provided that the Purchaser may assign all or part of its rights under this Agreement to, and its obligations under this Agreement may be assumed by, any of its affiliates, provided that if such assignment and/or assumption takes place, the Purchaser shall continue to be liable joint and severally with such affiliate for all of its obligations hereunder.

#### **4.11 Independent Legal Advice**

Each of the Parties hereby acknowledges that it has been afforded the opportunity to obtain independent legal advice and confirms by the execution and delivery of this Agreement that they have either done so or waived their right to do so in connection with the entering into of this Agreement.

Each of the Shareholder and the Purchaser will pay its own expenses (including the fees and disbursements of legal counsel and other advisers) incurred in connection with the negotiation, preparation and execution of this Agreement and the transactions contemplated by this Agreement.

#### **4.12 Further Assurances**

The Parties hereto will, with reasonable diligence, do all things and provide all such reasonable assurances as may be required to consummate the transactions contemplated by this Agreement, and each Party will provide such further documents or instruments required by the other Party as may be reasonably necessary or desirable to effect the purpose of this Agreement and carry out its provisions, whether before or after the Effective Time.

#### **4.13 Counterparts**

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

*[The remainder of this page has been intentionally left blank.]*

IN WITNESS OF WHICH the Parties have executed this Agreement as at the date first above written.

**TERRASCEND CORP.**

By: Keith Stauffer  
Name: Keith Stauffer  
Title: CFO

\_\_\_\_\_  
Name: Jason Wild

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IN WITNESS OF WHICH the Parties have executed this Agreement as at the date first above written.

**TERRASCEND CORP.**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

*Jason Wild*

Name: Jason Wild

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**Schedule A**

<b>Owner</b>	<b>Number of Company Subordinate Voting Shares</b>	<b>Number of Company Super Voting Shares</b>	<b>Number of Company Exchangeable Units</b>	<b>Number of Company RSUs</b>	<b>Number of Company Stock Options</b>	<b>Number of Company Warrants</b>
<b>Jason Wild</b>	<b>4,700,000</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
<b>Insight Wellness Fund, LLC</b>	<b>28,572</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>28,572</b>
<b>JW Growth Fund, LLC</b>	<b>114,286</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>114,286</b>
<b>JW Opportunities Fund, LLC</b>	<b>9,528,572</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>8,928,572</b>
<b>JW Opportunities Master Fund, Ltd.</b>	<b>3,898,029</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>2,571,429</b>
<b>JW Partners, LP</b>	<b>10,495,400</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6,000,000</b>
<b>JW Select Investment, LP</b>	<b>6,114,286</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>	<b>6,114,286</b>

Jason Wild \_\_\_\_\_

(Print name of Shareholder)

New York

\_\_\_\_\_  
(Place of Residence)

\_\_\_\_\_  
(Print name and title, as applicable)

Address: \_\_\_\_\_  
14 North Lake Rd  
Armonk, NY 10504  
\_\_\_\_\_

Telephone: 914 260 9948  
Email:     jwild@jwfunds.com    



**Schedule B**

<b>Percentage of Purchaser Shares to be locked up pursuant to this Agreement</b>	<b>Duration of lockup</b>
10%	Free trading on the date of completion of the Arrangement (the " <b>Closing Date</b> ").
15%	From the Closing Date until the date that is 90 days following the Closing Date.
75%	From the Closing Date until the date that is 180 days following the Closing Date.

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THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE 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 AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION AND THE CORPORATION'S TRANSFER AGENT TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR PERSON IN THE UNITED STATES AND THE UNDERLYING SHARES MAY NOT BE DELIVERED WITHIN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE, AND THE HOLDER HAS DELIVERED AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. "UNITED STATES" AND "U.S. PERSON" ARE USED HEREIN AS SUCH TERMS ARE DEFINED BY REGULATIONS UNDER THE U.S. SECURITIES ACT.

**WARRANTS TO PURCHASE  
SERIES C PREFERRED SHARES OF TERRASCEND CORP.**

Date: May 22, 2020

Warrant Certificate Number:

2020 - W - 003P

Number of Warrants:

7,000

THIS IS TO CERTIFY THAT for value received JW Partners, LP, 489 Fifth Avenue, 29<sup>th</sup> Floor, New York, NY 10017, United States of America (the "Warrantholder") has the right to purchase in respect of each whole warrant (individually, a "Warrant" and, collectively, the "Warrants") represented by this certificate or by a replacement certificate (in either case, this "Warrant Certificate"), at any time up to 5:00 p.m. (Toronto time), on May 22, 2023 (the "Expiry Time"), one fully paid and non-assessable Series C convertible preferred share (individually, a "Preferred Share" and, collectively, the "Preferred Shares" and which terms shall include any shares or other securities to be issued in addition thereto or in substitution or replacement therefor as provided herein) of TerrAscend Corp. (the "Corporation"), a corporation existing under the *Business Corporations Act (Ontario)*, as constituted on the date hereof at a purchase price (the purchase price in effect from time to time being called the "Exercise Price") of \$3,000 per Preferred Share, subject to adjustment as provided herein.



The Warrants are being issued to the Warranholder in connection with the issuance and sale by the Corporation of units (each a "Unit") consisting of one Preferred Share in the capital of the Corporation and one Warrant.

The Corporation agrees that the Preferred Shares purchased pursuant to the exercise of the Warrants shall be and be deemed to be issued to the Warranholder as of the close of business on the date on which this Warrant Certificate shall have been surrendered and payment or cashless exercise made for such Preferred Shares as aforesaid.

Nothing contained herein shall confer any right upon the Warranholder to subscribe for or purchase any Preferred Shares at any time after the Expiry Time and from and after the Expiry Time the Warrants and all rights under this Warrant Certificate shall be void and of no value.

The above provisions are subject to the following:

1. **EXERCISE**

(1) **DEFINITIONS: FOR THE PURPOSES OF THIS WARRANT CERTIFICATE, THE FOLLOWING TERMS SHALL HAVE THE MEANINGS SPECIFIED BELOW:**

**"CLOSING PRICE" MEANS, WITH RESPECT TO ANY DATE, THE CLOSING SALE PRICE PER COMMON SHARE (OR IF NO CLOSING SALE PRICE IS REPORTED, THE AVERAGE OF THE BID AND ASK PRICES OR, IF MORE THAN ONE IN EITHER CASE, THE AVERAGE OF THE AVERAGE BID AND THE AVERAGE ASK PRICES) ON THAT DATE AS REPORTED IN COMPOSITE TRANSACTIONS FOR THE CANADIAN NATIONAL STOCK EXCHANGE OR AUTOMATED INTER-DEALER QUOTATION SYSTEM UPON WHICH THE COMMON SHARES ARE LISTED OR QUOTED (OR, IF THE COMMON SHARES ARE NOT LISTED AND POSTED FOR TRADING ON A CANADIAN NATIONAL STOCK EXCHANGE OR AUTOMATED INTER-DEALER QUOTATION SYSTEM, SUCH OTHER OVER-THE-COUNTER MARKET ON WHICH THE COMMON SHARES MAY BE LISTED OR QUOTED). IF THE COMMON SHARES ARE NOT SO LISTED OR QUOTED, THE LAST REPORTED SALE PRICE WILL BE THE AVERAGE OF THE MID-POINT OF THE LAST BID AND ASK PRICES FOR THE COMMON SHARES ON THE RELEVANT DATE FROM EACH OF AT LEAST TWO RECOGNIZED INVESTMENT BANKING FIRMS SELECTED BY THE CORPORATION FOR THIS PURPOSE.**

**"COMMON SHARE" MEANS A COMMON SHARE IN THE CAPITAL OF THE CORPORATION.**

**"CONVERSION MULTIPLE" MEANS, AT ANY TIME, THE NUMBER OF PROPORTIONATE VOTING SHARES INTO WHICH ONE PREFERRED SHARE IS AT THAT TIME CONVERTIBLE MULTIPLIED BY THE PVS MULTIPLE AND SHALL INITIALLY BE 1,000.**

**"CURRENT MARKET PRICE" MEANS, WITH RESPECT TO THE EXERCISE OF ANY WARRANT, THE AVERAGE OF THE CLOSING PRICES (OR IF THE CLOSING PRICE ON ANY TRADING DAY IS QUOTED ONLY IN CANADIAN DOLLARS, THE USD EQUIVALENT AMOUNT THEREOF ON SUCH TRADING DAY) FOR EACH OF THE 10 CONSECUTIVE TRADING DAYS ENDING ON THE DAY IMMEDIATELY PRIOR TO THE DATE OF EXERCISE OF SUCH WARRANT.**

“PVS MULTIPLE” MEANS, AT ANY TIME, THE NUMBER OF COMMON SHARES INTO WHICH ONE PROPORTIONATE VOTING SHARE IN THE CAPITAL OF THE COMPANY (EACH A “PROPORTIONATE VOTING SHARE”) IS AT THAT TIME CONVERTIBLE.

“USD EQUIVALENT AMOUNT” MEANS ON ANY DATE WITH RESPECT TO THE SPECIFIED AMOUNT OF CANADIAN DOLLARS THE U.S. DOLLAR EQUIVALENT AMOUNT AFTER GIVING EFFECT TO THE CONVERSION OF CANADIAN DOLLARS TO U.S. DOLLARS AT THE BANK OF CANADA DAILY AVERAGE EXCHANGE RATE (AS QUOTED OR PUBLISHED FROM TIME TO TIME BY THE BANK OF CANADA) ON THAT DATE.

- (2) **EXERCISE:** IF THE WARRANTHOLDER DESIRES TO EXERCISE THE RIGHT TO PURCHASE PREFERRED SHARES CONFERRED HEREBY, THE WARRANTHOLDER SHALL (A) COMPLETE, TO THE EXTENT POSSIBLE IN THE MANNER INDICATED, AND EXECUTE A SUBSCRIPTION FORM IN THE FORM ATTACHED AS SCHEDULE “A” TO THIS WARRANT CERTIFICATE, (B) SURRENDER THIS WARRANT CERTIFICATE TO THE CORPORATION IN ACCORDANCE WITH SECTION 13 OF THIS WARRANT CERTIFICATE, AND (C) UNLESS ELECTING CASHLESS EXERCISE (AS DEFINED BELOW), PAY THE AMOUNT PAYABLE UPON THE EXERCISE OF SUCH WARRANTS IN RESPECT OF THE PREFERRED SHARES SUBSCRIBED FOR BY CERTIFIED CHEQUE, BANK DRAFT OR MONEY ORDER IN LAWFUL MONEY OF THE UNITED STATES PAYABLE TO THE CORPORATION OR BY TRANSMITTING SAME DAY FUNDS IN LAWFUL MONEY OF THE UNITED STATES BY WIRE TO SUCH ACCOUNT AS THE CORPORATION SHALL DIRECT THE WARRANTHOLDER. UPON SUCH SURRENDER AND PAYMENT, THE WARRANTHOLDER SHALL BE DEEMED FOR ALL PURPOSES TO BE THE HOLDER OF RECORD OF THE NUMBER OF PREFERRED SHARES TO BE SO ISSUED AND THE WARRANTHOLDER SHALL BE ENTITLED TO DELIVERY OF A CERTIFICATE OR CERTIFICATES REPRESENTING SUCH PREFERRED SHARES AND, IF REQUESTED BY THE WARRANTHOLDER THE CORPORATION SHALL CAUSE SUCH CERTIFICATE OR CERTIFICATES TO BE DELIVERED TO THE WARRANTHOLDER AT THE ADDRESS SPECIFIED IN THE SUBSCRIPTION FORM WITHIN THREE BUSINESS DAYS AFTER SUCH SURRENDER AND PAYMENT AS AFORESAID.
- (3) **CASHLESS EXERCISE:** THE WARRANTHOLDER SHALL BE ENTITLED TO ELECT A “CASHLESS EXERCISE” ON THE FORM ATTACHED AS SCHEDULE “A” AND SURRENDER ITS WARRANTS TO THE CORPORATION IN EXCHANGE FOR THE ISSUANCE OF THE NUMBER OF PREFERRED SHARES EQUAL TO THE QUOTIENT (IF GREATER THAN ZERO) OBTAINED BY DIVIDING [(A-B) (X)] BY (A), WHERE: (A) EQUALS THE CONVERSION MULTIPLE MULTIPLIED BY THE CURRENT MARKET PRICE ON THE TRADING DAY IMMEDIATELY PRECEDING THE DATE OF EXERCISE OF SUCH WARRANT; (B) EQUALS THE EXERCISE PRICE PER PREFERRED SHARE OF SUCH WARRANT, AS ADJUSTED; AND (X) EQUALS THE NUMBER OF PREFERRED SHARES THAT WOULD OTHERWISE BE ISSUABLE UPON EXERCISE OF SUCH WARRANT IN ACCORDANCE WITH ITS TERMS OTHER THAN PURSUANT TO A CASHLESS EXERCISE. UPON SUCH SURRENDER, THE WARRANTHOLDER SHALL BE DEEMED FOR ALL PURPOSES TO BE THE HOLDER OF RECORD OF THE NUMBER OF PREFERRED SHARES TO BE SO ISSUED AND THE WARRANTHOLDER SHALL BE ENTITLED TO DELIVERY OF A CERTIFICATE OR CERTIFICATES REPRESENTING SUCH PREFERRED SHARES AND THE CORPORATION, IF REQUESTED BY THE WARRANTHOLDER SHALL CAUSE SUCH CERTIFICATE OR CERTIFICATES TO BE DELIVERED TO THE WARRANTHOLDER AT THE ADDRESS SPECIFIED IN THE SUBSCRIPTION FORM WITHIN THREE BUSINESS DAYS AFTER SUCH SURRENDER AND PAYMENT AS AFORESAID.

THE ISSUE PRICE FOR EACH PREFERRED SHARE TO BE ISSUED PURSUANT TO THE CASHLESS EXERCISE OF A WARRANT WILL BE EQUAL TO (B), AS DEFINED ABOVE, AND THE TOTAL ISSUE PRICE FOR THE AGGREGATE NUMBER OF PREFERRED SHARES ISSUED PURSUANT TO THE CASHLESS EXERCISE OF A WARRANT WILL BE PAID AND SATISFIED IN FULL BY THE SURRENDER TO THE CORPORATION OF SUCH WARRANT.

- (4) **FRACTIONAL SHARES.** ANY FRACTIONAL PREFERRED SHARES ISSUABLE UPON ANY EXERCISE OF THE WARRANTS WILL BE ROUNDED DOWN TO THE NEAREST 1/1000TH OF A PREFERRED SHARE AND THE WARRANTHOLDER WILL NOT BE ENTITLED TO ANY CASH PAYMENT OR COMPENSATION IN LIEU OF ANY FRACTION OF A PREFERRED SHARE THAT IS ROUNDED DOWN.

2. **U.S. RESTRICTIONS:**

- (1) **U.S. Registration Restrictions:** Neither the Warrants represented by this Warrant Certificate nor the Preferred Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), nor under the securities laws of any state of the United States. The Warrants represented by this Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:
- (a) *(i) is not, and is not exercising the Warrant for the account or benefit of, a U.S. Person or a person in the United States;*  
*(ii) did not execute or deliver the exercise form on behalf of an entity located in the United States;*  
*(iii) delivery of the Preferred Shares will not be to an address in the United States; and*  
*(iv) has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or*
  - (b) *is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are "accredited investors" that satisfy one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, it delivered a United States Accredited Investor Certificate to the Corporation in connection with the subscription for the Units pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or*

- (c) *is the original subscriber of the Warrants and is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a “qualified institutional buyer” (as defined in Rule 144A under the U.S. Securities Act) that is also an “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, and all the representations, warranties and covenants agreed upon or made by the Warrantholder, or any beneficial purchaser, as the case may be, during the purchase of the Warrants from the Corporation continue to be true and correct as of the date of exercise; or*
- (d) *is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Preferred Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.*

As used herein, the terms “United States” and “U.S. Person” have the meaning assigned to them in Regulation S under the U.S. Securities Act.

- (2) **Restrictive Legends:** All certificates representing Preferred Shares (and all the certificates representing the underlying securities in the capital of the Corporation issuable upon conversion of the Preferred Shares) issued to persons who exercise the Warrants pursuant to subsections (1)(b) or (1)(d) above on the exercise of the rights represented by this Warrant Certificate will, unless such Preferred Shares (and the underlying securities in the capital of the Corporation issuable upon conversion of the Preferred Shares) are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, bear the following legend:

“THE SECURITIES REPRESENTED HEREBY [*for Preferred Shares, add: AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF*] HAVE NOT BEEN AND WILL NOT BE 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 [*for Preferred Shares, add: AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF*] MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(i) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION AND THE CORPORATION’S TRANSFER AGENT TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

*provided, that* if the Preferred Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such form as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

*provided further, that* if any of the Preferred Shares (or the underlying securities in the capital of the Corporation issuable upon conversion of the Preferred Shares) are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

3. **PARTIAL EXERCISE:** THE WARRANTHOLDER MAY FROM TIME TO TIME SUBSCRIBE FOR AND PURCHASE ANY LESSER NUMBER OF PREFERRED SHARES THAN THE NUMBER OF PREFERRED SHARES EXPRESSED IN THIS WARRANT CERTIFICATE. IN THE EVENT THAT THE WARRANTHOLDER SUBSCRIBES FOR AND PURCHASES ANY SUCH LESSER NUMBER OF PREFERRED SHARES PRIOR TO THE EXPIRY TIME, THE WARRANTHOLDER SHALL BE ENTITLED TO RECEIVE A REPLACEMENT CERTIFICATE REPRESENTING THE UNEXERCISED BALANCE OF THE WARRANTS.
4. **NOT A SHAREHOLDER:** THE HOLDING OF THE WARRANTS SHALL NOT CONSTITUTE THE WARRANTHOLDER A SHAREHOLDER OF THE CORPORATION NOR ENTITLE THE WARRANTHOLDER TO ANY RIGHT OR INTEREST IN RESPECT THEREOF EXCEPT AS EXPRESSLY PROVIDED IN THIS WARRANT CERTIFICATE.
5. **COVENANTS, REPRESENTATIONS AND WARRANTIES:**
  - (1) **The Corporation hereby represents and warrants that:**
    - (a) *The Corporation is duly authorized and has the corporate and lawful authority to create and issue the Warrants and the Preferred Shares issuable upon the exercise hereof and perform its obligations hereunder.*
    - (b) *All Preferred Shares which are issued upon the exercise of the right of purchase provided in this Warrant Certificate, upon payment therefor of the Exercise Price at which such Preferred Shares may be purchased pursuant to the provisions of this Warrant Certificate, or upon cashless exercise in accordance with the terms of this Warrant Certificate, shall be deemed to be fully paid and non-assessable shares and free from all taxes, liens and charges with respect to the issue thereof.*

(c) *This Warrant Certificate is a valid and enforceable obligation of the Corporation, enforceable in accordance with the provisions of this Warrant Certificate.*

(2) **The Corporation hereby covenants and agrees that:**

(a) *So long as any Preferred Shares evidenced hereby remain outstanding, the Corporation will cause the Preferred Shares from time to time subscribed for and purchased in the manner provided in this Warrant Certificate and the certificate or certificates representing such Preferred Shares to be issued and that, at all times prior to the Expiry Time, it has authorized and will reserve and there will remain unissued a sufficient number of Preferred Shares to satisfy the right of purchase provided for in this Warrant Certificate and sufficient number of Proportionate Voting Shares to satisfy the conversion of the Preferred Shares issuable upon exercise of this Warrant.*

(b) *The Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.*

(c) *If, in the opinion of counsel for the Corporation, any prospectus or other filing is required to be filed with or any permission is required to be obtained from any securities regulatory body or any other step is required under any federal or provincial law before any Preferred Shares which the Warrantholder is entitled to purchase pursuant to the Warrant may properly and legally be issued upon exercise thereof, the Corporation covenants that it will use commercially reasonable efforts to take such action.*

6. **ANTI-DILUTION PROTECTION:**

(1) **Definitions:** For the purposes of this section 6 “Adjustment Period” means the period commencing on the date of issue of the Warrants and ending at the Expiry Time.

(2) **Adjustments:**

(a) **The Exercise Price and the number of Preferred Shares issuable to the Warrantholder pursuant to this Warrant Certificate shall be subject to adjustment from time to time in the events and in the manner provided as follows if, at any time during the Adjustment Period, the Corporation shall:**

(i) *make a distribution to, the holders of all or substantially all of the outstanding Preferred Shares payable in Preferred Shares;*

(ii) *subdivide, re-divide or otherwise change the outstanding Preferred Shares into a greater number of Preferred Shares; or*

(iii) *reduce, combine or consolidate the outstanding Preferred Shares into a lesser number of Preferred Shares,*

(any of such events in subclauses 6(2)(a)(i), 6(2)(a)(ii) and 6(2)(a)(iii) above being herein called a **“Preferred Share Reorganization”**), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Preferred Shares are determined for the purposes of the Preferred Share Reorganization and the effective date of the Preferred Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

- A. the numerator of which shall be the number of Preferred Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Preferred Share Reorganization; and
- B. the denominator of which shall be the number of Preferred Shares which will be outstanding immediately after giving effect to such Preferred Share Reorganization,

and the number of Preferred Shares issuable to the Warrantholder pursuant to this Warrant Certificate shall be adjusted in inverse proportion to the Exercise Price.

(b) ***If, at any time during the Adjustment Period, there shall occur:***

- (i) *a consolidation, amalgamation, arrangement or merger of the Corporation with or into another body corporate which results in a reclassification or redesignation of the Common Shares or a change of the Common Shares into other shares or securities; or*
- (ii) *the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity;*

(any of such events being called a **“Capital Reorganization”**), after the effective date of the Capital Reorganization, the Warrants shall remain outstanding and the Warrantholder shall be entitled to receive, upon exercising any of the Warrants after the effective date of such Capital Reorganization, in lieu of the number of Preferred Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder had been the registered holder of the number of Common Shares which the Warrantholder would theretofore have been entitled to purchase or receive upon conversion of the Preferred Shares deliverable upon the exercise of the Warrants and the conversion of the Preferred Shares into Proportionate Voting Shares followed by the conversion of such Proportionate Voting Shares into Common Shares. If necessary, as a result of any such Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interests thereafter of the Warrantholder to the end that the provisions of this Section 6 shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of the Warrants and the Corporation or any successor corporation or entity shall be entitled to deliver a replacement certificate representing the rights and interests of the Warrantholder as a result of such Capital Reorganization.

- (3) **Rules:** The following rules and procedures shall be applicable to adjustments made pursuant to subsection 6(2) of this Warrant Certificate:
- (a) *If any event of the type contemplated by the provisions of this Section 6 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the board of directors of the Corporation shall promptly make an appropriate adjustment in the Exercise Price and the number of Preferred Shares issuable upon exercise of this Warrant so as to protect the rights of the Warrantholder in a manner consistent with the provisions of this Section 6.*
  - (b) *Subject to the following clauses of this subsection 6(3), any adjustment made pursuant to subsection 6(2) hereof shall be made successively whenever an event referred to therein shall occur, and will, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 6.*
  - (c) *No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 6 hereof if the Warrantholder is entitled to participate in such event on the same terms mutatis mutandis as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event.*
  - (d) *No adjustment in the Exercise Price or in the number of Preferred Shares purchasable upon the exercise of the Warrants shall be made pursuant to subsection 6(2) hereof in respect of the issue from time to time of Preferred Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Corporation and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Preferred Share Reorganization or any other event described in subsection 6(2) hereof.*
  - (e) *If the Corporation shall set a record date to determine holders of Preferred Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Preferred Shares purchasable upon the exercise of the Warrants shall be required by reason of the setting of such record date.*



- (f) *If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Preferred Shares purchasable upon the exercise of the Warrants, such disputes shall be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by the directors of the Corporation and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to subsection 6(2) hereof and shall be binding upon the Corporation and the Warrantholder.*
  - (g) *As a condition precedent to the taking of any action which would require an adjustment pursuant to subsection 6(2) hereof, including the Exercise Price and the number or class of Preferred Shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of counsel to the Corporation, be necessary in order that the Corporation may validly and legally issue as fully paid and non-assessable shares all of the Preferred Shares or other securities which the Warrantholder is entitled to receive in accordance with the provisions of this Warrant Certificate*
  - (h) *As promptly as reasonably practicable following any adjustment of the Exercise Price, the Corporation shall furnish to the Warrantholder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.*
- (4) *Notice: At least 21 days prior to the earlier of the record date or effective date of any event which requires or might require an adjustment in any of the rights of the Warrantholder under this Warrant Certificate, including the Exercise Price or the number of Preferred Shares which may be purchased under this Warrant Certificate, the Corporation shall deliver to the Warrantholder a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this subsection 6(4) has been given is not then determinable, the Corporation shall promptly after such adjustment is determinable deliver to the Warrantholder a certificate providing the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and share transfer books for the Preferred Shares will be open, and that the Corporation will not take any action which might deprive the Warrantholder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such 21 day period.*

7. CONSOLIDATION AND AMALGAMATION.

- (1) In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation and/or its securities exchanged for the securities of another corporation (herein called a "successor corporation") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation and forthwith following the occurrence of such event, the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation or a subsidiary of the Corporation), shall expressly assume, by supplemental certificate satisfactory in form to the Warrantholder, acting reasonably, and executed and delivered to the Warrantholder, the due and punctual performance and observance of this Warrant Certificate to be performed and observed by the Corporation and these securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Warrantholder, as against the successor corporation, to all the rights of the Warrantholder under this Warrant Certificate.
- (2) Whenever the conditions of Section 7(1) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Warrant Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.
- (3) The Corporation shall provide 21 days' notice to the Warrantholder of any transaction that would result in an assumption of the performance and observance of this Warrant Certificate pursuant to Section 7(1).

8. NO OBLIGATION TO PURCHASE. NOTHING HEREIN CONTAINED OR DONE PURSUANT HERETO SHALL OBLIGATE THE WARRANTHOLDER TO PURCHASE OR PAY FOR OR THE CORPORATION TO ISSUE ANY PREFERRED SHARES EXCEPT THOSE PREFERRED SHARES IN RESPECT OF WHICH THE WARRANTHOLDER SHALL HAVE EXERCISED ITS RIGHT TO PURCHASE IN THE MANNER PROVIDED HEREUNDER.

9. CHANGE; WAIVER. SUBJECT TO THE APPROVAL OF THE CANADIAN SECURITIES EXCHANGE (OR SUCH OTHER STOCK EXCHANGE ON WHICH THE COMMON SHARES ARE LISTED OR POSTED FOR TRADING), THE PROVISIONS OF THESE WARRANTS MAY FROM TIME TO TIME BE AMENDED, MODIFIED OR WAIVED, IF SUCH AMENDMENT, MODIFICATION OR WAIVER IS IN WRITING AND CONSENTED TO IN WRITING BY THE CORPORATION AND THE WARRANTHOLDER.

10. FURTHER ASSURANCES: THE CORPORATION HEREBY COVENANTS AND AGREES THAT IT WILL DO, EXECUTE, ACKNOWLEDGE AND DELIVER, OR CAUSE TO BE DONE, EXECUTED, ACKNOWLEDGED AND DELIVERED, ALL AND EVERY SUCH OTHER ACT, DEED AND ASSURANCE AS THE WARRANTHOLDER SHALL REASONABLY REQUIRE FOR THE BETTER ACCOMPLISHING AND EFFECTUATING OF THE INTENTIONS AND PROVISIONS OF THIS WARRANT CERTIFICATE.

11. **TIME OF ESSENCE:** TIME SHALL BE OF THE ESSENCE OF THIS WARRANT CERTIFICATE.
12. **GOVERNING LAWS:** THIS WARRANT CERTIFICATE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.
13. **NOTICES:** ALL NOTICES OR OTHER COMMUNICATIONS TO BE GIVEN UNDER THIS WARRANT CERTIFICATE SHALL BE DELIVERED BY HAND, COURIER, ORDINARY PREPAID MAIL, FACSIMILE OR BY ELECTRONIC TRANSMISSION AND, IF DELIVERED BY HAND, SHALL BE DEEMED TO HAVE BEEN GIVEN ON THE DELIVERY DATE, IF DELIVERED BY ORDINARY PREPAID MAIL SHALL BE DEEMED TO HAVE BEEN GIVEN ON THE FIFTH DAY FOLLOWING THE DELIVERY DATE AND, IF SENT BY FACSIMILE OR ELECTRONIC TRANSMISSION, ON THE DATE OF TRANSMISSION IF SENT BEFORE 5:00 P.M., TORONTO TIME, ON A BUSINESS DAY OR, IF SENT AFTER 5:00 P.M., TORONTO TIME, OR SUCH DAY IS NOT A BUSINESS DAY, ON THE FIRST BUSINESS DAY FOLLOWING THE DATE OF TRANSMISSION.

Notices to the Corporation shall be addressed to:

TerrAscend Corp.  
3610 Mavis Road  
Mississauga, Ontario, Canada  
L5C 1W2

Attention: Brian Feldman, General Counsel  
Email: [legal@terrascend.com](mailto:legal@terrascend.com)

with a copy (which shall not constitute notice) to:

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario, M5X 1A4

Attention: Aaron Sonshine, Partner  
Facsimile: 416-863-1716  
Email: [sonshinea@bennettjones.com](mailto:sonshinea@bennettjones.com)

Notices to the Warranholder shall be addressed to the address of the Warranholder set out on the face page of this Warrant Certificate.

The Corporation and the Warranholder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant Certificate.

14. **LOST CERTIFICATE:** IF THIS WARRANT CERTIFICATE OR ANY REPLACEMENT HEREOF BECOMES STOLEN, LOST, MUTILATED OR DESTROYED, THE CORPORATION SHALL, ON SUCH TERMS AS IT MAY IN ITS DISCRETION IMPOSE, ACTING REASONABLY, ISSUE AND DELIVER A NEW CERTIFICATE, IN FORM IDENTICAL HERETO BUT WITH APPROPRIATE CHANGES, REPRESENTING ANY UNEXERCISED PORTION OF THE SUBSCRIPTION RIGHTS REPRESENTED HEREBY TO REPLACE THE CERTIFICATE SO STOLEN, LOST, MUTILATED OR DESTROYED.

15. **LANGUAGE:** THE PARTIES HERETO ACKNOWLEDGE AND CONFIRM THAT THEY HAVE REQUESTED THAT THIS WARRANT CERTIFICATE AS WELL AS ALL NOTICES AND OTHER DOCUMENTS CONTEMPLATED HEREBY BE DRAWN UP IN THE ENGLISH LANGUAGE. *LES PARTIES AUX PRÉSENTES RECONNAISSENT ET CONFIRMENT QU'ELLES ONT EXIGÉ QUE LA PRÉSENTE CONVENTION AINSI QUE TOUS LES AVIS ET DOCUMENTS QUI S'Y RATTACHENT SOIENT RÉDIGÉS EN LANGUE ANGLAISE.*
16. **TRANSFER:** THE WARRANTS ARE TRANSFERABLE AND THE TERM "WARRANTHOLDER" SHALL MEAN AND INCLUDE ANY SUCCESSOR, TRANSFEREE OR ASSIGNEE OF THE CURRENT OR ANY FUTURE WARRANTHOLDER. THE WARRANTS MAY BE TRANSFERRED BY THE WARRANTHOLDER COMPLETING AND DELIVERING TO THE CORPORATION THE TRANSFER FORM ATTACHED HERETO AS SCHEDULE "B" AND SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS INCLUDING THE APPLICABLE SECURITIES LEGISLATION.
17. **SUCCESSORS AND ASSIGNS:** THIS WARRANT CERTIFICATE SHALL ENURE TO THE BENEFIT OF THE WARRANTHOLDER AND THE SUCCESSORS AND ASSIGNEES THEREOF AND SHALL BE BINDING UPON THE CORPORATION AND THE SUCCESSORS THEREOF.
18. **UNITED STATES DOLLARS:** UNLESS OTHERWISE SPECIFIED, ALL REFERENCES HEREIN TO MONETARY AMOUNTS ARE REFERENCES TO LAWFUL MONEY OF THE UNITED STATES.

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IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer as of the 22nd day of May, 2020.

**TERRASCEND CORP.**

By: Keith Stauffer  
Authorized Officer

*[Signature page - Warrant Certificate - US]*

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**SCHEDULE "A"**

**TO: TERRASCEND CORP.**

**SUBSCRIPTION FORM**

The undersigned hereby subscribes for \_\_\_\_\_ convertible preferred shares ("**Preferred Shares**") of TerrAscend Corp. (the "**Corporation**") (or such other number of Preferred Shares or other securities to which such subscription entitles the undersigned in lieu thereof or in addition thereto pursuant to the provisions of the warrant certificate (the "**Warrant Certificate**") dated May 22, 2020 issued by the Corporation) at the purchase price of \$3,000 per Preferred Share (or at such other purchase price as may be in effect under the provisions of the Warrant Certificate) and on and subject to the other terms and conditions specified in the Warrant Certificate and hereunder.

The undersigned (check one):

- encloses herewith a certified cheque, bank draft or money order in lawful money of Canada payable to the Corporation or has transmitted same day funds by wire to such account as the Corporation directed the undersigned in payment of the subscription price; OR
- elects cashless exercise.

The undersigned hereby represents and warrants to the Corporation that the undersigned (check one):

- 1. at the time of exercise of these warrants (i) is not in the United States; (ii) is not a U.S. Person as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"); (iii) is not exercising these warrants on behalf of, or for the account of, a U.S. Person or a person in the United States; (iv) did not acquire these warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not execute or deliver this exercise form in the United States; (vi) is not requesting delivery in the United States of the Preferred Shares issuable upon such exercise; and (vii) represents and warrants that the exercise of these warrants and acquisition of the Preferred Shares occurred in an "offshore transaction" (as defined in Regulation S under the U.S. Securities Act); OR
  - 2. is
    - (A) (i) present in the United States, (ii) a U.S. Person, (iii) a person exercising these warrants for the account or benefit of a U.S. Person or a person in the United States, or (iv) requesting delivery in the United States of the Preferred Shares issuable upon such exercise; and
    - (B) the undersigned has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of these warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect; OR
-

- 3. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, an “accredited investor” within the meaning of Rule 501(a) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof; OR
- 4. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment direction; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, a “qualified institutional buyer” (as that term is used in Rule 144A of the U.S. Securities Act) and is also an “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned, or any beneficial purchaser, as the case may be during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

“United States” and “U.S. Person” are as defined in Regulation S under the U.S. Securities Act.

The undersigned holder understands that unless Box 1 or 4 above is checked, the certificate representing the Preferred Shares issued upon exercise of the warrants represented by this Warrant Certificate will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box 2 above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation.

If Box 2 or Box 3 is checked, any certificate representing the Preferred Shares issuable upon exercise of these warrants will bear an applicable United States restrictive legend

The undersigned hereby directs that the Preferred Shares subscribed for be registered and delivered as follows:

<u>Name in Full</u>	<u>Address</u>	<u>Number of Preferred Shares</u>
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DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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By: \_\_\_\_\_

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**SCHEDULE "B"**

**FORM OF TRANSFER**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (include name and address of the transferee) Warrants exercisable for convertible preferred shares of TerrAscend Corp. (the "**Corporation**") registered in the name of the undersigned on the register of the Corporation maintained therefor, and hereby irrevocably appoints \_\_\_\_\_ the attorney of the undersigned to transfer the said securities on the books maintained by the Corporation with full power of substitution.

In the case of a Warrant Certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

- (A) the transfer is being made to the Corporation; OR
- (B) the transfer is being made outside the United States in accordance with Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in compliance with any applicable local securities laws and regulations and the Warrantholder has provided herewith a declaration for removal of U.S. Legend in such form as the Corporation or its transfer agent may prescribe from time to time; OR
- (C) the transfer is being made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144 or (ii) Rule 144A thereunder, and in either case in accordance with applicable state securities laws; OR
- (D) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities law.

In the case of a transfer in accordance with (C)(i) or (D) above, the Corporation and its transfer agent shall first have received an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to such effect. "United States" and "U.S. Person" are used herein as such terms are defined by Regulation S under the U.S. Securities Act.

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DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

Signature of Transferor guaranteed by:

\_\_\_\_\_  
Name of Bank or Trust Company:

\_\_\_\_\_  
Signature of Transferor

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Address of Transferor

Instructions:

19. **THE NAME OF THE TRANSFEROR MUST CORRESPOND WITH THE NAME WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR WITHOUT ANY CHANGES WHATSOEVER.**
  20. **THE SIGNATURE OF THE TRANSFEROR ON THE TRANSFER FORM MUST BE GUARANTEED BY AN AUTHORIZED OFFICER OF A CHARTERED BANK, TRUST COMPANY OR AN INVESTMENT DEALER WHO IS A MEMBER OF A RECOGNIZED STOCK EXCHANGE, AND THE WARRANTHOLDER MUST PAY ANY APPLICABLE TRANSFER TAXES OR FEES.**
  21. **IF THE TRANSFER FORM IS SIGNED BY A TRUSTEE, EXECUTOR, ADMINISTRATOR, CURATOR, GUARDIAN, ATTORNEY, OFFICER OF A CORPORATION OR ANY PERSON ACTING IN A JUDICIARY OR REPRESENTATIVE CAPACITY, THE WARRANT CERTIFICATE MUST BE ACCOMPANIED BY EVIDENCE OF AUTHORITY TO SIGN SATISFACTORY TO THE CORPORATION.**
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THE SECURITIES REPRESENTED HEREBY AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF HAVE NOT BEEN AND WILL NOT BE 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 AND THE SECURITIES ISSUABLE UPON EXERCISE HEREOF MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION AND THE CORPORATION'S TRANSFER AGENT TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR FOR THE ACCOUNT OR BENEFIT OF A U.S. PERSON OR PERSON IN THE UNITED STATES AND THE UNDERLYING SHARES MAY NOT BE DELIVERED WITHIN THE UNITED STATES UNLESS THE WARRANT AND THE UNDERLYING SHARES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE, AND THE HOLDER HAS DELIVERED AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. "UNITED STATES" AND "U.S. PERSON" ARE USED HEREIN AS SUCH TERMS ARE DEFINED BY REGULATION S UNDER THE U.S. SECURITIES ACT.

**WARRANTS TO PURCHASE  
SERIES C PREFERRED SHARES OF TERRASCEND CORP.**

Date: May 22, 2020

Warrant Certificate Number:

2020 – W – 004P

Number of Warrants:

3,000

THIS IS TO CERTIFY THAT for value received JW Opportunities Master Fund, Ltd, Elgin Court, Elgin Avenue, George Town, Grand Cayman, KY1-1106, Cayman Island (the "Warrantholder") has the right to purchase in respect of each whole warrant (individually, a "Warrant" and, collectively, the "Warrants") represented by this certificate or by a replacement certificate (in either case, this "Warrant Certificate"), at any time up to 5:00 p.m. (Toronto time), on May 22, 2023 (the "Expiry Time"), one fully paid and non-assessable Series C convertible preferred share (individually, a "Preferred Share" and, collectively, the "Preferred Shares" and which terms shall include any shares or other securities to be issued in addition thereto or in substitution or replacement therefor as provided herein) of TerrAscend Corp. (the "Corporation"), a corporation existing under the *Business Corporations Act (Ontario)*, as constituted on the date hereof at a purchase price (the purchase price in effect from time to time being called the "Exercise Price") of \$3,000 per Preferred Share, subject to adjustment as provided herein.

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The Warrants are being issued to the Warranholder in connection with the issuance and sale by the Corporation of units (each a "Unit") consisting of one Preferred Share in the capital of the Corporation and one Warrant.

The Corporation agrees that the Preferred Shares purchased pursuant to the exercise of the Warrants shall be and be deemed to be issued to the Warranholder as of the close of business on the date on which this Warrant Certificate shall have been surrendered and payment or cashless exercise made for such Preferred Shares as aforesaid.

Nothing contained herein shall confer any right upon the Warranholder to subscribe for or purchase any Preferred Shares at any time after the Expiry Time and from and after the Expiry Time the Warrants and all rights under this Warrant Certificate shall be void and of no value.

The above provisions are subject to the following:

1. **EXERCISE**

(1) **DEFINITIONS: FOR THE PURPOSES OF THIS WARRANT CERTIFICATE, THE FOLLOWING TERMS SHALL HAVE THE MEANINGS SPECIFIED BELOW:**

**"CLOSING PRICE" MEANS, WITH RESPECT TO ANY DATE, THE CLOSING SALE PRICE PER COMMON SHARE (OR IF NO CLOSING SALE PRICE IS REPORTED, THE AVERAGE OF THE BID AND ASK PRICES OR, IF MORE THAN ONE IN EITHER CASE, THE AVERAGE OF THE AVERAGE BID AND THE AVERAGE ASK PRICES) ON THAT DATE AS REPORTED IN COMPOSITE TRANSACTIONS FOR THE CANADIAN NATIONAL STOCK EXCHANGE OR AUTOMATED INTER-DEALER QUOTATION SYSTEM UPON WHICH THE COMMON SHARES ARE LISTED OR QUOTED (OR, IF THE COMMON SHARES ARE NOT LISTED AND POSTED FOR TRADING ON A CANADIAN NATIONAL STOCK EXCHANGE OR AUTOMATED INTER-DEALER QUOTATION SYSTEM, SUCH OTHER OVER-THE-COUNTER MARKET ON WHICH THE COMMON SHARES MAY BE LISTED OR QUOTED). IF THE COMMON SHARES ARE NOT SO LISTED OR QUOTED, THE LAST REPORTED SALE PRICE WILL BE THE AVERAGE OF THE MID-POINT OF THE LAST BID AND ASK PRICES FOR THE COMMON SHARES ON THE RELEVANT DATE FROM EACH OF AT LEAST TWO RECOGNIZED INVESTMENT BANKING FIRMS SELECTED BY THE CORPORATION FOR THIS PURPOSE.**

**"COMMON SHARE" MEANS A COMMON SHARE IN THE CAPITAL OF THE CORPORATION.**

**"CONVERSION MULTIPLE" MEANS, AT ANY TIME, THE NUMBER OF PROPORTIONATE VOTING SHARES INTO WHICH ONE PREFERRED SHARE IS AT THAT TIME CONVERTIBLE MULTIPLIED BY THE PVS MULTIPLE AND SHALL INITIALLY BE 1,000.**

**"CURRENT MARKET PRICE" MEANS, WITH RESPECT TO THE EXERCISE OF ANY WARRANT, THE AVERAGE OF THE CLOSING PRICES (OR IF THE CLOSING PRICE ON ANY TRADING DAY IS QUOTED ONLY IN CANADIAN DOLLARS, THE USD EQUIVALENT AMOUNT THEREOF ON SUCH TRADING DAY) FOR EACH OF THE 10 CONSECUTIVE TRADING DAYS ENDING ON THE DAY IMMEDIATELY PRIOR TO THE DATE OF EXERCISE OF SUCH WARRANT.**

“PVS MULTIPLE” MEANS, AT ANY TIME, THE NUMBER OF COMMON SHARES INTO WHICH ONE PROPORTIONATE VOTING SHARE IN THE CAPITAL OF THE COMPANY (EACH A “PROPORTIONATE VOTING SHARE”) IS AT THAT TIME CONVERTIBLE.

“USD EQUIVALENT AMOUNT” MEANS ON ANY DATE WITH RESPECT TO THE SPECIFIED AMOUNT OF CANADIAN DOLLARS THE U.S. DOLLAR EQUIVALENT AMOUNT AFTER GIVING EFFECT TO THE CONVERSION OF CANADIAN DOLLARS TO U.S. DOLLARS AT THE BANK OF CANADA DAILY AVERAGE EXCHANGE RATE (AS QUOTED OR PUBLISHED FROM TIME TO TIME BY THE BANK OF CANADA) ON THAT DATE.

- (2) **EXERCISE:** IF THE WARRANTHOLDER DESIRES TO EXERCISE THE RIGHT TO PURCHASE PREFERRED SHARES CONFERRED HEREBY, THE WARRANTHOLDER SHALL (A) COMPLETE, TO THE EXTENT POSSIBLE IN THE MANNER INDICATED, AND EXECUTE A SUBSCRIPTION FORM IN THE FORM ATTACHED AS SCHEDULE “A” TO THIS WARRANT CERTIFICATE, (B) SURRENDER THIS WARRANT CERTIFICATE TO THE CORPORATION IN ACCORDANCE WITH SECTION 13 OF THIS WARRANT CERTIFICATE, AND (C) UNLESS ELECTING CASHLESS EXERCISE (AS DEFINED BELOW), PAY THE AMOUNT PAYABLE UPON THE EXERCISE OF SUCH WARRANTS IN RESPECT OF THE PREFERRED SHARES SUBSCRIBED FOR BY CERTIFIED CHEQUE, BANK DRAFT OR MONEY ORDER IN LAWFUL MONEY OF THE UNITED STATES PAYABLE TO THE CORPORATION OR BY TRANSMITTING SAME DAY FUNDS IN LAWFUL MONEY OF THE UNITED STATES BY WIRE TO SUCH ACCOUNT AS THE CORPORATION SHALL DIRECT THE WARRANTHOLDER. UPON SUCH SURRENDER AND PAYMENT, THE WARRANTHOLDER SHALL BE DEEMED FOR ALL PURPOSES TO BE THE HOLDER OF RECORD OF THE NUMBER OF PREFERRED SHARES TO BE SO ISSUED AND THE WARRANTHOLDER SHALL BE ENTITLED TO DELIVERY OF A CERTIFICATE OR CERTIFICATES REPRESENTING SUCH PREFERRED SHARES AND, IF REQUESTED BY THE WARRANTHOLDER THE CORPORATION SHALL CAUSE SUCH CERTIFICATE OR CERTIFICATES TO BE DELIVERED TO THE WARRANTHOLDER AT THE ADDRESS SPECIFIED IN THE SUBSCRIPTION FORM WITHIN THREE BUSINESS DAYS AFTER SUCH SURRENDER AND PAYMENT AS AFORESAID.
- (3) **CASHLESS EXERCISE:** THE WARRANTHOLDER SHALL BE ENTITLED TO ELECT A “CASHLESS EXERCISE” ON THE FORM ATTACHED AS SCHEDULE “A” AND SURRENDER ITS WARRANTS TO THE CORPORATION IN EXCHANGE FOR THE ISSUANCE OF THE NUMBER OF PREFERRED SHARES EQUAL TO THE QUOTIENT (IF GREATER THAN ZERO) OBTAINED BY DIVIDING [(A-B) (X)] BY (A), WHERE: (A) EQUALS THE CONVERSION MULTIPLE MULTIPLIED BY THE CURRENT MARKET PRICE ON THE TRADING DAY IMMEDIATELY PRECEDING THE DATE OF EXERCISE OF SUCH WARRANT; (B) EQUALS THE EXERCISE PRICE PER PREFERRED SHARE OF SUCH WARRANT, AS ADJUSTED; AND (X) EQUALS THE NUMBER OF PREFERRED SHARES THAT WOULD OTHERWISE BE ISSUABLE UPON EXERCISE OF SUCH WARRANT IN ACCORDANCE WITH ITS TERMS OTHER THAN PURSUANT TO A CASHLESS EXERCISE. UPON SUCH SURRENDER, THE WARRANTHOLDER SHALL BE DEEMED FOR ALL PURPOSES TO BE THE HOLDER OF RECORD OF THE NUMBER OF PREFERRED SHARES TO BE SO ISSUED AND THE WARRANTHOLDER SHALL BE ENTITLED TO DELIVERY OF A CERTIFICATE OR CERTIFICATES REPRESENTING SUCH PREFERRED SHARES AND THE CORPORATION, IF REQUESTED BY THE WARRANTHOLDER SHALL CAUSE SUCH CERTIFICATE OR CERTIFICATES TO BE DELIVERED TO THE WARRANTHOLDER AT THE ADDRESS SPECIFIED IN THE SUBSCRIPTION FORM WITHIN THREE BUSINESS DAYS AFTER SUCH SURRENDER AND PAYMENT AS AFORESAID.

THE ISSUE PRICE FOR EACH PREFERRED SHARE TO BE ISSUED PURSUANT TO THE CASHLESS EXERCISE OF A WARRANT WILL BE EQUAL TO (B), AS DEFINED ABOVE, AND THE TOTAL ISSUE PRICE FOR THE AGGREGATE NUMBER OF PREFERRED SHARES ISSUED PURSUANT TO THE CASHLESS EXERCISE OF A WARRANT WILL BE PAID AND SATISFIED IN FULL BY THE SURRENDER TO THE CORPORATION OF SUCH WARRANT.

- (4) **FRACTIONAL SHARES.** ANY FRACTIONAL PREFERRED SHARES ISSUABLE UPON ANY EXERCISE OF THE WARRANTS WILL BE ROUNDED DOWN TO THE NEAREST 1/1000TH OF A PREFERRED SHARE AND THE WARRANTHOLDER WILL NOT BE ENTITLED TO ANY CASH PAYMENT OR COMPENSATION IN LIEU OF ANY FRACTION OF A PREFERRED SHARE THAT IS ROUNDED DOWN.

2. **U.S. RESTRICTIONS:**

- (1) **U.S. Registration Restrictions:** Neither the Warrants represented by this Warrant Certificate nor the Preferred Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), nor under the securities laws of any state of the United States. The Warrants represented by this Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:
- (a) *(i) is not, and is not exercising the Warrant for the account or benefit of, a U.S. Person or a person in the United States;*  
*(ii) did not execute or deliver the exercise form on behalf of an entity located in the United States;*  
*(iii) delivery of the Preferred Shares will not be to an address in the United States; and*  
*(iv) has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or*
  - (b) *is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are "accredited investors" that satisfy one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, it delivered a United States Accredited Investor Certificate to the Corporation in connection with the subscription for the Units pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or*

- (c) *is the original subscriber of the Warrants and is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a “qualified institutional buyer” (as defined in Rule 144A under the U.S. Securities Act) that is also an “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, and all the representations, warranties and covenants agreed upon or made by the Warrantholder, or any beneficial purchaser, as the case may be, during the purchase of the Warrants from the Corporation continue to be true and correct as of the date of exercise; or*
- (d) *is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Preferred Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.*

As used herein, the terms “United States” and “U.S. Person” have the meaning assigned to them in Regulation S under the U.S. Securities Act.

- (2) **Restrictive Legends:** All certificates representing Preferred Shares (and all the certificates representing the underlying securities in the capital of the Corporation issuable upon conversion of the Preferred Shares) issued to persons who exercise the Warrants pursuant to subsections (1)(b) or (1)(d) above on the exercise of the rights represented by this Warrant Certificate will, unless such Preferred Shares (and the underlying securities in the capital of the Corporation issuable upon conversion of the Preferred Shares) are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, bear the following legend:

“THE SECURITIES REPRESENTED HEREBY [*for Preferred Shares, add: AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF*] HAVE NOT BEEN AND WILL NOT BE 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 [*for Preferred Shares, add: AND THE SECURITIES ISSUABLE UPON CONVERSION HEREOF*] MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY (i) RULE 144 OR (ii) RULE 144A UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND, IN EACH CASE IN COMPLIANCE WITH APPLICABLE U.S. STATE SECURITIES LAWS, (D) IN COMPLIANCE WITH ANOTHER EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS, OR (E) UNDER AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT IN THE CASE OF TRANSFERS PURSUANT TO (C)(i) OR (D) ABOVE, A LEGAL OPINION REASONABLY SATISFACTORY TO THE CORPORATION MUST FIRST BE PROVIDED TO THE CORPORATION AND THE CORPORATION’S TRANSFER AGENT TO THE EFFECT THAT SUCH TRANSFER IS EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

*provided, that* if the Preferred Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such form as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

*provided further, that* if any of the Preferred Shares (or the underlying securities in the capital of the Corporation issuable upon conversion of the Preferred Shares) are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation's registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

3. **PARTIAL EXERCISE:** THE WARRANTHOLDER MAY FROM TIME TO TIME SUBSCRIBE FOR AND PURCHASE ANY LESSER NUMBER OF PREFERRED SHARES THAN THE NUMBER OF PREFERRED SHARES EXPRESSED IN THIS WARRANT CERTIFICATE. IN THE EVENT THAT THE WARRANTHOLDER SUBSCRIBES FOR AND PURCHASES ANY SUCH LESSER NUMBER OF PREFERRED SHARES PRIOR TO THE EXPIRY TIME, THE WARRANTHOLDER SHALL BE ENTITLED TO RECEIVE A REPLACEMENT CERTIFICATE REPRESENTING THE UNEXERCISED BALANCE OF THE WARRANTS.
4. **NOT A SHAREHOLDER:** THE HOLDING OF THE WARRANTS SHALL NOT CONSTITUTE THE WARRANTHOLDER A SHAREHOLDER OF THE CORPORATION NOR ENTITLE THE WARRANTHOLDER TO ANY RIGHT OR INTEREST IN RESPECT THEREOF EXCEPT AS EXPRESSLY PROVIDED IN THIS WARRANT CERTIFICATE.
5. **COVENANTS, REPRESENTATIONS AND WARRANTIES:**
  - (1) **The Corporation hereby represents and warrants that:**
    - (a) *The Corporation is duly authorized and has the corporate and lawful authority to create and issue the Warrants and the Preferred Shares issuable upon the exercise hereof and perform its obligations hereunder.*
    - (b) *All Preferred Shares which are issued upon the exercise of the right of purchase provided in this Warrant Certificate, upon payment therefor of the Exercise Price at which such Preferred Shares may be purchased pursuant to the provisions of this Warrant Certificate, or upon cashless exercise in accordance with the terms of this Warrant Certificate, shall be deemed to be fully paid and non-assessable shares and free from all taxes, liens and charges with respect to the issue thereof.*



- (c) *This Warrant Certificate is a valid and enforceable obligation of the Corporation, enforceable in accordance with the provisions of this Warrant Certificate.*

(2) **The Corporation hereby covenants and agrees that:**

- (a) *So long as any Preferred Shares evidenced hereby remain outstanding, the Corporation will cause the Preferred Shares from time to time subscribed for and purchased in the manner provided in this Warrant Certificate and the certificate or certificates representing such Preferred Shares to be issued and that, at all times prior to the Expiry Time, it has authorized and will reserve and there will remain unissued a sufficient number of Preferred Shares to satisfy the right of purchase provided for in this Warrant Certificate and sufficient number of Proportionate Voting Shares to satisfy the conversion of the Preferred Shares issuable upon exercise of this Warrant.*
- (b) *The Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.*
- (c) *If, in the opinion of counsel for the Corporation, any prospectus or other filing is required to be filed with or any permission is required to be obtained from any securities regulatory body or any other step is required under any federal or provincial law before any Preferred Shares which the Warrantholder is entitled to purchase pursuant to the Warrant may properly and legally be issued upon exercise thereof, the Corporation covenants that it will use commercially reasonable efforts to take such action.*

6. **ANTI-DILUTION PROTECTION:**

- (1) **Definitions:** For the purposes of this section 6 “Adjustment Period” means the period commencing on the date of issue of the Warrants and ending at the Expiry Time.
- (2) **Adjustments:**
  - (a) **The Exercise Price and the number of Preferred Shares issuable to the Warrantholder pursuant to this Warrant Certificate shall be subject to adjustment from time to time in the events and in the manner provided as follows if, at any time during the Adjustment Period, the Corporation shall:**
    - (i) *make a distribution to, the holders of all or substantially all of the outstanding Preferred Shares payable in Preferred Shares;*
    - (ii) *subdivide, re-divide or otherwise change the outstanding Preferred Shares into a greater number of Preferred Shares; or*
    - (iii) *reduce, combine or consolidate the outstanding Preferred Shares into a lesser number of Preferred Shares,*

(any of such events in subclauses 6(2)(a)(i), 6(2)(a)(ii) and 6(2)(a)(iii) above being herein called a **“Preferred Share Reorganization”**), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Preferred Shares are determined for the purposes of the Preferred Share Reorganization and the effective date of the Preferred Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

- A. the numerator of which shall be the number of Preferred Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Preferred Share Reorganization; and
- B. the denominator of which shall be the number of Preferred Shares which will be outstanding immediately after giving effect to such Preferred Share Reorganization,

and the number of Preferred Shares issuable to the Warranholder pursuant to this Warrant Certificate shall be adjusted in inverse proportion to the Exercise Price.

(b) ***If, at any time during the Adjustment Period, there shall occur:***

- (i) *a consolidation, amalgamation, arrangement or merger of the Corporation with or into another body corporate which results in a reclassification or redesignation of the Common Shares or a change of the Common Shares into other shares or securities; or*
- (ii) *the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity;*

(any of such events being called a **“Capital Reorganization”**), after the effective date of the Capital Reorganization, the Warrants shall remain outstanding and the Warranholder shall be entitled to receive, upon exercising any of the Warrants after the effective date of such Capital Reorganization, in lieu of the number of Preferred Shares to which the Warranholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Warranholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warranholder had been the registered holder of the number of Common Shares which the Warranholder would theretofore have been entitled to purchase or receive upon conversion of the Preferred Shares deliverable upon the exercise of the Warrants and the conversion of the Preferred Shares into Proportionate Voting Shares followed by the conversion of such Proportionate Voting Shares into Common Shares. If necessary, as a result of any such Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interests thereafter of the Warranholder to the end that the provisions of this Section 6 shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of the Warrants and the Corporation or any successor corporation or entity shall be entitled to deliver a replacement certificate representing the rights and interests of the Warranholder as a result of such Capital Reorganization.

- (3) **Rules:** The following rules and procedures shall be applicable to adjustments made pursuant to subsection 6(2) of this Warrant Certificate:
- (a) *If any event of the type contemplated by the provisions of this Section 6 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the board of directors of the Corporation shall promptly make an appropriate adjustment in the Exercise Price and the number of Preferred Shares issuable upon exercise of this Warrant so as to protect the rights of the Warrantholder in a manner consistent with the provisions of this Section 6.*
  - (b) *Subject to the following clauses of this subsection 6(3), any adjustment made pursuant to subsection 6(2) hereof shall be made successively whenever an event referred to therein shall occur, and will, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 6.*
  - (c) *No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 6 hereof if the Warrantholder is entitled to participate in such event on the same terms mutatis mutandis as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event.*
  - (d) *No adjustment in the Exercise Price or in the number of Preferred Shares purchasable upon the exercise of the Warrants shall be made pursuant to subsection 6(2) hereof in respect of the issue from time to time of Preferred Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Corporation and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Preferred Share Reorganization or any other event described in subsection 6(2) hereof.*
  - (e) *If the Corporation shall set a record date to determine holders of Preferred Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Preferred Shares purchasable upon the exercise of the Warrants shall be required by reason of the setting of such record date.*

- (f) *If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Preferred Shares purchasable upon the exercise of the Warrants, such disputes shall be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by the directors of the Corporation and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to subsection 6(2) hereof and shall be binding upon the Corporation and the Warrantholder.*
  - (g) *As a condition precedent to the taking of any action which would require an adjustment pursuant to subsection 6(2) hereof, including the Exercise Price and the number or class of Preferred Shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of counsel to the Corporation, be necessary in order that the Corporation may validly and legally issue as fully paid and non-assessable shares all of the Preferred Shares or other securities which the Warrantholder is entitled to receive in accordance with the provisions of this Warrant Certificate*
  - (h) *As promptly as reasonably practicable following any adjustment of the Exercise Price, the Corporation shall furnish to the Warrantholder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.*
- (4) *Notice: At least 21 days prior to the earlier of the record date or effective date of any event which requires or might require an adjustment in any of the rights of the Warrantholder under this Warrant Certificate, including the Exercise Price or the number of Preferred Shares which may be purchased under this Warrant Certificate, the Corporation shall deliver to the Warrantholder a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this subsection 6(4) has been given is not then determinable, the Corporation shall promptly after such adjustment is determinable deliver to the Warrantholder a certificate providing the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and share transfer books for the Preferred Shares will be open, and that the Corporation will not take any action which might deprive the Warrantholder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such 21 day period.*

7. **CONSOLIDATION AND AMALGAMATION.**

- (1) In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation and/or its securities exchanged for the securities of another corporation (herein called a "successor corporation") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation and forthwith following the occurrence of such event, the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation or a subsidiary of the Corporation), shall expressly assume, by supplemental certificate satisfactory in form to the Warrantholder, acting reasonably, and executed and delivered to the Warrantholder, the due and punctual performance and observance of this Warrant Certificate to be performed and observed by the Corporation and these securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Warrantholder, as against the successor corporation, to all the rights of the Warrantholder under this Warrant Certificate.
- (2) Whenever the conditions of Section 7(1) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Warrant Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.
- (3) The Corporation shall provide 21 days' notice to the Warrantholder of any transaction that would result in an assumption of the performance and observance of this Warrant Certificate pursuant to Section 7(1).

8. **NO OBLIGATION TO PURCHASE.** NOTHING HEREIN CONTAINED OR DONE PURSUANT HERETO SHALL OBLIGATE THE WARRANTHOLDER TO PURCHASE OR PAY FOR OR THE CORPORATION TO ISSUE ANY PREFERRED SHARES EXCEPT THOSE PREFERRED SHARES IN RESPECT OF WHICH THE WARRANTHOLDER SHALL HAVE EXERCISED ITS RIGHT TO PURCHASE IN THE MANNER PROVIDED HEREUNDER.

9. **CHANGE; WAIVER.** SUBJECT TO THE APPROVAL OF THE CANADIAN SECURITIES EXCHANGE (OR SUCH OTHER STOCK EXCHANGE ON WHICH THE COMMON SHARES ARE LISTED OR POSTED FOR TRADING), THE PROVISIONS OF THESE WARRANTS MAY FROM TIME TO TIME BE AMENDED, MODIFIED OR WAIVED, IF SUCH AMENDMENT, MODIFICATION OR WAIVER IS IN WRITING AND CONSENTED TO IN WRITING BY THE CORPORATION AND THE WARRANTHOLDER.

10. **FURTHER ASSURANCES:** THE CORPORATION HEREBY COVENANTS AND AGREES THAT IT WILL DO, EXECUTE, ACKNOWLEDGE AND DELIVER, OR CAUSE TO BE DONE, EXECUTED, ACKNOWLEDGED AND DELIVERED, ALL AND EVERY SUCH OTHER ACT, DEED AND ASSURANCE AS THE WARRANTHOLDER SHALL REASONABLY REQUIRE FOR THE BETTER ACCOMPLISHING AND EFFECTUATING OF THE INTENTIONS AND PROVISIONS OF THIS WARRANT CERTIFICATE.

11. **TIME OF ESSENCE:** TIME SHALL BE OF THE ESSENCE OF THIS WARRANT CERTIFICATE.
12. **GOVERNING LAWS:** THIS WARRANT CERTIFICATE SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE PROVINCE OF ONTARIO AND THE FEDERAL LAWS OF CANADA APPLICABLE THEREIN.
13. **NOTICES:** ALL NOTICES OR OTHER COMMUNICATIONS TO BE GIVEN UNDER THIS WARRANT CERTIFICATE SHALL BE DELIVERED BY HAND, COURIER, ORDINARY PREPAID MAIL, FACSIMILE OR BY ELECTRONIC TRANSMISSION AND, IF DELIVERED BY HAND, SHALL BE DEEMED TO HAVE BEEN GIVEN ON THE DELIVERY DATE, IF DELIVERED BY ORDINARY PREPAID MAIL SHALL BE DEEMED TO HAVE BEEN GIVEN ON THE FIFTH DAY FOLLOWING THE DELIVERY DATE AND, IF SENT BY FACSIMILE OR ELECTRONIC TRANSMISSION, ON THE DATE OF TRANSMISSION IF SENT BEFORE 5:00 P.M., TORONTO TIME, ON A BUSINESS DAY OR, IF SENT AFTER 5:00 P.M., TORONTO TIME, OR SUCH DAY IS NOT A BUSINESS DAY, ON THE FIRST BUSINESS DAY FOLLOWING THE DATE OF TRANSMISSION.

Notices to the Corporation shall be addressed to:

TerrAscend Corp.  
3610 Mavis Road  
Mississauga, Ontario, Canada  
L5C 1W2

Attention: Brian Feldman, General Counsel  
Email: [legal@terrascend.com](mailto:legal@terrascend.com)

with a copy (which shall not constitute notice) to:

Bennett Jones LLP  
3400 One First Canadian Place  
P.O. Box 130  
Toronto, Ontario, M5X 1A4

Attention: Aaron Sonshine, Partner  
Facsimile: 416-863-1716  
Email: [sonshinea@bennettjones.com](mailto:sonshinea@bennettjones.com)

Notices to the Warranholder shall be addressed to the address of the Warranholder set out on the face page of this Warrant Certificate.

The Corporation and the Warranholder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant Certificate.

14. **LOST CERTIFICATE:** IF THIS WARRANT CERTIFICATE OR ANY REPLACEMENT HEREOF BECOMES STOLEN, LOST, MUTILATED OR DESTROYED, THE CORPORATION SHALL, ON SUCH TERMS AS IT MAY IN ITS DISCRETION IMPOSE, ACTING REASONABLY, ISSUE AND DELIVER A NEW CERTIFICATE, IN FORM IDENTICAL HERETO BUT WITH APPROPRIATE CHANGES, REPRESENTING ANY UNEXERCISED PORTION OF THE SUBSCRIPTION RIGHTS REPRESENTED HEREBY TO REPLACE THE CERTIFICATE SO STOLEN, LOST, MUTILATED OR DESTROYED.

15. **LANGUAGE:** THE PARTIES HERETO ACKNOWLEDGE AND CONFIRM THAT THEY HAVE REQUESTED THAT THIS WARRANT CERTIFICATE AS WELL AS ALL NOTICES AND OTHER DOCUMENTS CONTEMPLATED HEREBY BE DRAWN UP IN THE ENGLISH LANGUAGE. *LES PARTIES AUX PRÉSENTES RECONNAISSENT ET CONFIRMENT QU'ELLES ONT EXIGÉ QUE LA PRÉSENTE CONVENTION AINSI QUE TOUS LES AVIS ET DOCUMENTS QUI S'Y RATTACHENT SOIENT RÉDIGÉS EN LANGUE ANGLAISE.*
16. **TRANSFER:** THE WARRANTS ARE TRANSFERABLE AND THE TERM "WARRANTHOLDER" SHALL MEAN AND INCLUDE ANY SUCCESSOR, TRANSFEREE OR ASSIGNEE OF THE CURRENT OR ANY FUTURE WARRANTHOLDER. THE WARRANTS MAY BE TRANSFERRED BY THE WARRANTHOLDER COMPLETING AND DELIVERING TO THE CORPORATION THE TRANSFER FORM ATTACHED HERETO AS SCHEDULE "B" AND SUBJECT TO COMPLIANCE WITH ALL APPLICABLE LAWS INCLUDING THE APPLICABLE SECURITIES LEGISLATION.
17. **SUCCESSORS AND ASSIGNS:** THIS WARRANT CERTIFICATE SHALL ENURE TO THE BENEFIT OF THE WARRANTHOLDER AND THE SUCCESSORS AND ASSIGNEES THEREOF AND SHALL BE BINDING UPON THE CORPORATION AND THE SUCCESSORS THEREOF.
18. **UNITED STATES DOLLARS.** UNLESS OTHERWISE SPECIFIED, ALL REFERENCES HEREIN TO MONETARY AMOUNTS ARE REFERENCES TO LAWFUL MONEY OF THE UNITED STATES.

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IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer as of the 22nd day of May, 2020.

**TERRASCEND CORP.**

By: Keith Stauffer  
Authorized Officer

*[Signature page - Warrant Certificate - US]*

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**SCHEDULE "A"**

**TO: TERRASCEND CORP.**

**SUBSCRIPTION FORM**

The undersigned hereby subscribes for \_\_\_\_\_ convertible preferred shares ("**Preferred Shares**") of TerrAscend Corp. (the "**Corporation**") (or such other number of Preferred Shares or other securities to which such subscription entitles the undersigned in lieu thereof or in addition thereto pursuant to the provisions of the warrant certificate (the "**Warrant Certificate**") dated May 22, 2020 issued by the Corporation) at the purchase price of \$3,000 per Preferred Share (or at such other purchase price as may be in effect under the provisions of the Warrant Certificate) and on and subject to the other terms and conditions specified in the Warrant Certificate and hereunder.

The undersigned (check one):

- encloses herewith a certified cheque, bank draft or money order in lawful money of Canada payable to the Corporation or has transmitted same day funds by wire to such account as the Corporation directed the undersigned in payment of the subscription price; OR
- elects cashless exercise.

The undersigned hereby represents and warrants to the Corporation that the undersigned (check one):

- 1. at the time of exercise of these warrants (i) is not in the United States; (ii) is not a U.S. Person as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"); (iii) is not exercising these warrants on behalf of, or for the account of, a U.S. Person or a person in the United States; (iv) did not acquire these warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not execute or deliver this exercise form in the United States; (vi) is not requesting delivery in the United States of the Preferred Shares issuable upon such exercise; and (vii) represents and warrants that the exercise of these warrants and acquisition of the Preferred Shares occurred in an "offshore transaction" (as defined in Regulation S under the U.S. Securities Act); OR
  - 2. is
    - (A) (i) present in the United States, (ii) a U.S. Person, (iii) a person exercising these warrants for the account or benefit of a U.S. Person or a person in the United States, or (iv) requesting delivery in the United States of the Preferred Shares issuable upon such exercise; and
    - (B) the undersigned has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of these warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect; OR
-

- 3. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, an “accredited investor” within the meaning of Rule 501(a) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof; OR
- 4. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment direction; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, a “qualified institutional buyer” (as that term is used in Rule 144A of the U.S. Securities Act) and is also an “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned, or any beneficial purchaser, as the case may be during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

“United States” and “U.S. Person” are as defined in Regulation S under the U.S. Securities Act.

The undersigned holder understands that unless Box 1 or 4 above is checked, the certificate representing the Preferred Shares issued upon exercise of the warrants represented by this Warrant Certificate will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box 2 above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation.

If Box 2 or Box 3 is checked, any certificate representing the Preferred Shares issuable upon exercise of these warrants will bear an applicable United States restrictive legend

The undersigned hereby directs that the Preferred Shares subscribed for be registered and delivered as follows:

<u>Name in Full</u>	<u>Address</u>	<u>Number of Preferred Shares</u>
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DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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By: \_\_\_\_\_

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**SCHEDULE "B"**

**FORM OF TRANSFER**

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ (include name and address of the transferee) Warrants exercisable for convertible preferred shares of TerrAscend Corp. (the "**Corporation**") registered in the name of the undersigned on the register of the Corporation maintained therefor, and hereby irrevocably appoints \_\_\_\_\_ the attorney of the undersigned to transfer the said securities on the books maintained by the Corporation with full power of substitution.

In the case of a Warrant Certificate that contains a U.S. restrictive legend, the undersigned hereby represents, warrants and certifies that (one (only) of the following must be checked):

- (A) the transfer is being made to the Corporation; OR
- (B) the transfer is being made outside the United States in accordance with Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and in compliance with any applicable local securities laws and regulations and the Warrantholder has provided herewith a declaration for removal of U.S. Legend in such form as the Corporation or its transfer agent may prescribe from time to time; OR
- (C) the transfer is being made pursuant to the exemption from the registration requirements of the U.S. Securities Act provided by (i) Rule 144 or (ii) Rule 144A thereunder, and in either case in accordance with applicable state securities laws; OR
- (D) the transfer is being made within the United States or to, or for the account or benefit of, U.S. Persons, in accordance with a transaction that does not require registration under the U.S. Securities Act or any applicable state securities law.

In the case of a transfer in accordance with (C)(i) or (D) above, the Corporation and its transfer agent shall first have received an opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation, to such effect. "United States" and "U.S. Person" are used herein as such terms are defined by Regulation S under the U.S. Securities Act.

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DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_\_.

Signature of Transferor guaranteed by:

\_\_\_\_\_  
Name of Bank or Trust Company:

\_\_\_\_\_  
Signature of Transferor

\_\_\_\_\_  
Address of Transferor

Instructions:

19. **THE NAME OF THE TRANSFEROR MUST CORRESPOND WITH THE NAME WRITTEN UPON THE FACE OF THIS WARRANT CERTIFICATE IN EVERY PARTICULAR WITHOUT ANY CHANGES WHATSOEVER.**
  20. **THE SIGNATURE OF THE TRANSFEROR ON THE TRANSFER FORM MUST BE GUARANTEED BY AN AUTHORIZED OFFICER OF A CHARTERED BANK, TRUST COMPANY OR AN INVESTMENT DEALER WHO IS A MEMBER OF A RECOGNIZED STOCK EXCHANGE, AND THE WARRANTHOLDER MUST PAY ANY APPLICABLE TRANSFER TAXES OR FEES.**
  21. **IF THE TRANSFER FORM IS SIGNED BY A TRUSTEE, EXECUTOR, ADMINISTRATOR, CURATOR, GUARDIAN, ATTORNEY, OFFICER OF A CORPORATION OR ANY PERSON ACTING IN A JUDICIARY OR REPRESENTATIVE CAPACITY, THE WARRANT CERTIFICATE MUST BE ACCOMPANIED BY EVIDENCE OF AUTHORITY TO SIGN SATISFACTORY TO THE CORPORATION.**
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UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE DECEMBER 29, 2019.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL DECEMBER 29, 2019 AND THEN ONLY IN ACCORDANCE WITH ALL APPLICABLE LAWS. THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THIS WARRANT AND THE PROPORTIONARE VOTING SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 5:00 P.M. (TORONTO TIME) ON AUGUST 23, 2022 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

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WARRANTS TO PURCHASE UP TO 2,048,295 PROPORTIONATE VOTING SHARES OF

**TerrAscend Corp.**  
(existing under the laws of Ontario)

Void After  
August 23, 2022

Warrant Certificate Number – 2019-02

Number of Warrants represented by this certificate: 2,048,295

THIS CERTIFIES that, for value received, JW Opportunities Fund (the **“Holder”**), is the registered holder of 2,048,295 warrants (collectively, the **“Warrants”**; each a **“Warrant”**), each Warrant entitling the Holder, subject to the terms and conditions set forth in this Warrant Certificate (the **“Certificate”**), to purchase from TerrAscend Corp. (the **“Corporation”**), one one-thousandth (0.001) of a proportionate voting share in the capital of the Corporation (each whole proportionate voting share, a **“Proportionate Voting Share”**), at any time until 5:00 p.m. (Toronto time) on August 23, 2022, at which time the Warrants evidenced by this Certificate shall become wholly void and the unexercised portion of the subscription right represented hereby will expire and terminate (the **“Time of Expiry”**), on payment of a price per one-thousandth (0.001) of a Proportionate Voting Share equal to CAD\$7.21 (the **“Exercise Price”**). The number of Proportionate Voting Shares which the Holder is entitled to acquire upon exercise of the Warrants and the Exercise Price are subject to adjustment as hereinafter provided.

The Holder shall be entitled to the rights evidenced by this Certificate free from all equities and rights of set-off or counterclaim between the Corporation and the original or any interim holder and all persons may act accordingly and the receipt by the Holder of the Proportionate Voting Shares issuable upon exercise hereof shall be a good discharge to the Corporation.

**1. Exercise of Warrants.**

- (a) **Election to Purchase.** The rights evidenced by this Certificate may be exercised by the Holder in whole or in part and in accordance with the provisions hereof by delivery of an election to purchase in substantially the form attached hereto as Schedule 1 (the **“Election to Purchase”**), properly completed and executed, together with payment by wire transfer, certified cheque or bank draft of the Exercise Price for the number of Proportionate Voting Shares specified in the Election to Purchase, at the office of the Corporation at 3610 Mavis Road, Mississauga, Ontario, L5C 1W2 or such other address in Canada as may be notified in writing by the Corporation (the **“Corporation Office”**). In the event that the rights evidenced by this Certificate are exercised in part, the Corporation shall, contemporaneously with the issuance of the Proportionate Voting Shares issuable on the exercise of the Warrants so exercised, issue to the Holder a Warrant Certificate on identical terms in respect of that number of Proportionate Voting Shares in respect of which the Holder has not exercised the rights evidenced by this Certificate.
  - (b) **Exercise.** The Corporation shall, on the next business day after receiving a duly executed Election to Purchase and the Exercise Price for the number of Proportionate Voting Shares specified in the Election to Purchase (the **“Exercise Date”**), issue that number of Proportionate Voting Shares specified in the Election to Purchase.
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- (c) Certificates and Electronic Deposits. As promptly as practicable after the Exercise Date (but no later than three business days after the Exercise Date), the Corporation shall issue and deliver to the Holder, registered in the name of the Holder, a certificate for the number of Proportionate Voting Shares issuable on exercise of the Warrants so exercised and a Certificate representing the balance of any unexercised Warrants. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrants which have been exercised as such shall cease, and the Proportionate Voting Shares and any unexercised Warrants shall then be issuable upon such exercise as outlined above and the Holder shall be deemed to have become the holder of record of the Proportionate Voting Shares and unexercised Warrants represented thereby.
- (d) Fractional Common Shares. Fractional Proportionate Voting Shares to the one one- thousandth may be issued upon exercise of the Warrants represented by this Certificate.
- (e) Adjustments. The subscription rights in effect under the Warrants for Proportionate Voting Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:
- (i) If, at any time from the date hereof until the Time of Expiry (the “**Adjustment Period**”), the Corporation shall:
- (A) subdivide, re-divide or change its outstanding Proportionate Voting Shares into a greater number of Proportionate Voting Shares;
  - (B) reduce, combine or consolidate its outstanding Proportionate Voting Shares into a lesser number of Proportionate Voting Shares;
  - (C) issue Proportionate Voting Shares or securities exchangeable for, or convertible into, Proportionate Voting Shares to all or substantially all of the holders of Proportionate Voting Shares by way of stock dividend or other distribution (other than, if applicable, a dividend paid in the ordinary course or a distribution of Proportionate Voting Shares upon the exercise of Warrants or any options, restricted share units or other exchangeable or convertible securities of the Corporation); or
  - (D) change the number of common shares in the capital of the Corporation (“**Common Shares**”) to be received upon the conversion of a Proportionate Voting Share into Common Shares in accordance with the terms of the Proportionate Voting Shares (the “**PVS Exchange Ratio**”),
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(any of such events in subsections 1(e)(i)(A), (B), (C) or (D) being called a **‘Proportionate Voting Share Reorganization’**) then, in each such event, the Exercise Price shall be adjusted as of the effective date or record date of such Proportionate Voting Share Reorganization, as the case may be, and shall, in the case of the events referred to in (A) or (C) above, be decreased in proportion to the number of outstanding Proportionate Voting Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (B) above, be increased in proportion to the number of outstanding Proportionate Voting Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Proportionate Voting Shares outstanding on such effective date or record date before giving effect to such Proportionate Voting Share Reorganization and the denominator of which shall be the number of Proportionate Voting Shares outstanding as of the effective date or record date after giving effect to such Proportionate Voting Share Reorganization (including, in the case where securities exchangeable for or convertible into Proportionate Voting Shares are distributed, the number of Proportionate Voting Shares that would have been outstanding had such securities been exchanged for or converted into Proportionate Voting Shares on such record date or effective date) or shall, in the case of the event referred to in (D) above, be increased or decreased, as applicable, in proportion to the change in the number of Common Shares receivable on conversion of a Proportionate Voting Share into Common Shares resulting from such change in the PVS Exchange Ratio by multiplying the Exercise Price in effect immediately prior to such effective date by a fraction, the numerator of which shall be the PVS Exchange Ratio as of the effective date before giving effect to such Proportionate Voting Share Reorganization and the denominator of which shall be the number of Common Shares into which a Proportionate Voting Share can be converted as of the effective date after giving effect to such Proportionate Voting Share Reorganization. Such adjustment shall be made successively whenever any event referred to in this subsection 1(e)(i) shall occur. Upon any adjustment of the Exercise Price pursuant to subsection 1(e)(i), the Exchange Rate (as defined below) shall be contemporaneously adjusted by multiplying the number of Proportionate Voting Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. **‘Exchange Rate’** means the number of Proportionate Voting Shares subject to the right of purchase under each Warrant, which, as of the date hereof, is one one-thousandth (0.001) of a Proportionate Voting Share for one (1) Warrant.

- (ii) If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Proportionate Voting Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Proportionate Voting Shares (or securities convertible or exchangeable into Proportionate Voting Shares) at a price per Proportionate Voting Share (or having a conversion or exchange price per Proportionate Voting Share) less than 95% of the Current Market Price (as defined below) multiplied by the applicable PVS Exchange Ratio (which is 1,000 as of the date hereof) on such record date (a **‘Rights Offering’**), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Proportionate Voting Shares outstanding on such record date plus a number of Proportionate Voting Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Proportionate Voting Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price multiplied by the applicable PVS Exchange Ratio (which is 1,000 as of the date hereof), and of which the denominator shall be the total number of Proportionate Voting Shares outstanding on such record date plus the total number of additional Proportionate Voting Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable. Any Proportionate Voting Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Proportionate Voting Shares (or securities convertible or exchangeable into Proportionate Voting Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(ii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(e)(ii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.
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- (iii) If and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Proportionate Voting Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Proportionate Voting Shares), (ii) rights, options or warrants to subscribe for or purchase Proportionate Voting Shares (or other securities convertible into or exchangeable for Proportionate Voting Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any cash, securities or other property or other assets (other than, if applicable, dividends paid in the ordinary course) and if such issue or distribution does not constitute a Proportionate Voting Share Reorganization, a Rights Offering or a distribution of Proportionate Voting Shares upon the exercise of Warrants or any outstanding options, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Proportionate Voting Shares outstanding on such record date multiplied by the Current Market Price on such record date multiplied by 1000, less the excess, if any, of the fair market value on such record date, as determined by the directors of the Corporation, acting reasonably (whose determination shall be conclusive, subject to stock exchange approval), of such cash, securities or other property or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Proportionate Voting Shares, and of which the denominator shall be the total number of Proportionate Voting Shares outstanding on such record date multiplied by the Current Market Price multiplied by 1000. Any Proportionate Voting Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(iii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(e)(iii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.
- (iv) If and whenever at any time during the Adjustment Period, there is a reclassification of the Proportionate Voting Shares or a capital reorganization of the Corporation other than as described in subsection 1(e)(i) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Holder that has not exercised its Warrants prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such Warrant thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Proportionate Voting Shares that prior to such effective date the Holder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Holder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Proportionate Voting Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Corporation, relying on advice of legal counsel, to give effect to or to evidence the provisions of this subsection 1(e)(iv), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an agreement or certificate which shall provide, to the extent possible, for the application of the provisions set forth in this Certificate with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Certificate shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which the Holder is entitled on the exercise of its acquisition rights thereafter. Any agreement or certificate entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Holder shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this subsection 1(e) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances arrangements.
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- (v) In any case in which this subsection 1(e) shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Warrant exercised after the record date and prior to completion of such event the additional Proportionate Voting Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Proportionate Voting Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Proportionate Voting Shares declared in favour of holders of record of Proportionate Voting Shares on and after the relevant date of exercise or such later date as the Holder would, but for the provisions of this subsection 1(e)(v), have become the holder of record of such additional Proportionate Voting Shares pursuant to this subsection 1(e).
  - (vi) In any case in which subsection 1(e)(i)(C), subsection 1(e)(ii) or subsection 1(e)(iii) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Holder of the outstanding Warrants receives, subject to any required stock exchange or regulatory approval, the securities, rights or warrants referred to in subsection 1(e)(i)(C), subsection 1(e)(ii) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in subsection 1(e)(iii), as the case may be, in such kind and number as they would have received if they had been holders of Proportionate Voting Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Proportionate Voting Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be.
  - (vii) The adjustments provided for in this subsection 1(e) are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this subsection 1(e), provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect or the number of Proportionate Voting Shares issuable upon the exercise of a Warrant by at least one one-hundred-thousandth of a Proportionate Voting Share; provided, however, that any adjustments which by reason of this subsection 1(e)(vii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
  - (viii) After any adjustment pursuant to this subsection 1(e), the term "Proportionate Voting Shares", where used in this Certificate, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), the Holder is entitled to receive upon the exercise of Warrants, and the number of Proportionate Voting Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Proportionate Voting Shares or other property or securities the Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), upon the full exercise of a Warrant.
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- (ix) All Proportionate Voting Shares or shares of any class or other securities, which the Holder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this subsection 1(e), shall, for the purposes of the interpretation of this Certificate, be deemed to be Proportionate Voting Shares which such Holder is entitled to acquire pursuant to such Warrant.
  - (x) Notwithstanding anything in this subsection 1(e), no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Proportionate Voting Shares is being made pursuant to this Certificate or in connection with (a) any share incentive plan or restricted share unit plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued as of the date hereof.
  - (xi) As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Proportionate Voting Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of legal counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Proportionate Voting Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.
  - (xii) The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in subsection 1(e), deliver a certificate of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.
  - (xiii) The Corporation covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in this subsection 1(e) whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.
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- (xiv) The Corporation covenants with the Holder that it will not close its transfer books or take any other corporate action which might deprive the Holder of the opportunity to exercise its right of acquisition hereunder during the period of 10 business days after the giving of the certificate set forth in subsection 1(e) (xii).
  - (xv) If the Corporation, after the date hereof, shall take any action affecting the Proportionate Voting Shares or Common Shares other than action described in subsection 1(e), which in the reasonable opinion of the directors of the Corporation would materially affect the rights of the Holder, the Exercise Price and/or the Exchange Rate, the number of Proportionate Voting Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Holder in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Proportionate Voting Shares are listed for trading has been obtained.
  - (xvi) No adjustments shall be made pursuant to this subsection 1(e) if the Holder is entitled to participate in any event described in this subsection 1(e) on the same terms, *mutatis mutandis*, as if the Holder had exercised their Warrants prior to, or on the effective date or record date of, such event.
  - (xvii) If at any time a question or dispute arises with respect to adjustments provided for in this subsection 1(e), such question or dispute will be conclusively determined by the auditor of the Corporation or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Corporation and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Corporation and the Holder. The Corporation will provide such auditor or chartered accountant with access to all necessary records of the Corporation.
- (f) Shares to be Reserved. The Corporation will at all times keep available and reserve out of its authorized Proportionate Voting Shares, solely for the purpose of issuing upon the exercise of the Warrants, such number of Proportionate Voting Shares as shall then be issuable upon the exercise of the Warrants. The Corporation covenants and agrees that all such Proportionate Voting Shares which shall be so issuable will, upon issuance and receipt of the Exercise Price therefor, be duly authorized and issued as fully paid and non-assessable. The Corporation will take all such actions as may be necessary to ensure that all such Proportionate Voting Shares may be so issued without violation of any applicable requirements of any exchange upon which the Proportionate Voting Shares may be listed or in respect of which the Proportionate Voting Shares are qualified for unlisted trading privileges. The Corporation will take all such actions as are within its power to ensure that all such Proportionate Voting Shares may be so issued without violation of any applicable law.
- (g) Issue Tax. Upon the exercise of Warrants, the issuance of certificates, if any, for the Proportionate Voting Shares and the issuance of Certificates for any unexercised Warrants shall be made without charge to the Holder, including for any issuance tax in respect thereto, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate(s) in a name other than that of the Holder.
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- (h) Listing. The Corporation will, at its expense and as expeditiously as possible, use its reasonable commercial efforts to cause all Common Shares into which the Proportionate Voting Shares issuable upon the exercise of the Warrants are convertible to be duly listed on the Canadian Securities Exchange and/or any other stock exchange upon which the Common Shares may be then listed prior to the issuance of such Common Shares.
- (i) Current Market Price. For the purposes of any computation hereunder, the “Current Market Price” at any date shall be the volume weighted average trading price per Common Share for the 20 consecutive trading days ending five (5) trading days prior to the relevant date on the most senior stock exchange in Canada on which the Common Shares may then be listed and on which there is the greatest volume of trading of the Common Shares for such 20 day period, or, if the Common Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, which includes the Canadian Securities Exchange, the Current Market Price shall be determined in good faith by the directors of the Corporation, which determination shall be conclusive, absent fraud or manifest error. The volume weighted average trading price shall be determined by dividing the aggregate sale price of all such Common Shares sold on the said exchange during the said 20 consecutive trading days by the total number of such Common Shares so sold.

**2. Transfer of Warrants.**

- (a) No transfer of the Warrants represented by this Certificate shall be effective unless this Certificate is accompanied by a duly executed transfer form in substantially the form attached hereto as Schedule 2 (the “Transfer Form”) or such other instrument of transfer in such form as the Corporation may from time to time prescribe, and delivered to the Corporation. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Corporation, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144A under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) outside the United States in accordance with the provisions of Rule 904 of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws. Provided, that if any of the Warrants are being sold in accordance with Rule 904 of Regulation S under the U.S. Securities Act, the legend may be removed by providing a declaration to the registrar and transfer agent, together with any other evidence, which may include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act; provided further, that if any of Warrants, are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivering to the Corporation and the Corporation’s transfer agent an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act. No transfer of the Warrants represented by this Certificate shall be made if in the opinion of counsel to the Corporation such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Corporation shall issue and mail as soon as practicable, and in any event within five business days of such delivery, a new Certificate registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed. Upon the transfer of any Warrant, the Corporation shall enter the name of the transferee in the register as the registered holder of such transferred Warrants.
  - (b) Neither the Warrants represented by this Warrant Certificate nor the Proportionate Voting Shares issuable upon exercise hereof have been or will be registered under the U.S. Securities Act nor under the securities laws of any state of the United States. The Warrants represented by this Warrant Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:
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- (i) (A) is not, and is not exercising the Warrant for the account or benefit of, a U.S. person or a person in the United States;
  - (B) did not execute or deliver the exercise form while in the United States;
  - (C) delivery of the Proportionate Voting Shares will not be to an address in the United States; and
  - (D) has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or
- (ii) is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are institutional “accredited investors” that satisfy one or more of the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act, it delivered a U.S. Accredited Investor Certificate to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or
  - (iii) is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act, it delivered a Qualified Institutional Buyer Letter to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or
  - (iv) is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Proportionate Voting Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

“U.S. person” and “United States” are as defined in Regulation S under the U.S. Securities Act.

- (c) All certificates representing Proportionate Voting Shares issued to persons who exercise the Warrants pursuant to subparagraphs (b)(ii) or (b)(iv) above on the exercise of the rights represented by this Warrant Certificate will, unless such Proportionate Voting Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States bear the following legend:
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“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE “CORPORATION”) THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

*provided, that* if the Proportionate Voting Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such other as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

*provided further, that* if any of the Proportionate Voting Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation’s registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

3. **Replacement.** Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Certificate), the Corporation will issue to the Holder a replacement Certificate (containing the same terms and conditions as this Certificate), without expense to Holder.
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4. **Expiry Date.** The Warrants represented by this Certificate shall expire and all rights to purchase Proportionate Voting Shares hereunder shall cease and become null and void at 5:00 p.m. (Toronto time) on August 23, 2022.
5. **Successor Corporations.**
- (a) The Corporation shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a “**successor corporation**”) whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Corporation and the successor corporation shall have executed such instruments and done such things as the Corporation, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:
- (i) the successor corporation will have assumed all the covenants and obligations of the Corporation under this Certificate; and
- (ii) the Warrants and the terms set forth in this Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Certificate.
- (b) Whenever the conditions of subsection 5(a) shall have been duly observed and performed, the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation
6. **Covenants.** So long as any Warrants remain outstanding the Corporation covenants that it shall do or cause to be done all things necessary to preserve and maintain its corporate existence and its status as a reporting issuer not in default in the Provinces of British Columbia, Alberta and Ontario. If the issuance of the Proportionate Voting Shares upon the exercise of the Warrants requires any filing or registration with or approval of any Canadian securities regulatory authority or other Canadian governmental authority or compliance with any other requirement under any Canadian law before such Proportionate Voting Shares may be validly issued, the Corporation agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.
7. **Governing Law.** The laws of the Province of Ontario and the federal laws of Canada applicable therein shall govern the Warrants.
8. **Successors.** This Certificate shall inure to the benefit of the Holder and its successors or assigns and shall be binding on the Corporation and its respective successors.
9. **General.** All amounts of money referred to in this Certificate are expressed in lawful money of Canada.

*[Remainder of page intentionally left blank. Signature page follows.]*

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IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized officer.

DATED as of \_\_\_\_ August 30 \_\_\_\_, 2019.

**TERRASCEND CORP.**

Per:   
\_\_\_\_\_  
Authorized Signing Officer

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Schedule 1

Election to Purchase

**TO: TerrAscend Corp.**

The undersigned hereby irrevocably elects to exercise the number of Warrants of TerrAscend Corp. for the number of Proportionate Voting Shares (or other property or securities subject thereto) as set forth below:

**Payment of Exercise Price**

- |   |          |
|---|----------|
| (a) Number of Warrants to be Exercised:                   | # _____  |
| (b) Number of Proportionate Voting Shares to be Acquired: | # _____  |
| (c) Exercise Price per Proportionate Voting Share:        | \$ _____ |
| (d) Aggregate Purchase Price [(b) multiplied by (c)]      | \$ _____ |

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Proportionate Voting Shares to be registered and a certificate therefor, if applicable, to be issued as directed below.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

- (A) the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")), (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Proportionate Voting Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Warrant Shares occurred in an "offshore transaction" (as defined under Regulation S under the U.S. Securities Act); OR
- (B) the undersigned holder
- (i) is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Proportionate Voting Shares issuable upon such exercise, and
- (ii) the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect;
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- (C) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.
- (D) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an institutional “accredited investor” within the meaning of Rule 501(a)(1), (2), (3), or (7) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

The undersigned holder understands that unless Box A or C above is checked, the certificate representing the Proportionate Voting Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box B above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. “U.S. Person” and “United States” are as defined under Regulation S under the U.S. Securities Act.

The undersigned hereby acknowledges that the undersigned is aware that the Proportionate Voting Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20 .

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Per: \_\_\_\_\_

Name of Registered Holder:

\_\_\_\_\_

Address of Registered Holder:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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Schedule 2

Transfer Form

**TO: TerrAscend Corp.**

**FOR VALUE RECEIVED**, the undersigned transferor hereby sells, assigns and transfers unto

\_\_\_\_\_  
(Transferee)

\_\_\_\_\_  
(Address)

\_\_\_\_\_ of the Warrants registered in the name of the undersigned transferor represented by the attached Certificate.

**THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES** that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available, subject to the requirements for the transfer of the Warrants as set out in the Warrant Certificate.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_.

\_\_\_\_\_  
Signature of Registered Holder (Transferor)

\_\_\_\_\_  
Print name of Registered Holder

\_\_\_\_\_  
Address

**NOTE:** The signature on this transfer form must correspond with the name as recorded on the face of the Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Certificate must be accompanied by evidence of authority to sign.

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UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE DECEMBER 29, 2019.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL DECEMBER 29, 2019 AND THEN ONLY IN ACCORDANCE WITH ALL APPLICABLE LAWS. THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THIS WARRANT AND THE PROPORTIONARE VOTING SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURTIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 5:00 P.M. (TORONTO TIME) ON AUGUST 23, 2022 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

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**WARRANTS TO PURCHASE UP TO 6,144,886 PROPORTIONATE VOTING SHARES OF**

**TerrAscend Corp.**  
(existing under the laws of Ontario)

Void After  
August 23, 2022

**Warrant Certificate Number – 2019-01**

Number of Warrants represented by this certificate: 6,144,886

THIS CERTIFIES that, for value received, JW Partners LP (the “**Holder**”), is the registered holder of 6,144,886 warrants (collectively, the “**Warrants**”; each a “**Warrant**”), each Warrant entitling the Holder, subject to the terms and conditions set forth in this Warrant Certificate (the “**Certificate**”), to purchase from TerrAscend Corp. (the “**Corporation**”), one one-thousandth (0.001) of a proportionate voting share in the capital of the Corporation (each whole proportionate voting share, a “**Proportionate Voting Share**”), at any time until 5:00 p.m. (Toronto time) on August 23, 2022, at which time the Warrants evidenced by this Certificate shall become wholly void and the unexercised portion of the subscription right represented hereby will expire and terminate (the “**Time of Expiry**”), on payment of a price per one-thousandth (0.001) of a Proportionate Voting Share equal to CAD\$7.21 (the “**Exercise Price**”). The number of Proportionate Voting Shares which the Holder is entitled to acquire upon exercise of the Warrants and the Exercise Price are subject to adjustment as hereinafter provided.

The Holder shall be entitled to the rights evidenced by this Certificate free from all equities and rights of set-off or counterclaim between the Corporation and the original or any interim holder and all persons may act accordingly and the receipt by the Holder of the Proportionate Voting Shares issuable upon exercise hereof shall be a good discharge to the Corporation.

**1. Exercise of Warrants.**

- (a) Election to Purchase. The rights evidenced by this Certificate may be exercised by the Holder in whole or in part and in accordance with the provisions hereof by delivery of an election to purchase in substantially the form attached hereto as Schedule 1 (the “**Election to Purchase**”), properly completed and executed, together with payment by wire transfer, certified cheque or bank draft of the Exercise Price for the number of Proportionate Voting Shares specified in the Election to Purchase, at the office of the Corporation at 3610 Mavis Road, Mississauga, Ontario, L5C 1W2 or such other address in Canada as may be notified in writing by the Corporation (the “**Corporation Office**”). In the event that the rights evidenced by this Certificate are exercised in part, the Corporation shall, contemporaneously with the issuance of the Proportionate Voting Shares issuable on the exercise of the Warrants so exercised, issue to the Holder a Warrant Certificate on identical terms in respect of that number of Proportionate Voting Shares in respect of which the Holder has not exercised the rights evidenced by this Certificate.
  - (b) Exercise. The Corporation shall, on the next business day after receiving a duly executed Election to Purchase and the Exercise Price for the number of Proportionate Voting Shares specified in the Election to Purchase (the “**Exercise Date**”), issue that number of Proportionate Voting Shares specified in the Election to Purchase.
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- (c) Certificates and Electronic Deposits. As promptly as practicable after the Exercise Date (but no later than three business days after the Exercise Date), the Corporation shall issue and deliver to the Holder, registered in the name of the Holder, a certificate for the number of Proportionate Voting Shares issuable on exercise of the Warrants so exercised and a Certificate representing the balance of any unexercised Warrants. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrants which have been exercised as such shall cease, and the Proportionate Voting Shares and any unexercised Warrants shall then be issuable upon such exercise as outlined above and the Holder shall be deemed to have become the holder of record of the Proportionate Voting Shares and unexercised Warrants represented thereby.
- (d) Fractional Common Shares. Fractional Proportionate Voting Shares to the one one- thousandth may be issued upon exercise of the Warrants represented by this Certificate.
- (e) Adjustments. The subscription rights in effect under the Warrants for Proportionate Voting Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:
- (i) If, at any time from the date hereof until the Time of Expiry (the “**Adjustment Period**”), the Corporation shall:
- (A) subdivide, re-divide or change its outstanding Proportionate Voting Shares into a greater number of Proportionate Voting Shares;
- (B) reduce, combine or consolidate its outstanding Proportionate Voting Shares into a lesser number of Proportionate Voting Shares;
- (C) issue Proportionate Voting Shares or securities exchangeable for, or convertible into, Proportionate Voting Shares to all or substantially all of the holders of Proportionate Voting Shares by way of stock dividend or other distribution (other than, if applicable, a dividend paid in the ordinary course or a distribution of Proportionate Voting Shares upon the exercise of Warrants or any options, restricted share units or other exchangeable or convertible securities of the Corporation); or
- (D) change the number of common shares in the capital of the Corporation (“**Common Shares**”) to be received upon the conversion of a Proportionate Voting Share into Common Shares in accordance with the terms of the Proportionate Voting Shares (the “**PVS Exchange Ratio**”),
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(any of such events in subsections 1(e)(i)(A), (B), (C) or (D) being called a **‘Proportionate Voting Share Reorganization’**) then, in each such event, the Exercise Price shall be adjusted as of the effective date or record date of such Proportionate Voting Share Reorganization, as the case may be, and shall, in the case of the events referred to in (A) or (C) above, be decreased in proportion to the number of outstanding Proportionate Voting Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (B) above, be increased in proportion to the number of outstanding Proportionate Voting Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Proportionate Voting Shares outstanding on such effective date or record date before giving effect to such Proportionate Voting Share Reorganization and the denominator of which shall be the number of Proportionate Voting Shares outstanding as of the effective date or record date after giving effect to such Proportionate Voting Share Reorganization (including, in the case where securities exchangeable for or convertible into Proportionate Voting Shares are distributed, the number of Proportionate Voting Shares that would have been outstanding had such securities been exchanged for or converted into Proportionate Voting Shares on such record date or effective date) or shall, in the case of the event referred to in (D) above, be increased or decreased, as applicable, in proportion to the change in the number of Common Shares receivable on conversion of a Proportionate Voting Share into Common Shares resulting from such change in the PVS Exchange Ratio by multiplying the Exercise Price in effect immediately prior to such effective date by a fraction, the numerator of which shall be the PVS Exchange Ratio as of the effective date before giving effect to such Proportionate Voting Share Reorganization and the denominator of which shall be the number of Common Shares into which a Proportionate Voting Share can be converted as of the effective date after giving effect to such Proportionate Voting Share Reorganization. Such adjustment shall be made successively whenever any event referred to in this subsection 1(e)(i) shall occur. Upon any adjustment of the Exercise Price pursuant to subsection 1(e)(i), the Exchange Rate (as defined below) shall be contemporaneously adjusted by multiplying the number of Proportionate Voting Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. **‘Exchange Rate’** means the number of Proportionate Voting Shares subject to the right of purchase under each Warrant, which, as of the date hereof, is one one-thousandth (0.001) of a Proportionate Voting Share for one (1) Warrant.

- (ii) If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Proportionate Voting Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Proportionate Voting Shares (or securities convertible or exchangeable into Proportionate Voting Shares) at a price per Proportionate Voting Share (or having a conversion or exchange price per Proportionate Voting Share) less than 95% of the Current Market Price (as defined below) multiplied by the applicable PVS Exchange Ratio (which is 1,000 as of the date hereof) on such record date (a **‘Rights Offering’**), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Proportionate Voting Shares outstanding on such record date plus a number of Proportionate Voting Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Proportionate Voting Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price multiplied by the applicable PVS Exchange Ratio (which is 1,000 as of the date hereof), and of which the denominator shall be the total number of Proportionate Voting Shares outstanding on such record date plus the total number of additional Proportionate Voting Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable. Any Proportionate Voting Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Proportionate Voting Shares (or securities convertible or exchangeable into Proportionate Voting Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(ii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(e)(ii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.
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- (iii) If and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Proportionate Voting Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Proportionate Voting Shares), (ii) rights, options or warrants to subscribe for or purchase Proportionate Voting Shares (or other securities convertible into or exchangeable for Proportionate Voting Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any cash, securities or other property or other assets (other than, if applicable, dividends paid in the ordinary course) and if such issue or distribution does not constitute a Proportionate Voting Share Reorganization, a Rights Offering or a distribution of Proportionate Voting Shares upon the exercise of Warrants or any outstanding options, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Proportionate Voting Shares outstanding on such record date multiplied by the Current Market Price on such record date multiplied by 1000, less the excess, if any, of the fair market value on such record date, as determined by the directors of the Corporation, acting reasonably (whose determination shall be conclusive, subject to stock exchange approval), of such cash, securities or other property or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Proportionate Voting Shares, and of which the denominator shall be the total number of Proportionate Voting Shares outstanding on such record date multiplied by the Current Market Price multiplied by 1000. Any Proportionate Voting Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(iii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(e)(iii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.
- (iv) If and whenever at any time during the Adjustment Period, there is a reclassification of the Proportionate Voting Shares or a capital reorganization of the Corporation other than as described in subsection 1(e)(i) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Holder that has not exercised its Warrants prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such Warrant thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Proportionate Voting Shares that prior to such effective date the Holder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Holder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Proportionate Voting Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Corporation, relying on advice of legal counsel, to give effect to or to evidence the provisions of this subsection 1(e)(iv), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an agreement or certificate which shall provide, to the extent possible, for the application of the provisions set forth in this Certificate with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Certificate shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which the Holder is entitled on the exercise of its acquisition rights thereafter. Any agreement or certificate entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Holder shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this subsection 1(e) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances arrangements.
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- (v) In any case in which this subsection 1(e) shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Warrant exercised after the record date and prior to completion of such event the additional Proportionate Voting Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Proportionate Voting Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Proportionate Voting Shares declared in favour of holders of record of Proportionate Voting Shares on and after the relevant date of exercise or such later date as the Holder would, but for the provisions of this subsection 1(e)(v), have become the holder of record of such additional Proportionate Voting Shares pursuant to this subsection 1(e).
  - (vi) In any case in which subsection 1(e)(i)(C), subsection 1(e)(ii) or subsection 1(e)(iii) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Holder of the outstanding Warrants receives, subject to any required stock exchange or regulatory approval, the securities, rights or warrants referred to in subsection 1(e)(i)(C), subsection 1(e)(ii) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in subsection 1(e)(iii), as the case may be, in such kind and number as they would have received if they had been holders of Proportionate Voting Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Proportionate Voting Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be.
  - (vii) The adjustments provided for in this subsection 1(e) are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this subsection 1(e), provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect or the number of Proportionate Voting Shares issuable upon the exercise of a Warrant by at least one one-hundred-thousandth of a Proportionate Voting Share; provided, however, that any adjustments which by reason of this subsection 1(e)(vii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
  - (viii) After any adjustment pursuant to this subsection 1(e), the term "Proportionate Voting Shares", where used in this Certificate, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), the Holder is entitled to receive upon the exercise of Warrants, and the number of Proportionate Voting Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Proportionate Voting Shares or other property or securities the Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), upon the full exercise of a Warrant.
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- (ix) All Proportionate Voting Shares or shares of any class or other securities, which the Holder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this subsection 1(e), shall, for the purposes of the interpretation of this Certificate, be deemed to be Proportionate Voting Shares which such Holder is entitled to acquire pursuant to such Warrant.
  - (x) Notwithstanding anything in this subsection 1(e), no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Proportionate Voting Shares is being made pursuant to this Certificate or in connection with (a) any share incentive plan or restricted share unit plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued as of the date hereof.
  - (xi) As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Proportionate Voting Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of legal counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Proportionate Voting Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.
  - (xii) The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in subsection 1(e), deliver a certificate of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.
  - (xiii) The Corporation covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in this subsection 1(e) whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.
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- (xiv) The Corporation covenants with the Holder that it will not close its transfer books or take any other corporate action which might deprive the Holder of the opportunity to exercise its right of acquisition hereunder during the period of 10 business days after the giving of the certificate set forth in subsection 1(e) (xii).
  - (xv) If the Corporation, after the date hereof, shall take any action affecting the Proportionate Voting Shares or Common Shares other than action described in subsection 1(e), which in the reasonable opinion of the directors of the Corporation would materially affect the rights of the Holder, the Exercise Price and/or the Exchange Rate, the number of Proportionate Voting Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Holder in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Proportionate Voting Shares are listed for trading has been obtained.
  - (xvi) No adjustments shall be made pursuant to this subsection 1(e) if the Holder is entitled to participate in any event described in this subsection 1(e) on the same terms, *mutatis mutandis*, as if the Holder had exercised their Warrants prior to, or on the effective date or record date of, such event.
  - (xvii) If at any time a question or dispute arises with respect to adjustments provided for in this subsection 1(e), such question or dispute will be conclusively determined by the auditor of the Corporation or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Corporation and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Corporation and the Holder. The Corporation will provide such auditor or chartered accountant with access to all necessary records of the Corporation.
- (f) Shares to be Reserved. The Corporation will at all times keep available and reserve out of its authorized Proportionate Voting Shares, solely for the purpose of issuing upon the exercise of the Warrants, such number of Proportionate Voting Shares as shall then be issuable upon the exercise of the Warrants. The Corporation covenants and agrees that all such Proportionate Voting Shares which shall be so issuable will, upon issuance and receipt of the Exercise Price therefor, be duly authorized and issued as fully paid and non-assessable. The Corporation will take all such actions as may be necessary to ensure that all such Proportionate Voting Shares may be so issued without violation of any applicable requirements of any exchange upon which the Proportionate Voting Shares may be listed or in respect of which the Proportionate Voting Shares are qualified for unlisted trading privileges. The Corporation will take all such actions as are within its power to ensure that all such Proportionate Voting Shares may be so issued without violation of any applicable law.
- (g) Issue Tax. Upon the exercise of Warrants, the issuance of certificates, if any, for the Proportionate Voting Shares and the issuance of Certificates for any unexercised Warrants shall be made without charge to the Holder, including for any issuance tax in respect thereto, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate(s) in a name other than that of the Holder.
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- (h) Listing. The Corporation will, at its expense and as expeditiously as possible, use its reasonable commercial efforts to cause all Common Shares into which the Proportionate Voting Shares issuable upon the exercise of the Warrants are convertible to be duly listed on the Canadian Securities Exchange and/or any other stock exchange upon which the Common Shares may be then listed prior to the issuance of such Common Shares.
- (i) Current Market Price. For the purposes of any computation hereunder, the “Current Market Price” at any date shall be the volume weighted average trading price per Common Share for the 20 consecutive trading days ending five (5) trading days prior to the relevant date on the most senior stock exchange in Canada on which the Common Shares may then be listed and on which there is the greatest volume of trading of the Common Shares for such 20 day period, or, if the Common Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, which includes the Canadian Securities Exchange, the Current Market Price shall be determined in good faith by the directors of the Corporation, which determination shall be conclusive, absent fraud or manifest error. The volume weighted average trading price shall be determined by dividing the aggregate sale price of all such Common Shares sold on the said exchange during the said 20 consecutive trading days by the total number of such Common Shares so sold.

**2. Transfer of Warrants.**

- (a) No transfer of the Warrants represented by this Certificate shall be effective unless this Certificate is accompanied by a duly executed transfer form in substantially the form attached hereto as Schedule 2 (the “Transfer Form”) or such other instrument of transfer in such form as the Corporation may from time to time prescribe, and delivered to the Corporation. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Corporation, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144A under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) outside the United States in accordance with the provisions of Rule 904 of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws. Provided, that if any of the Warrants are being sold in accordance with Rule 904 of Regulation S under the U.S. Securities Act, the legend may be removed by providing a declaration to the registrar and transfer agent, together with any other evidence, which may include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act; provided further, that if any of Warrants, are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivering to the Corporation and the Corporation’s transfer agent an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act. No transfer of the Warrants represented by this Certificate shall be made if in the opinion of counsel to the Corporation such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Corporation shall issue and mail as soon as practicable, and in any event within five business days of such delivery, a new Certificate registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed. Upon the transfer of any Warrant, the Corporation shall enter the name of the transferee in the register as the registered holder of such transferred Warrants.
  - (b) Neither the Warrants represented by this Warrant Certificate nor the Proportionate Voting Shares issuable upon exercise hereof have been or will be registered under the U.S. Securities Act nor under the securities laws of any state of the United States. The Warrants represented by this Warrant Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:
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- (i) (A) is not, and is not exercising the Warrant for the account or benefit of, a U.S. person or a person in the United States;
  - (B) did not execute or deliver the exercise form while in the United States;
  - (C) delivery of the Proportionate Voting Shares will not be to an address in the United States; and
  - (D) has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or
- (ii) is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are institutional “accredited investors” that satisfy one or more of the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act, it delivered a U.S. Accredited Investor Certificate to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or
  - (iii) is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act, it delivered a Qualified Institutional Buyer Letter to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or
  - (iv) is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Proportionate Voting Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

“U.S. person” and “United States” are as defined in Regulation S under the U.S. Securities Act.

- (c) All certificates representing Proportionate Voting Shares issued to persons who exercise the Warrants pursuant to subparagraphs (b)(ii) or (b)(iv) above on the exercise of the rights represented by this Warrant Certificate will, unless such Proportionate Voting Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States bear the following legend:
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“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE “CORPORATION”) THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

*provided, that* if the Proportionate Voting Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such other as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

*provided further, that* if any of the Proportionate Voting Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation’s registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

3. **Replacement.** Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Certificate), the Corporation will issue to the Holder a replacement Certificate (containing the same terms and conditions as this Certificate), without expense to Holder.
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4. **Expiry Date.** The Warrants represented by this Certificate shall expire and all rights to purchase Proportionate Voting Shares hereunder shall cease and become null and void at 5:00 p.m. (Toronto time) on August 23, 2022.
5. **Successor Corporations.**
- (a) The Corporation shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a “**successor corporation**”) whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Corporation and the successor corporation shall have executed such instruments and done such things as the Corporation, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:
- (i) the successor corporation will have assumed all the covenants and obligations of the Corporation under this Certificate; and
- (ii) the Warrants and the terms set forth in this Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Certificate.
- (b) Whenever the conditions of subsection 5(a) shall have been duly observed and performed, the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation
6. **Covenants.** So long as any Warrants remain outstanding the Corporation covenants that it shall do or cause to be done all things necessary to preserve and maintain its corporate existence and its status as a reporting issuer not in default in the Provinces of British Columbia, Alberta and Ontario. If the issuance of the Proportionate Voting Shares upon the exercise of the Warrants requires any filing or registration with or approval of any Canadian securities regulatory authority or other Canadian governmental authority or compliance with any other requirement under any Canadian law before such Proportionate Voting Shares may be validly issued, the Corporation agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.
7. **Governing Law.** The laws of the Province of Ontario and the federal laws of Canada applicable therein shall govern the Warrants.
8. **Successors.** This Certificate shall inure to the benefit of the Holder and its successors or assigns and shall be binding on the Corporation and its respective successors.
9. **General.** All amounts of money referred to in this Certificate are expressed in lawful money of Canada.

*[Remainder of page intentionally left blank. Signature page follows.]*

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IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized officer.

DATED as of \_\_\_\_ August 30 \_\_\_\_, 2019.

**TERRASCEND CORP.**

Per: 

\_\_\_\_\_  
Authorized Signing Officer

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Schedule 1

Election to Purchase

**TO: TerrAscend Corp.**

The undersigned hereby irrevocably elects to exercise the number of Warrants of TerrAscend Corp. for the number of Proportionate Voting Shares (or other property or securities subject thereto) as set forth below:

**Payment of Exercise Price**

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|---|----------|
| (a) Number of Warrants to be Exercised:                   | # _____  |
| (b) Number of Proportionate Voting Shares to be Acquired: | # _____  |
| (c) Exercise Price per Proportionate Voting Share:        | \$ _____ |
| (d) Aggregate Purchase Price [(b) multiplied by (c)]      | \$ _____ |

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Proportionate Voting Shares to be registered and a certificate therefor, if applicable, to be issued as directed below.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

- (A) the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")), (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Proportionate Voting Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Warrant Shares occurred in an "offshore transaction" (as defined under Regulation S under the U.S. Securities Act); OR
- (B) the undersigned holder
- (i) is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Proportionate Voting Shares issuable upon such exercise, and
- (ii) the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect;
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- (C) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.
- (D) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an institutional “accredited investor” within the meaning of Rule 501(a)(1), (2), (3), or (7) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

The undersigned holder understands that unless Box A or C above is checked, the certificate representing the Proportionate Voting Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box B above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. “U.S. Person” and “United States” are as defined under Regulation S under the U.S. Securities Act.

The undersigned hereby acknowledges that the undersigned is aware that the Proportionate Voting Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20 .

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Per: \_\_\_\_\_

Name of Registered Holder:

\_\_\_\_\_

Address of Registered Holder:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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Schedule 2

Transfer Form

**TO: TerrAscend Corp.**

**FOR VALUE RECEIVED**, the undersigned transferor hereby sells, assigns and transfers unto

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(Transferee)

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(Address)

\_\_\_\_\_ of the Warrants registered in the name of the undersigned transferor represented by the attached Certificate.

**THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES** that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available, subject to the requirements for the transfer of the Warrants as set out in the Warrant Certificate.

**DATED** this \_\_\_\_\_ day of \_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of Registered Holder (Transferor)

\_\_\_\_\_  
Print name of Registered Holder

\_\_\_\_\_  
Address

**NOTE:** The signature on this transfer form must correspond with the name as recorded on the face of the Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Certificate must be accompanied by evidence of authority to sign.

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UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE DECEMBER 29, 2019.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL DECEMBER 29, 2019 AND THEN ONLY IN ACCORDANCE WITH ALL APPLICABLE LAWS. THIS WARRANT AND THE SECURITIES ISSUABLE UPON EXERCISE OF THESE WARRANTS HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THIS WARRANT MAY NOT BE EXERCISED IN THE UNITED STATES OR BY OR ON BEHALF OF, OR FOR THE ACCOUNT OR BENEFIT OF, A U.S. PERSON OR A PERSON IN THE UNITED STATES UNLESS THIS WARRANT AND THE PROPORTIONARE VOTING SHARES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE SECURITIES LEGISLATION OF ANY SUCH STATE OR AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE. "UNITED STATES" AND "U.S. PERSON" ARE AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT.

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE "CORPORATION") THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.

THE WARRANTS EVIDENCED HEREBY ARE EXERCISABLE AT OR BEFORE 5:00 P.M. (TORONTO TIME) ON AUGUST 23, 2022 AFTER WHICH TIME THE WARRANTS EVIDENCED HEREBY SHALL BE DEEMED TO BE VOID AND OF NO FURTHER FORCE OR EFFECT.

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WARRANTS TO PURCHASE UP TO 397,727 PROPORTIONATE VOTING SHARES OF

**TerrAscend Corp.**  
(existing under the laws of Ontario)

Void After  
August 23, 2022

Warrant Certificate Number – 2019-03

Number of Warrants represented by this certificate: 397,727

THIS CERTIFIES that, for value received, Pharmaceutical Opportunities Fund, LP (the **“Holder”**), is the registered holder of 397,727 warrants (collectively, the **“Warrants”**; each a **“Warrant”**), each Warrant entitling the Holder, subject to the terms and conditions set forth in this Warrant Certificate (the **“Certificate”**), to purchase from TerrAscend Corp. (the **“Corporation”**), one one-thousandth (0.001) of a proportionate voting share in the capital of the Corporation (each whole proportionate voting share, a **“Proportionate Voting Share”**), at any time until 5:00 p.m. (Toronto time) on August 23, 2022, at which time the Warrants evidenced by this Certificate shall become wholly void and the unexercised portion of the subscription right represented hereby will expire and terminate (the **“Time of Expiry”**), on payment of a price per one-thousandth (0.001) of a Proportionate Voting Share equal to CAD\$7.21 (the **“Exercise Price”**). The number of Proportionate Voting Shares which the Holder is entitled to acquire upon exercise of the Warrants and the Exercise Price are subject to adjustment as hereinafter provided.

The Holder shall be entitled to the rights evidenced by this Certificate free from all equities and rights of set-off or counterclaim between the Corporation and the original or any interim holder and all persons may act accordingly and the receipt by the Holder of the Proportionate Voting Shares issuable upon exercise hereof shall be a good discharge to the Corporation.

**1. Exercise of Warrants.**

- (a) Election to Purchase. The rights evidenced by this Certificate may be exercised by the Holder in whole or in part and in accordance with the provisions hereof by delivery of an election to purchase in substantially the form attached hereto as Schedule 1 (the **“Election to Purchase”**), properly completed and executed, together with payment by wire transfer, certified cheque or bank draft of the Exercise Price for the number of Proportionate Voting Shares specified in the Election to Purchase, at the office of the Corporation at 3610 Mavis Road, Mississauga, Ontario, L5C 1W2 or such other address in Canada as may be notified in writing by the Corporation (the **“Corporation Office”**). In the event that the rights evidenced by this Certificate are exercised in part, the Corporation shall, contemporaneously with the issuance of the Proportionate Voting Shares issuable on the exercise of the Warrants so exercised, issue to the Holder a Warrant Certificate on identical terms in respect of that number of Proportionate Voting Shares in respect of which the Holder has not exercised the rights evidenced by this Certificate.
  - (b) Exercise. The Corporation shall, on the next business day after receiving a duly executed Election to Purchase and the Exercise Price for the number of Proportionate Voting Shares specified in the Election to Purchase (the **“Exercise Date”**), issue that number of Proportionate Voting Shares specified in the Election to Purchase.
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- (c) Certificates and Electronic Deposits. As promptly as practicable after the Exercise Date (but no later than three business days after the Exercise Date), the Corporation shall issue and deliver to the Holder, registered in the name of the Holder, a certificate for the number of Proportionate Voting Shares issuable on exercise of the Warrants so exercised and a Certificate representing the balance of any unexercised Warrants. To the extent permitted by law, such exercise shall be deemed to have been effected as of the close of business on the Exercise Date, and at such time the rights of the Holder with respect to the number of Warrants which have been exercised as such shall cease, and the Proportionate Voting Shares and any unexercised Warrants shall then be issuable upon such exercise as outlined above and the Holder shall be deemed to have become the holder of record of the Proportionate Voting Shares and unexercised Warrants represented thereby.
- (d) Fractional Common Shares. Fractional Proportionate Voting Shares to the one one- thousandth may be issued upon exercise of the Warrants represented by this Certificate.
- (e) Adjustments. The subscription rights in effect under the Warrants for Proportionate Voting Shares issuable upon the exercise of the Warrants shall be subject to adjustment from time to time as follows:
- (i) If, at any time from the date hereof until the Time of Expiry (the “**Adjustment Period**”), the Corporation shall:
- (A) subdivide, re-divide or change its outstanding Proportionate Voting Shares into a greater number of Proportionate Voting Shares;
  - (B) reduce, combine or consolidate its outstanding Proportionate Voting Shares into a lesser number of Proportionate Voting Shares;
  - (C) issue Proportionate Voting Shares or securities exchangeable for, or convertible into, Proportionate Voting Shares to all or substantially all of the holders of Proportionate Voting Shares by way of stock dividend or other distribution (other than, if applicable, a dividend paid in the ordinary course or a distribution of Proportionate Voting Shares upon the exercise of Warrants or any options, restricted share units or other exchangeable or convertible securities of the Corporation); or
  - (D) change the number of common shares in the capital of the Corporation (“**Common Shares**”) to be received upon the conversion of a Proportionate Voting Share into Common Shares in accordance with the terms of the Proportionate Voting Shares (the “**PVS Exchange Ratio**”),
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(any of such events in subsections 1(e)(i)(A), (B), (C) or (D) being called a **‘Proportionate Voting Share Reorganization’**) then, in each such event, the Exercise Price shall be adjusted as of the effective date or record date of such Proportionate Voting Share Reorganization, as the case may be, and shall, in the case of the events referred to in (A) or (C) above, be decreased in proportion to the number of outstanding Proportionate Voting Shares resulting from such subdivision, re-division, change or distribution, or shall, in the case of the events referred to in (B) above, be increased in proportion to the number of outstanding Proportionate Voting Shares resulting from such reduction, combination or consolidation by multiplying the Exercise Price in effect immediately prior to such effective date or record date by a fraction, the numerator of which shall be the number of Proportionate Voting Shares outstanding on such effective date or record date before giving effect to such Proportionate Voting Share Reorganization and the denominator of which shall be the number of Proportionate Voting Shares outstanding as of the effective date or record date after giving effect to such Proportionate Voting Share Reorganization (including, in the case where securities exchangeable for or convertible into Proportionate Voting Shares are distributed, the number of Proportionate Voting Shares that would have been outstanding had such securities been exchanged for or converted into Proportionate Voting Shares on such record date or effective date) or shall, in the case of the event referred to in (D) above, be increased or decreased, as applicable, in proportion to the change in the number of Common Shares receivable on conversion of a Proportionate Voting Share into Common Shares resulting from such change in the PVS Exchange Ratio by multiplying the Exercise Price in effect immediately prior to such effective date by a fraction, the numerator of which shall be the PVS Exchange Ratio as of the effective date before giving effect to such Proportionate Voting Share Reorganization and the denominator of which shall be the number of Common Shares into which a Proportionate Voting Share can be converted as of the effective date after giving effect to such Proportionate Voting Share Reorganization. Such adjustment shall be made successively whenever any event referred to in this subsection 1(e)(i) shall occur. Upon any adjustment of the Exercise Price pursuant to subsection 1(e)(i), the Exchange Rate (as defined below) shall be contemporaneously adjusted by multiplying the number of Proportionate Voting Shares theretofore obtainable on the exercise thereof by a fraction of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. **‘Exchange Rate’** means the number of Proportionate Voting Shares subject to the right of purchase under each Warrant, which, as of the date hereof, is one one-thousandth (0.001) of a Proportionate Voting Share for one (1) Warrant.

- (ii) If and whenever at any time during the Adjustment Period, the Corporation shall fix a record date for the issuance of rights, options or warrants to all or substantially all the holders of its outstanding Proportionate Voting Shares entitling them, for a period expiring not more than 45 days after such record date, to subscribe for or purchase Proportionate Voting Shares (or securities convertible or exchangeable into Proportionate Voting Shares) at a price per Proportionate Voting Share (or having a conversion or exchange price per Proportionate Voting Share) less than 95% of the Current Market Price (as defined below) multiplied by the applicable PVS Exchange Ratio (which is 1,000 as of the date hereof) on such record date (a **‘Rights Offering’**), the Exercise Price shall be adjusted immediately after such record date so that it shall equal the amount determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Proportionate Voting Shares outstanding on such record date plus a number of Proportionate Voting Shares equal to the number arrived at by dividing the aggregate price of the total number of additional Proportionate Voting Shares offered for subscription or purchase (or the aggregate conversion or exchange price of the convertible or exchangeable securities so offered) by the Current Market Price multiplied by the applicable PVS Exchange Ratio (which is 1,000 as of the date hereof), and of which the denominator shall be the total number of Proportionate Voting Shares outstanding on such record date plus the total number of additional Proportionate Voting Shares offered for subscription or purchase or into which the convertible or exchangeable securities so offered are convertible or exchangeable. Any Proportionate Voting Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that no such rights or warrants are exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed or, if any such rights or warrants are exercised, to the Exercise Price which would then be in effect based upon the number of Proportionate Voting Shares (or securities convertible or exchangeable into Proportionate Voting Shares) actually issued upon the exercise of such rights or warrants, as the case may be. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(ii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(e)(ii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.
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- (iii) If and whenever at any time during the Adjustment Period the Corporation shall fix a record date for the making of a distribution to all or substantially all the holders of its outstanding Proportionate Voting Shares of (i) securities of any class, whether of the Corporation or any other entity (other than Proportionate Voting Shares), (ii) rights, options or warrants to subscribe for or purchase Proportionate Voting Shares (or other securities convertible into or exchangeable for Proportionate Voting Shares), other than pursuant to a Rights Offering; (iii) evidences of its indebtedness or (iv) any cash, securities or other property or other assets (other than, if applicable, dividends paid in the ordinary course) and if such issue or distribution does not constitute a Proportionate Voting Share Reorganization, a Rights Offering or a distribution of Proportionate Voting Shares upon the exercise of Warrants or any outstanding options, then, in each such case, the Exercise Price shall be adjusted immediately after such record date so that it shall equal the price determined by multiplying the Exercise Price in effect on such record date by a fraction, of which the numerator shall be the total number of Proportionate Voting Shares outstanding on such record date multiplied by the Current Market Price on such record date multiplied by 1000, less the excess, if any, of the fair market value on such record date, as determined by the directors of the Corporation, acting reasonably (whose determination shall be conclusive, subject to stock exchange approval), of such cash, securities or other property or other assets so issued or distributed over the fair market value of any consideration received therefor by the Corporation from the holders of the Proportionate Voting Shares, and of which the denominator shall be the total number of Proportionate Voting Shares outstanding on such record date multiplied by the Current Market Price multiplied by 1000. Any Proportionate Voting Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such computation. Such adjustment shall be made successively whenever such a record date is fixed. To the extent that such distribution is not so made, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed. Upon any adjustment of the Exercise Price pursuant to this subsection 1(e)(iii), the Exchange Rate will be adjusted immediately after such record date so that it will equal the rate determined by multiplying the Exchange Rate in effect on such record date by a fraction, of which the numerator shall be the Exercise Price in effect immediately prior to such adjustment and the denominator shall be the Exercise Price resulting from such adjustment. Such adjustment will be made successively whenever such a record date is fixed, provided that if two or more such record dates or record dates referred to in this subsection 1(e)(iii) are fixed within a period of 25 trading days, such adjustment will be made successively as if each of such record date occurred on the earliest of such record dates.
- (iv) If and whenever at any time during the Adjustment Period, there is a reclassification of the Proportionate Voting Shares or a capital reorganization of the Corporation other than as described in subsection 1(e)(i) or a consolidation, amalgamation, arrangement or merger of the Corporation with or into any other body corporate, trust, partnership or other entity, or a sale or conveyance of the property and assets of the Corporation as an entirety or substantially as an entirety to any other body corporate, trust, partnership or other entity, any Holder that has not exercised its Warrants prior to the effective date of such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, upon the exercise of such Warrant thereafter, shall be entitled to receive upon payment of the Exercise Price and shall accept, in lieu of the number of Proportionate Voting Shares that prior to such effective date the Holder would have been entitled to receive, the number of shares or other securities or property of the Corporation or of the body corporate, trust, partnership or other entity resulting from such merger, amalgamation or consolidation, or to which such sale or conveyance may be made, as the case may be, that such Holder would have been entitled to receive on such reclassification, capital reorganization, consolidation, amalgamation, arrangement or merger, sale or conveyance, if, on the effective date thereof, as the case may be, the Holder had been the registered holder of the number of Proportionate Voting Shares to which prior to such effective date it was entitled to acquire upon the exercise of the Warrants. If determined appropriate by the Corporation, relying on advice of legal counsel, to give effect to or to evidence the provisions of this subsection 1(e)(iv), the Corporation, its successor, or such purchasing body corporate, partnership, trust or other entity, as the case may be, shall, prior to or contemporaneously with any such reclassification, capital reorganization, consolidation, amalgamation, arrangement, merger, sale or conveyance, enter into an agreement or certificate which shall provide, to the extent possible, for the application of the provisions set forth in this Certificate with respect to the rights and interests thereafter of the Holder to the end that the provisions set forth in this Certificate shall thereafter correspondingly be made applicable, as nearly as may reasonably be, with respect to any shares, other securities or property to which the Holder is entitled on the exercise of its acquisition rights thereafter. Any agreement or certificate entered into between the Corporation, any successor to the Corporation or such purchasing body corporate, partnership, trust or other entity and the Holder shall provide for adjustments which shall be as nearly equivalent as may be practicable to the adjustments provided in this subsection 1(e) and which shall apply to successive reclassifications, capital reorganizations, amalgamations, consolidations, mergers, sales or conveyances arrangements.
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- (v) In any case in which this subsection 1(e) shall require that an adjustment shall become effective immediately after a record date for an event referred to herein, the Corporation may defer, until the occurrence of such event, issuing to the Holder of any Warrant exercised after the record date and prior to completion of such event the additional Proportionate Voting Shares issuable by reason of the adjustment required by such event before giving effect to such adjustment; provided, however, that the Corporation shall deliver to the Holder an appropriate instrument evidencing the Holder's right to receive such additional Proportionate Voting Shares upon the occurrence of the event requiring such adjustment and the right to receive any distributions made on such additional Proportionate Voting Shares declared in favour of holders of record of Proportionate Voting Shares on and after the relevant date of exercise or such later date as the Holder would, but for the provisions of this subsection 1(e)(v), have become the holder of record of such additional Proportionate Voting Shares pursuant to this subsection 1(e).
  - (vi) In any case in which subsection 1(e)(i)(C), subsection 1(e)(ii) or subsection 1(e)(iii) require that an adjustment be made to the Exercise Price, no such adjustment shall be made if the Holder of the outstanding Warrants receives, subject to any required stock exchange or regulatory approval, the securities, rights or warrants referred to in subsection 1(e)(i)(C), subsection 1(e)(ii) or the shares, rights, options, warrants, evidences of indebtedness or assets referred to in subsection 1(e)(iii), as the case may be, in such kind and number as they would have received if they had been holders of Proportionate Voting Shares on the applicable record date or effective date, as the case may be, by virtue of their outstanding Warrants having then been exercised into Proportionate Voting Shares at the Exercise Price in effect on the applicable record date or effective date, as the case may be.
  - (vii) The adjustments provided for in this subsection 1(e) are cumulative, and shall, in the case of adjustments to the Exercise Price be computed to the nearest whole cent and shall apply to successive subdivisions, re-divisions, reductions, combinations, consolidations, distributions, issues or other events resulting in any adjustment under the provisions of this subsection 1(e), provided that, notwithstanding any other provision of this Section, no adjustment of the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price then in effect or the number of Proportionate Voting Shares issuable upon the exercise of a Warrant by at least one one-hundred-thousandth of a Proportionate Voting Share; provided, however, that any adjustments which by reason of this subsection 1(e)(vii) are not required to be made shall be carried forward and taken into account in any subsequent adjustment.
  - (viii) After any adjustment pursuant to this subsection 1(e), the term "Proportionate Voting Shares", where used in this Certificate, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), the Holder is entitled to receive upon the exercise of Warrants, and the number of Proportionate Voting Shares indicated by any exercise made pursuant to a Warrant shall be interpreted to mean the number of Proportionate Voting Shares or other property or securities the Holder is entitled to receive, as a result of such adjustment and all prior adjustments pursuant to this subsection 1(e), upon the full exercise of a Warrant.
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- (ix) All Proportionate Voting Shares or shares of any class or other securities, which the Holder is at the time in question entitled to receive on the exercise of its Warrant, whether or not as a result of adjustments made pursuant to this subsection 1(e), shall, for the purposes of the interpretation of this Certificate, be deemed to be Proportionate Voting Shares which such Holder is entitled to acquire pursuant to such Warrant.
  - (x) Notwithstanding anything in this subsection 1(e), no adjustment shall be made in the acquisition rights attached to the Warrants if the issue of Proportionate Voting Shares is being made pursuant to this Certificate or in connection with (a) any share incentive plan or restricted share unit plan or share purchase plan in force from time to time for directors, officers, employees, consultants or other service providers of the Corporation; or (b) the satisfaction of existing instruments issued as of the date hereof.
  - (xi) As a condition precedent to the taking of any action which would require an adjustment in any of the acquisition rights pursuant to any of the Warrants, including the number of Proportionate Voting Shares which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of legal counsel, be necessary in order that the Corporation has unissued and reserved in its authorized capital and may validly and legally issue as fully paid and non-assessable all the Proportionate Voting Shares which the holders of such Warrants are entitled to receive on the full exercise thereof in accordance with the provisions hereof.
  - (xii) The Corporation shall from time to time immediately after the occurrence of any event which requires an adjustment or readjustment as provided in subsection 1(e), deliver a certificate of the Corporation to the Holder specifying the nature of the event requiring the same and the amount of the adjustment or readjustment necessitated thereby and setting forth in reasonable detail the method of calculation and the facts upon which such calculation is based.
  - (xiii) The Corporation covenants to and in favour of the Holder that so long as this Warrant remains outstanding, it will give notice to the Holder of the effective date or of its intention to fix a record date for any event referred to in this subsection 1(e) whether or not such action would give rise to an adjustment in the Exercise Price or the number and type of securities issuable upon the exercise of the Warrants, and, in each case, such notice shall specify the particulars of such event and the record date and the effective date for such event; provided that the Corporation shall only be required to specify in such notice such particulars of such event as have been fixed and determined on the date on which such notice is given. Such notice shall be given not less than 14 days in each case prior to such applicable record date or effective date.
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- (xiv) The Corporation covenants with the Holder that it will not close its transfer books or take any other corporate action which might deprive the Holder of the opportunity to exercise its right of acquisition hereunder during the period of 10 business days after the giving of the certificate set forth in subsection 1(e) (xii).
  - (xv) If the Corporation, after the date hereof, shall take any action affecting the Proportionate Voting Shares or Common Shares other than action described in subsection 1(e), which in the reasonable opinion of the directors of the Corporation would materially affect the rights of the Holder, the Exercise Price and/or the Exchange Rate, the number of Proportionate Voting Shares which may be acquired upon exercise of the Warrants shall be adjusted in such manner and at such time, by action of the directors, acting reasonably and in good faith, in their sole discretion as they may determine to be equitable to the Holder in the circumstances, provided that no such adjustment will be made unless any requisite prior approval of any stock exchange on which the Proportionate Voting Shares are listed for trading has been obtained.
  - (xvi) No adjustments shall be made pursuant to this subsection 1(e) if the Holder is entitled to participate in any event described in this subsection 1(e) on the same terms, *mutatis mutandis*, as if the Holder had exercised their Warrants prior to, or on the effective date or record date of, such event.
  - (xvii) If at any time a question or dispute arises with respect to adjustments provided for in this subsection 1(e), such question or dispute will be conclusively determined by the auditor of the Corporation or, if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by action of the directors of the Corporation and any such determination, subject to regulatory approval and absent manifest error, will be binding upon the Corporation and the Holder. The Corporation will provide such auditor or chartered accountant with access to all necessary records of the Corporation.
- (f) Shares to be Reserved. The Corporation will at all times keep available and reserve out of its authorized Proportionate Voting Shares, solely for the purpose of issuing upon the exercise of the Warrants, such number of Proportionate Voting Shares as shall then be issuable upon the exercise of the Warrants. The Corporation covenants and agrees that all such Proportionate Voting Shares which shall be so issuable will, upon issuance and receipt of the Exercise Price therefor, be duly authorized and issued as fully paid and non-assessable. The Corporation will take all such actions as may be necessary to ensure that all such Proportionate Voting Shares may be so issued without violation of any applicable requirements of any exchange upon which the Proportionate Voting Shares may be listed or in respect of which the Proportionate Voting Shares are qualified for unlisted trading privileges. The Corporation will take all such actions as are within its power to ensure that all such Proportionate Voting Shares may be so issued without violation of any applicable law.
- (g) Issue Tax. Upon the exercise of Warrants, the issuance of certificates, if any, for the Proportionate Voting Shares and the issuance of Certificates for any unexercised Warrants shall be made without charge to the Holder, including for any issuance tax in respect thereto, provided that the Corporation shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any such certificate(s) in a name other than that of the Holder.
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- (h) Listing. The Corporation will, at its expense and as expeditiously as possible, use its reasonable commercial efforts to cause all Common Shares into which the Proportionate Voting Shares issuable upon the exercise of the Warrants are convertible to be duly listed on the Canadian Securities Exchange and/or any other stock exchange upon which the Common Shares may be then listed prior to the issuance of such Common Shares.
- (i) Current Market Price. For the purposes of any computation hereunder, the “Current Market Price” at any date shall be the volume weighted average trading price per Common Share for the 20 consecutive trading days ending five (5) trading days prior to the relevant date on the most senior stock exchange in Canada on which the Common Shares may then be listed and on which there is the greatest volume of trading of the Common Shares for such 20 day period, or, if the Common Shares or any other security in respect of which a determination of Current Market Price is being made are not listed on any stock exchange, which includes the Canadian Securities Exchange, the Current Market Price shall be determined in good faith by the directors of the Corporation, which determination shall be conclusive, absent fraud or manifest error. The volume weighted average trading price shall be determined by dividing the aggregate sale price of all such Common Shares sold on the said exchange during the said 20 consecutive trading days by the total number of such Common Shares so sold.

**2. Transfer of Warrants.**

- (a) No transfer of the Warrants represented by this Certificate shall be effective unless this Certificate is accompanied by a duly executed transfer form in substantially the form attached hereto as Schedule 2 (the “Transfer Form”) or such other instrument of transfer in such form as the Corporation may from time to time prescribe, and delivered to the Corporation. The Warrants may be offered, sold, pledged or otherwise transferred only: (A) to the Corporation, (B) pursuant to an effective registration statement under the U.S. Securities Act, (C) in accordance with Rule 144A under the U.S. Securities Act, if available, and in compliance with applicable state securities laws, (D) outside the United States in accordance with the provisions of Rule 904 of Regulation S under the U.S. Securities Act, if available, or (E) in a transaction that does not otherwise require registration under the U.S. Securities Act or any applicable state securities laws. Provided, that if any of the Warrants are being sold in accordance with Rule 904 of Regulation S under the U.S. Securities Act, the legend may be removed by providing a declaration to the registrar and transfer agent, together with any other evidence, which may include an opinion of counsel of recognized standing reasonably satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act; provided further, that if any of Warrants, are being sold pursuant to Rule 144 of the U.S. Securities Act, if available, the legend may be removed by delivering to the Corporation and the Corporation’s transfer agent an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation, to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act. No transfer of the Warrants represented by this Certificate shall be made if in the opinion of counsel to the Corporation such transfer would result in the violation of any applicable securities laws. Subject to the foregoing, the Corporation shall issue and mail as soon as practicable, and in any event within five business days of such delivery, a new Certificate registered in the name of the transferee or as the transferee may direct and shall take all other necessary actions to effect the transfer as directed. Upon the transfer of any Warrant, the Corporation shall enter the name of the transferee in the register as the registered holder of such transferred Warrants.
  - (b) Neither the Warrants represented by this Warrant Certificate nor the Proportionate Voting Shares issuable upon exercise hereof have been or will be registered under the U.S. Securities Act nor under the securities laws of any state of the United States. The Warrants represented by this Warrant Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:
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- (i) (A) is not, and is not exercising the Warrant for the account or benefit of, a U.S. person or a person in the United States;
  - (B) did not execute or deliver the exercise form while in the United States;
  - (C) delivery of the Proportionate Voting Shares will not be to an address in the United States; and
  - (D) has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or
- (ii) is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are institutional “accredited investors” that satisfy one or more of the criteria set forth in Rule 501(a)(1), (2), (3) or (7) of Regulation D under the U.S. Securities Act, it delivered a U.S. Accredited Investor Certificate to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or
  - (iii) is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act, it delivered a Qualified Institutional Buyer Letter to the Corporation in connection with the subscription for securities pursuant to which the Warrants were acquired, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or
  - (iv) is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Proportionate Voting Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

“U.S. person” and “United States” are as defined in Regulation S under the U.S. Securities Act.

- (c) All certificates representing Proportionate Voting Shares issued to persons who exercise the Warrants pursuant to subparagraphs (b)(ii) or (b)(iv) above on the exercise of the rights represented by this Warrant Certificate will, unless such Proportionate Voting Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States bear the following legend:
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“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR U.S. STATE SECURITIES LAWS. BY PURCHASING OR OTHERWISE HOLDING SUCH SECURITIES, THE HOLDER AGREES FOR THE BENEFIT OF TERRASCEND CORP. (THE “CORPORATION”) THAT THESE SECURITIES MAY BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, DIRECTLY OR INDIRECTLY, ONLY (A) TO THE CORPORATION; OR (B) OUTSIDE THE UNITED STATES IN COMPLIANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IF AVAILABLE, AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS; OR (C) IN COMPLIANCE WITH THE EXEMPTION FROM THE REGISTRATION REQUIREMENTS UNDER THE U.S. SECURITIES ACT PROVIDED BY (I) RULE 144 OR (II) RULE 144A THEREUNDER, IF AVAILABLE, AND IN EACH CASE IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS; OR (D) IN ANOTHER TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE SECURITIES LAWS; OR (E) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE U.S. SECURITIES ACT, PROVIDED THAT, IN THE CASE OF TRANSFERS PURSUANT TO (C)(I) OR (D) ABOVE, THE HOLDER HAS, PRIOR TO SUCH TRANSFER, FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OR OTHER EVIDENCE OF EXEMPTION, IN EITHER CASE REASONABLY SATISFACTORY TO THE CORPORATION. DELIVERY OF THIS CERTIFICATE MAY NOT CONSTITUTE “GOOD DELIVERY” IN SETTLEMENT OF TRANSACTIONS ON STOCK EXCHANGES IN CANADA.”

*provided, that* if the Proportionate Voting Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation and to the Corporation, in such other as the Corporation may prescribe from time to time and, if requested by the Corporation or the registrar and transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the registrar and transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S;

*provided further, that* if any of the Proportionate Voting Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation’s registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

3. **Replacement.** Upon receipt of evidence satisfactory to the Corporation of the loss, theft, destruction or mutilation of this Certificate and, if requested by the Corporation, upon delivery of a bond of indemnity satisfactory to the Corporation (or, in the case of mutilation, upon surrender of this Certificate), the Corporation will issue to the Holder a replacement Certificate (containing the same terms and conditions as this Certificate), without expense to Holder.
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4. **Expiry Date.** The Warrants represented by this Certificate shall expire and all rights to purchase Proportionate Voting Shares hereunder shall cease and become null and void at 5:00 p.m. (Toronto time) on August 23, 2022.
5. **Successor Corporations.**
- (a) The Corporation shall not enter into any transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation (herein called a “**successor corporation**”) whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, unless prior to or contemporaneously with the consummation of such transaction the Corporation and the successor corporation shall have executed such instruments and done such things as the Corporation, acting reasonably, considers necessary or advisable to establish that upon the consummation of such transaction:
- (i) the successor corporation will have assumed all the covenants and obligations of the Corporation under this Certificate; and
- (ii) the Warrants and the terms set forth in this Certificate will be a valid and binding obligation of the successor corporation entitling the Holder, as against the successor corporation, to all the rights of the Holder under this Certificate.
- (b) Whenever the conditions of subsection 5(a) shall have been duly observed and performed, the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation
6. **Covenants.** So long as any Warrants remain outstanding the Corporation covenants that it shall do or cause to be done all things necessary to preserve and maintain its corporate existence and its status as a reporting issuer not in default in the Provinces of British Columbia, Alberta and Ontario. If the issuance of the Proportionate Voting Shares upon the exercise of the Warrants requires any filing or registration with or approval of any Canadian securities regulatory authority or other Canadian governmental authority or compliance with any other requirement under any Canadian law before such Proportionate Voting Shares may be validly issued, the Corporation agrees to take such actions as may be necessary to secure such filing, registration, approval or compliance, as the case may be.
7. **Governing Law.** The laws of the Province of Ontario and the federal laws of Canada applicable therein shall govern the Warrants.
8. **Successors.** This Certificate shall inure to the benefit of the Holder and its successors or assigns and shall be binding on the Corporation and its respective successors.
9. **General.** All amounts of money referred to in this Certificate are expressed in lawful money of Canada.

*[Remainder of page intentionally left blank. Signature page follows.]*

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IN WITNESS WHEREOF the Corporation has caused this Certificate to be signed by a duly authorized officer.

DATED as of \_\_\_\_ August 30 \_\_\_\_, 2019.

**TERRASCEND CORP.**

Per: 

\_\_\_\_\_  
Authorized Signing Officer

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Schedule 1

Election to Purchase

**TO: TerrAscend Corp.**

The undersigned hereby irrevocably elects to exercise the number of Warrants of TerrAscend Corp. for the number of Proportionate Voting Shares (or other property or securities subject thereto) as set forth below:

**Payment of Exercise Price**

- |   |          |
|---|----------|
| (a) Number of Warrants to be Exercised:                   | # _____  |
| (b) Number of Proportionate Voting Shares to be Acquired: | # _____  |
| (c) Exercise Price per Proportionate Voting Share:        | \$ _____ |
| (d) Aggregate Purchase Price [(b) multiplied by (c)]      | \$ _____ |

and hereby tenders a certified cheque, bank draft or cash for such aggregate purchase price, and directs such Proportionate Voting Shares to be registered and a certificate therefor, if applicable, to be issued as directed below.

The undersigned represents, warrants and certifies as follows (one (only) of the following must be checked):

- (A) the undersigned holder at the time of exercise of the Warrants (i) is not present in the United States, (ii) is not a U.S. Person (as defined under Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")), (iii) is not exercising the Warrants on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States, (iv) did not acquire the Warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not receive an offer to exercise the Warrants in the United States; (vi) did not execute or deliver this exercise form in the United States; (vii) is not requesting delivery in the United States of the Proportionate Voting Shares issuable upon such exercise; and (viii) represents and warrants that the exercise of the Warrants and acquisition of the Warrant Shares occurred in an "offshore transaction" (as defined under Regulation S under the U.S. Securities Act); OR
- (B) the undersigned holder
- (i) is (1) present in the United States, (2) a U.S. Person, (3) a person exercising the Warrants for the account or benefit of a U.S. Person or a person in the United States, or (4) requesting delivery in the United States of the Proportionate Voting Shares issuable upon such exercise, and
- (ii) the undersigned holder has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of the Warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect;
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- (C) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, a “qualified institutional buyer” within the meaning of Rule 144A under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.
- (D) the undersigned holder is the original purchaser of the Warrants and (a) purchased the Warrants directly from the Corporation pursuant to the terms and conditions of the Offering; (b) is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date the Warrants were purchased from the Corporation, and is on the date of exercise of the Warrants, an institutional “accredited investor” within the meaning of Rule 501(a)(1), (2), (3), or (7) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the Warrantholder during the purchase of the Warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

The undersigned holder understands that unless Box A or C above is checked, the certificate representing the Proportionate Voting Shares may be issued in definitive physical certificated form and bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box B above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation. “U.S. Person” and “United States” are as defined under Regulation S under the U.S. Securities Act.

The undersigned hereby acknowledges that the undersigned is aware that the Proportionate Voting Shares received on exercise may be subject to restrictions on resale under applicable securities legislation. The undersigned hereby further acknowledges that the Corporation will rely upon the confirmations, acknowledgements and agreements set forth herein, and agrees to notify the Corporation promptly in writing if any of the representations or warranties herein ceases to be accurate or complete.

DATED this \_\_\_\_\_ day of \_\_\_\_\_, 20 .

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Per: \_\_\_\_\_

Name of Registered Holder:

\_\_\_\_\_

Address of Registered Holder:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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Schedule 2

Transfer Form

**TO: TerrAscend Corp.**

**FOR VALUE RECEIVED**, the undersigned transferor hereby sells, assigns and transfers unto

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(Transferee)

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(Address)

\_\_\_\_\_ of the Warrants registered in the name of the undersigned transferor represented by the attached Certificate.

**THE UNDERSIGNED TRANSFEROR HERBY CERTIFIES AND DECLARES** that the Warrants are not being offered, sold or transferred to, or for the account or benefit of, a U.S. person (as defined in Rule 902(k) of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**")) or a person within the United States unless registered under the U.S. Securities Act and any applicable state securities laws or unless an exemption from such registration is available, subject to the requirements for the transfer of the Warrants as set out in the Warrant Certificate.

**DATED** this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
Signature of Registered Holder (Transferor)

\_\_\_\_\_  
Print name of Registered Holder

\_\_\_\_\_  
Address

**NOTE:** The signature on this transfer form must correspond with the name as recorded on the face of the Certificate in every particular without alteration or enlargement or any change whatsoever or this transfer form must be signed by a duly authorized trustee, executor, administrator, curator, guardian, attorney of the Holder or a duly authorized signing officer in the case of a corporation. If this transfer form is signed by any of the foregoing, or any person acting in a fiduciary or representative capacity, the Certificate must be accompanied by evidence of authority to sign.

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**WARRANTS TO PURCHASE  
COMMON SHARES OF TERRASCEND CORP.**

Date: [●]

Warrant Certificate Number:

[●]- W - [●]

Number of Warrants:

[●]

THIS IS TO CERTIFY THAT for value received [Name and address of holder] (the "Warrantholder") has the right to purchase in respect of each whole warrant (individually, a "Warrant" and, collectively, the "Warrants") represented by this certificate or by a replacement certificate (in either case, this "Warrant Certificate"), at any time up to [5:00 p.m.] (Toronto time), on [●] (the "Expiry Time"), one fully paid and non-assessable common share (individually, a "Common Share" and, collectively, the "Common Shares" and which terms shall include any shares or other securities to be issued in addition thereto or in substitution or replacement thereof as provided herein) of TerrAscend Corp. (the "Corporation"), a corporation existing under the *Business Corporations Act (Ontario)*, as constituted on the date hereof at a purchase price (the purchase price in effect from time to time being called the "Exercise Price") of US\$[●] per Common Share, subject to adjustment as provided herein.

The Corporation agrees that the Common Shares purchased pursuant to the exercise of the Warrants shall be and be deemed to be issued to the Warrantholder as of the close of business on the date on which this Warrant Certificate shall have been surrendered and payment or cashless exercise made for such Common Shares as aforesaid.

Nothing contained herein shall confer any right upon the Warrantholder to subscribe for or purchase any Common Shares at any time after the Expiry Time and from and after the Expiry Time the Warrants and all rights under this Warrant Certificate shall be void and of no value.

The above provisions are subject to the following:

1. **Exercise:** In the event that the Warrantholder desires to exercise the right to purchase Common Shares conferred hereby, the Warrantholder shall (a) complete, to the extent possible in the manner indicated, and execute a subscription form in the form attached as Schedule "A" to this Warrant Certificate, (b) surrender this Warrant Certificate to the Corporation in accordance with section 13 of this Warrant Certificate, and (c) unless electing cashless exercise pursuant to the provisions of this Warrant Certificate, pay the amount payable upon the exercise of such Warrants in respect of the Common Shares subscribed for by certified cheque, bank draft or money order in lawful money of Canada payable to the Corporation or by transmitting same day funds in lawful money of Canada by wire to such account as the Corporation shall direct the Warrantholder. Upon such surrender and payment as aforesaid, the Warrantholder shall be deemed for all purposes to be the holder of record of the number of Common Shares to be so issued and the Warrantholder shall be entitled to delivery of a certificate or certificates representing such Common Shares and the Corporation shall cause such certificate or certificates to be delivered to the Warrantholder at the address specified in the subscription form within three business days after such surrender and payment as aforesaid. No fractional Common Shares will be issuable upon any exercise of the Warrants and the Warrantholder will not be entitled to any cash payment or compensation in lieu of a fractional Common Share.

2. **U.S. Restrictions:**

- (1) **U.S. Registration Restrictions:** Neither the Warrants represented by this Warrant Certificate nor the Common Shares issuable upon exercise hereof have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”) nor under the securities laws of any state of the United States. The Warrants represented by this Certificate may only be exercised by or on behalf of a holder who, at the time of exercise, either:
- (a) (i) is not, and is not exercising the Warrant for the account or benefit of, a U.S. Person or a person in the United States;
  - (ii) did not execute or deliver the exercise form while in the United States;
  - (iii) delivery of the Common Shares will not be to an address in the United States; and
  - (iv) has in all other respects complied with the terms of Regulation S of the U.S. Securities Act; or
- (b) is the original subscriber for the Warrants, on its own behalf or on behalf of the original beneficial purchaser (if any), it and such beneficial purchaser (if any) are “accredited investors” that satisfy one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, it delivered a United States Accredited Investor Certificate to the Corporation in connection with the subscription for the Warrants, and the representations, warranties and covenants made by the undersigned therein are true and correct on the date of exercise of the Warrants in respect to the exercise of the Warrants and it represents to the Corporation as such; or
- (c) is the original subscriber of the Warrants and is exercising the Warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment discretion; each of it and any beneficial owner was on the date the Warrants were received from the Corporation, and is on the date of exercise of the Warrants, is an “accredited investor” that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act, and all the representations, warranties and covenants agreed upon or made by the Warranholder, or any beneficial purchaser, as the case may be, during the purchase of the Warrants from the Corporation continue to be true and correct as of the date of exercise; or
- (d) is tendering with the exercise form a written opinion of counsel of recognized standing in form and substance reasonably satisfactory to the Corporation to the effect that the Common Shares to be delivered upon exercise of the Warrants have been registered under the U.S. Securities Act and all applicable state securities laws of the United States or are exempt from such registration requirements.

As used herein, the terms "United States" and "U.S. Person" have the meaning assigned to them in Regulation S under the U.S. Securities Act.

- (2) **Restrictive Legends:** All certificates representing Common Shares issued to persons who exercise the Warrants pursuant to subsections (1)(b) or (1)(c) above on the exercise of the rights represented by this Warrant Certificate will, unless such Common Shares are registered under the U.S. Securities Act and the securities laws of all applicable states of the United States, bear the following legend:

**“THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED, NOR IS THERE ANY INTENTION TO REGISTER SUCH SECURITIES, UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”), OR ANY APPLICABLE STATE SECURITIES LAWS. THEREFORE, THE SECURITIES REPRESENTED HEREBY MAY NOT BE SOLD, OFFERED, DELIVERED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES UNLESS SUCH SECURITIES HAVE BEEN REGISTERED UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS OR UNLESS AN EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS IS AVAILABLE, AND THE HOLDER HAS DELIVERED AN OPINION OF COUNSEL IN FORM AND SUBSTANCE REASONABLY SATISFACTORY TO THE CORPORATION TO SUCH EFFECT.”**

*provided that* if any of the Common Shares are being sold pursuant to Rule 144 under the U.S. Securities Act and in compliance with any applicable state securities laws, the legend may be removed by delivery to the Corporation’s registrar and transfer agent of an opinion satisfactory to the Corporation and its registrar and transfer agent to the effect that the legend is no longer required under applicable requirements of the U.S. Securities Act or applicable state securities laws.

3. **Voting Support and Lock-Up Restrictive Legend:** As at the date hereof, the Warrants are subject to trading restrictions agreed to by the Warrantholder pursuant to a voting support and lock-up agreement between the Warrantholder and the Corporation dated August 31, 2021 (the “**Lock-up Agreement**”). To the extent that the Lock-up Agreement remains in full force and effect at the time the Warrants are exercised pursuant to subsections (1)(b) or (1)(c) above, all certificates representing Common Shares issued shall bear the following legend:

**“THE SECURITIES REPRESENTED HEREBY ARE SUBJECT TO THE RESTRICTIONS STATED IN, AND ARE TRANSFERABLE ONLY UPON COMPLIANCE WITH THE PROVISIONS OF THE VOTING SUPPORT AND LOCK-UP AGREEMENT DATED AUGUST 31, 2021 BY AND AMONG TERRASCEND CORP. AND [WARRANTHOLDER NAME] (THE “LOCK-UP AGREEMENT”), A COPY OF WHICH IS ON FILE AT THE PRINCIPAL OFFICE OF TERRASCEND CORP., AND THE PROVISIONS OF WHICH ARE INCORPORATED HEREIN BY REFERENCE. EXCEPT AS SET FORTH IN THE LOCK-UP AGREEMENT, THE SHARES EVIDENCED BY THIS SHARE CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, GIFTED, ASSIGNED, CONVEYED, PLEDGED, HYPOTHECATED, SUBJECT TO A SECURITY INTEREST, PARTICIPATION INTEREST, FORWARD SALE, REPURCHASE AGREEMENT OPTION OR OTHER ARRANGEMENT OR MONETIZATION TRANSACTION OR OTHERWISE DISPOSED OF AND/OR ENCUMBERED AND MAY NOT BE TRANSFERRED TO PERSONS NOT QUALIFIED TO BE HOLDERS OF RECORD AS PROVIDED IN THE LOCK-UP AGREEMENT.”**



4. **Partial Exercise:** The Warrantholder may from time to time subscribe for and purchase any lesser number of Common Shares than the number of Common Shares expressed in this Warrant Certificate. In the event that the Warrantholder subscribes for and purchases any such lesser number of Common Shares prior to the Expiry Time, the Warrantholder shall be entitled to receive a replacement certificate representing the unexercised balance of the Warrants.
5. **Cashless Exercise:**
- (1) **Definitions:** For the purposes of this section 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 5(1):
- (a) **"Canadian Dollars"** means the lawful money of Canada;
- (b) **"USD Equivalent Amount"** means on any date with respect to the specified amount of Canadian Dollars, the U.S. Dollar equivalent amount after giving effect to the conversion of Canadian Dollars to U.S. Dollars at the Bank of Canada daily average exchange rate (as quoted or published from time to time by the Bank of Canada) on that date;
- (2) **Calculation:** The Warrantholder shall be entitled to elect a "cashless exercise" on the form attached as Schedule "A" and exchange its warrants to the Corporation in exchange for the issuance of the number of Common Shares equal to the quotient (if greater than zero) obtained by dividing [(A-B) (X)] by (A), where:
- X = the number of Warrants being exercised;  
A = the USD Equivalent Amount of the Current Market Price (as defined in section 8) of one Common Share on the trading day immediately preceding the date of exercise of such Warrant;  
B = the Exercise Price (as adjusted to the date of such calculation).
- (3) **Issue Price:** The issue price for each Common Share to be issued pursuant to the cashless exercise of a Warrant will be equal to (B), as defined above, and the total issue price for the aggregate number of Common Shares issued pursuant to the cashless exercise of a Warrant will be paid and satisfied in full by the surrender to the Corporation of such Warrant.
6. **Not a Shareholder:** The holding of the Warrants shall not constitute the Warrantholder a shareholder of the Corporation nor entitle the Warrantholder to any right or interest in respect thereof except as expressly provided in this Warrant Certificate.
7. **Covenants, Representations and Warranties:**
- (1) The Corporation hereby represents and warrants that:
- (a) The Corporation is duly authorized and has the corporate and lawful authority to create and issue the Warrants and the Common Shares issuable upon the exercise hereof and perform its obligations hereunder.

- (b) The Corporation hereby further represents and warrants that such Common Shares have been conditionally approved for listing on the Canadian Securities Exchange (the "CSE"), subject only to customary deliveries to be made by the Corporation to the CSE (which deliveries the Corporation covenants and agrees that it will, at its expense, expeditiously use its best efforts to deliver).
  - (c) All Common Shares which are issued upon the exercise of the right of purchase provided in this Warrant Certificate, upon payment therefor of the Exercise Price at which such Common Shares may be purchased pursuant to the provisions of this Warrant Certificate, or upon cashless exercise in accordance with the terms of this Warrant Certificate, shall be deemed to be fully paid and non-assessable shares and free from all taxes, liens and charges with respect to the issue thereof.
  - (d) This Warrant Certificate is a valid and enforceable obligation of the Corporation, enforceable in accordance with the provisions of this Warrant Certificate.
- (2) The Corporation hereby covenants and agrees that:
- (a) So long as any Common Shares evidenced hereby remain outstanding, the Corporation will cause the Common Shares from time to time subscribed for and purchased in the manner provided in this Warrant Certificate and the certificate or certificates representing such Common Shares to be issued and that, at all times prior to the Expiry Time, it has authorized and will reserve and there will remain unissued a sufficient number of Common Shares to satisfy the right of purchase provided for in this Warrant Certificate.
  - (b) The Corporation shall use commercially reasonable efforts to preserve and maintain its corporate existence.
  - (c) The Corporation covenants and agrees that it will, at its expense, expeditiously use commercially reasonable efforts to obtain the listing of such Common Shares (subject to issue or notice of issue) on each stock exchange or over-the-counter market on which the Common Shares may be listed or quoted for trading from time to time, if any; provided the foregoing shall not, in any manner, preclude the Corporation from pursuing or completing a transaction that would result in the delisting of the Common Shares from the CSE or ceasing to be a reporting issuer or the equivalent in each of the Reporting Jurisdictions where the board of directors of the Corporation, acting in good faith and in accordance with applicable laws, determines that such a transaction is in the best interests of the Corporation.
  - (d) If, in the opinion of counsel for the Corporation, any prospectus or other filing is required to be filed with or any permission is required to be obtained from any securities regulatory body or any other step is required under any federal or provincial law before any Common Shares which the Warranholder is entitled to purchase pursuant to the Warrant may properly and legally be issued upon exercise thereof, the Corporation covenants that it will use commercially reasonable efforts to take such action.

8. **Anti-Dilution Protection:**

- (1) **Definitions:** For the purposes of this section 8 and section 5, unless there is something in the subject matter or context inconsistent therewith, the words and terms defined below shall have the respective meanings specified therefor in this subsection 8(1):
- (a) "**Adjustment Period**" means the period commencing on the date of issue of the Warrants and ending at the Expiry Time;
  - (b) "**Current Market Price**" of the Common Shares at any date means the price per share equal to the weighted average price at which the Common Shares have traded on the CSE or, if the Common Shares are not then listed on the CSE, on such other Canadian stock exchange as may be selected by the directors of the Corporation for such purpose or, if the Common Shares are not then listed on any Canadian stock exchange, in the over-the-counter market, during the period of 20 consecutive trading days ending on the third business day before such date; provided that the weighted average price shall be determined by dividing the aggregate sale price of all Common Shares sold on the said exchange or market, as the case may be, during such 20 consecutive trading days by the total number of Common Shares so sold; and provided further that if the Common Shares are not then listed on any Canadian stock exchange or quoted for trading in the over the counter market, then the Current Market Price shall be determined by a firm of independent chartered accountants selected by the directors of the Corporation;
  - (c) "**director**" or "**director of the Corporation**" means a director of the Corporation for the time being and, unless otherwise specified herein, a reference to action "by the directors" means action by the directors of the Corporation as a board or, whenever empowered, action by any committee of the directors of the Corporation; and
  - (d) "**trading day**" with respect to a stock exchange or over-the-counter market means a day on which such stock exchange or market is open for business.
- (2) **Adjustments:** The Exercise Price and the number of Common Shares issuable to the Warranholder pursuant to this Warrant Certificate shall be subject to adjustment from time to time in the events and in the manner provided as follows:
- (a) If, at any time during the Adjustment Period, the Corporation shall:
    - (i) fix a record date for the issue of, or issue Common Shares, or securities exchangeable or exercisable for or convertible into Common Shares to the holders of all or substantially all of the outstanding Common Shares by way of a stock dividend;

- (ii) fix a record date for the distribution to, or make a distribution to, the holders of all or substantially all of the outstanding Common Shares payable in Common Shares or securities exchangeable or exercisable for or convertible into Common Shares;
- (iii) subdivide, re-divide or otherwise change the outstanding Common Shares into a greater number of Common Shares; or
- (iv) reduce, combine or consolidate the outstanding Common Shares into a lesser number of Common Shares,

(any of such events in subclauses 8(2)(a)(i), 8(2)(a)(ii), 8(2)(a)(iii) and 8(2)(a)(iv) above being herein called a **Common Share Reorganization**), the Exercise Price shall be adjusted on the earlier of the record date on which holders of Common Shares are determined for the purposes of the Common Share Reorganization and the effective date of the Common Share Reorganization to the amount determined by multiplying the Exercise Price in effect immediately prior to such record date or effective date, as the case may be, by a fraction:

- A. the numerator of which shall be the number of Common Shares outstanding on such record date or effective date, as the case may be, before giving effect to such Common Share Reorganization; and
- B. the denominator of which shall be the number of Common Shares which will be outstanding immediately after giving effect to such Common Share Reorganization (including, in the case of a distribution of securities exchangeable or exercisable for or convertible into Common Shares, the number of Common Shares that would have been outstanding had all such securities been exchanged or exercised for or converted into Common Shares on such effective date or record date).

To the extent that any adjustment in the Exercise Price occurs pursuant to this clause 8(2)(a) as a result of the fixing by the Corporation of a record date for the distribution of securities exchangeable or exercisable for or convertible into Common Shares, the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. Any Warranholder who has not exercised his right to subscribe for and purchase Common Shares on or prior to the record date of such stock dividend or distribution or the effective date of such subdivision or consolidation, as the case may be, upon the exercise of such right thereafter shall be entitled to receive and shall accept in lieu of the number of Common Shares then subscribed for and purchased by such Warranholder, at the Exercise Price determined in accordance with this clause 8(2)(a), the aggregate number of Common Shares that such Warranholder would have been entitled to receive as a result of such Common Share Reorganization, if, on such record date or effective date, as the case may be, such Warranholder had been the holder of record of the number of Common Shares so subscribed for and purchased.

- (b) If, at any time during the Adjustment Period, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares of rights, options or warrants pursuant to which such holders are entitled, during a period expiring not more than 90 days after the record date for such issue (such period being the "**Rights Period**"), to subscribe for or purchase Common Shares or securities exchangeable or exercisable for or convertible into Common Shares at a price per share to the holder (or, in the case of securities exchangeable or exercisable for or convertible into Common Shares, at an exchange, exercise or conversion price per share) at the date of issue of such securities of less than 95% of the Current Market Price of the Common Shares on such record date (any of such events being called a "**Rights Offering**"), the Exercise Price shall be adjusted effective immediately after the record date for such Rights Offering to the amount determined by multiplying the Exercise Price in effect on such record date by a fraction:
- (i) the numerator of which shall be the aggregate of
- A. the number of Common Shares outstanding as of the record date for the Rights Offering, and
- B. the quotient determined by dividing
- (1) either (a) where the event giving rise to the application of this section 6(2)(b) was the issue or distribution of rights, options or warrants to the holders of Common Shares under which such holders are entitled to subscribe for or purchase additional Common Shares, the product of the maximum number of Common Shares offered during the Rights Period pursuant to the Rights Offering and the price at which such Common Shares are offered, or (b) where the event giving rise to the application of this Section 6(2)(b) was the issue or distribution of rights, options or warrants to the holders of Common Shares under which such holders are entitled to subscribe for or purchase securities exchangeable or exercisable for or convertible into Common Shares, the product of the exchange, exercise or conversion price of the securities so offered and the maximum number of Common Shares for or into which the securities offered pursuant to the Rights Offering may be exchanged, exercised or converted, as the case may be, by

- (2) the Current Market Price of the Common Shares as of the record date for the Rights Offering; and
- (ii) the denominator of which shall be the aggregate of the number of Common Shares outstanding on such record date and the number of Common Shares offered pursuant to the Rights Offering (including, in the case of the issue or distribution of securities exchangeable or exercisable for or convertible into Common Shares, the number of Common Shares for or into which such securities may be exchanged, exercised or converted).

If, by the terms of the rights, options or warrants referred to in this clause 8(2)(b), there is more than one purchase, exchange, exercise or conversion price per Common Share, the aggregate price of the total number of additional Common Shares offered for subscription or purchase, or the aggregate exchange, exercise or conversion price of the exchangeable, exercisable or convertible securities so offered, shall be calculated for purposes of the adjustment on the basis of the lowest purchase, exchange, exercise or conversion price per Common Share, as the case may be. Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of any such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this clause 8(2)(b) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants referred to in this clause 8(2)(b), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the Exercise Price which would then be in effect based upon the number of Common Shares actually issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right.

- (c) If, at any time during the Adjustment Period, the Corporation shall fix a record date for the issue or distribution to the holders of all or substantially all of the outstanding Common Shares of:
  - (i) shares of the Corporation of any class other than Common Shares;
  - (ii) rights, options or warrants to acquire Common Shares or securities exchangeable or exercisable for or convertible into Common Shares (other than rights, options or warrants pursuant to which holders of Common Shares are entitled, during a period expiring not more than 90 days after the record date for such issue, to subscribe for or purchase Common Shares or securities exchangeable or exercisable for or convertible into Common Shares at a price per share (or, in the case of securities exchangeable or exercisable for or convertible into Common Shares, at an exchange, exercise or conversion price per share) on the record date for the issue of such securities to the holder of at least 95% of the Current Market Price of the Common Shares on such record date);

- (iii) evidences of indebtedness of the Corporation; or
- (iv) any property or assets of the Corporation;

and if such issue or distribution does not constitute a Common Share Reorganization or a Rights Offering (any of such non-excluded events being herein called a "**Special Distribution**"), the Exercise Price shall be adjusted effective immediately after the record date for the Special Distribution to the amount determined by multiplying the Exercise Price in effect on such record date for the Special Distribution by a fraction:

- A. the numerator of which shall be the difference between
  - (1) the product of the number of Common Shares outstanding on such record date and the Current Market Price of the Common Shares on such record date, and
  - (2) the aggregate fair market value, as determined by action by nationally or internationally recognized and independent firm of chartered accountants as may be selected by action by the directors of the Corporation, and subject to the approval of any stock exchange on which the Shares may then be listed, where required, to the holders of Common Shares of the shares, rights, options, warrants, evidences of indebtedness or property or assets to be issued or distributed in the Special Distribution, and
- B. the denominator of which shall be the product obtained by multiplying the number of Common Shares outstanding on such record date by the Current Market Price of the Common Shares on such record date.

Any Common Shares owned by or held for the account of the Corporation shall be deemed not to be outstanding for the purpose of such calculation. To the extent that any adjustment in the Exercise Price occurs pursuant to this clause 8(2)(c) as a result of the fixing by the Corporation of a record date for the issue or distribution of rights, options or warrants to acquire Common Shares or securities exchangeable or exercisable for or convertible into Common Shares referred to in this clause 8(2)(c), the Exercise Price shall be readjusted immediately after the expiry of any relevant exchange, exercise or conversion right to the amount which would then be in effect based upon the number of Common Shares issued and remaining issuable after such expiry and shall be further readjusted in such manner upon the expiry of any further such right. To the extent that such Special Distribution is not ultimately so made, the Exercise Price shall then be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed.

- (d) If, at any time during the Adjustment Period, there shall occur:
- (i) a reclassification or redesignation of the Common Shares, a change of the Common Shares into other shares or securities or any other capital reorganization involving the Common Shares other than a Common Share Reorganization;
  - (ii) a consolidation, amalgamation, arrangement or merger of the Corporation with or into another body corporate which results in a reclassification or redesignation of the Common Shares or a change of the Common Shares into other shares or securities; or
  - (iii) the transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation or entity;

(any of such events being called a "**Capital Reorganization**"), after the effective date of the Capital Reorganization, the Warrants shall remain outstanding and the Warrantholder shall be entitled to receive, upon exercising any of the Warrants after the effective date of such Capital Reorganization, in lieu of the number of Common Shares to which the Warrantholder was theretofore entitled upon the exercise of the Warrants, the kind and aggregate number of shares and other securities or property resulting from the Capital Reorganization which the Warrantholder would have been entitled to receive as a result of the Capital Reorganization if, on the effective date thereof, the Warrantholder had been the registered holder of the number of Common Shares which the Warrantholder was theretofore entitled to purchase or receive upon the exercise of the Warrants. If necessary, as a result of any such Capital Reorganization, appropriate adjustments shall be made in the application of the provisions of this Warrant Certificate with respect to the rights and interests thereafter of the Warrantholder to the end that the provisions of this Section 6 shall thereafter correspondingly be made applicable as nearly as may reasonably be possible in relation to any shares or other securities or property thereafter deliverable upon the exercise of the Warrants and the Corporation or any successor corporation or entity shall be entitled to deliver a replacement certificate representing the rights and interests of the Warrantholder as a result of such Capital Reorganization.

- (e) If, at any time during the Adjustment Period, any adjustment or readjustment in the Exercise Price shall occur pursuant to the provisions of clause 8(2)(a), 8(2)(b) or 8(2)(c) of this Warrant Certificate, then the number of Common Shares purchasable upon the subsequent exercise of the Warrants shall be simultaneously adjusted or readjusted, as the case may be, by multiplying the number of Common Shares purchasable upon the exercise of the Warrants immediately prior to such adjustment or readjustment by a fraction which shall be the reciprocal of the fraction used in the adjustment or readjustment of the Exercise Price.



- (3) Rules: The following rules and procedures shall be applicable to adjustments made pursuant to subsection 8(2) of this Warrant Certificate:
- (a) If any event of the type contemplated by the provisions of this Section 6 but not expressly provided for by such provisions (including, without limitation, the granting of stock appreciation rights, phantom stock rights or other rights with equity features) occurs, then the board of directors of the Corporation shall promptly make an appropriate adjustment in the Exercise Price and the number of Common Shares issuable upon exercise of this Warrant so as to protect the rights of the Warrantholder in a manner consistent with the provisions of this Section 8; provided, that no such adjustment pursuant to this Section 8 shall increase the Exercise Price or decrease the number of Common Shares issuable as otherwise determined pursuant to this Section 8.
  - (b) If more than one subsection of Section 8 is applicable to a single event, the subsection shall be applied that produces the largest adjustment and no single event shall cause an adjustment under more than one subsection of Section 8 so as to result in duplication.
  - (c) Subject to the following clauses of this subsection 8(3), any adjustment made pursuant to subsection 8(2) hereof shall be made successively whenever an event referred to therein shall occur, and will, in the case of adjustments to the Exercise Price, be computed to the nearest one-tenth of one cent and will be made successively whenever an event referred to therein occurs, subject to the following subsections of this Section 8.
  - (d) Notwithstanding any other provision of subsection 8(2) hereof, no adjustment of the Exercise Price shall be made which would result in an increase in the Exercise Price or a decrease in the number of Common Shares issuable upon the exercise of the Warrants (except in respect of the Common Share Reorganization described in subclause 8(2)(a)(iv) hereof or a Capital Reorganization described in subclause 8(2)(d)(ii) hereof).
  - (e) No adjustment in the Exercise Price or in the number or kind of securities purchasable upon the exercise of the Warrants shall be made in respect of any event described in section 8 hereof if the Warrantholder is entitled to participate in such event on the same terms *mutatis mutandis* as if the Warrantholder had exercised the Warrants prior to or on the record date or effective date, as the case may be, of such event.
  - (f) No adjustment in the Exercise Price or in the number of Common Shares purchasable upon the exercise of the Warrants shall be made pursuant to subsection 8(2) hereof in respect of the issue from time to time of Common Shares pursuant to this Warrant Certificate or pursuant to any stock option, stock purchase or stock bonus plan in effect from time to time for directors, officers or employees of the Corporation and any such issue, and any grant of options in connection therewith, shall be deemed not to be a Common Share Reorganization, a Rights Offering nor any other event described in subsection 8(2) hereof.

- (g) If, at any time during the Adjustment Period, the Corporation shall take any action affecting the Common Shares, other than an action or event described in subsection 8(2) hereof, which, in the opinion of the directors of the Corporation, would have a material adverse effect upon the rights of Warrantheholders, either or both the Exercise Price and the number of Common Shares purchasable upon exercise of the Warrants shall be adjusted in such manner and at such time by action by the directors of the Corporation, in their sole discretion, as may be equitable in the circumstances. Failure of the taking of action by the directors of the Corporation so as to provide for an adjustment prior to the effective date of any action by the Corporation affecting the Common Shares shall be deemed to be conclusive evidence that the directors of the Corporation have determined that it is equitable to make no adjustment in the circumstances.
- (h) If the Corporation shall set a record date to determine holders of Common Shares for the purpose of entitling such holders to receive any dividend or distribution or any subscription or purchase rights and shall, thereafter and before the distribution to such holders of any such dividend, distribution or subscription or purchase rights, legally abandon its plan to pay or deliver such dividend, distribution or subscription or purchase rights, then no adjustment in the Exercise Price or the number of Common Shares purchasable upon the exercise of the Warrants shall be required by reason of the setting of such record date.
- (i) In any case in which this Warrant Certificate shall require that an adjustment shall become effective immediately after a record date for an event referred to in subsection 8(2) hereof, the Corporation may defer, until the occurrence of such event:
  - (i) issuing to the Warrantheholder, to the extent that the Warrants are exercised after such record date and before the occurrence of such event, the additional Common Shares or other securities issuable upon such exercise by reason of the adjustment required by such event; and
  - (ii) delivering to the Warrantheholder any distribution declared with respect to such additional Common Shares or other securities after such record date and before such event;

provided, however, that the Corporation shall deliver to the Warrantheholder an appropriate instrument evidencing the right of the Warrantheholder upon the occurrence of the event requiring the adjustment, to an adjustment in the Exercise Price or the number of Common Shares purchasable upon the exercise of the Warrants and to such distribution declared with respect to any such additional Common Shares issuable upon the exercise of the Warrants.

- (j) In the absence of a resolution of the directors of the Corporation fixing a record date for a Rights Offering, the Corporation shall be deemed to have fixed as the record date therefor the date of the issue of the rights, options or warrants issued pursuant to the Rights Offering.
  - (k) If a dispute shall at any time arise with respect to adjustments of the Exercise Price or the number of Common Shares purchasable upon the exercise of the Warrants, such disputes shall be conclusively determined by the auditors of the Corporation or if they are unable or unwilling to act, by such other firm of independent chartered accountants as may be selected by the directors of the Corporation and any such determination shall be conclusive evidence of the correctness of any adjustment made pursuant to subsection 8(2) hereof and shall be binding upon the Corporation and the Warranholder.
  - (l) As a condition precedent to the taking of any action which would require an adjustment pursuant to subsection 8(2) hereof, including the Exercise Price and the number or class of Common Shares or other securities which are to be received upon the exercise thereof, the Corporation shall take any action which may, in the opinion of counsel to the Corporation, be necessary in order that the Corporation may validly and legally issue as fully paid and non-assessable shares all of the Common Shares or other securities which the Warranholder is entitled to receive in accordance with the provisions of this Warrant Certificate
  - (m) As promptly as reasonably practicable following any adjustment of the Exercise Price, the Corporation shall furnish to the Warranholder a certificate of an executive officer setting forth in reasonable detail such adjustment and the facts upon which it is based and certifying the calculation thereof.
- (4) Notice: At least 21 days prior to the earlier of the record date or effective date of any event which requires or might require an adjustment in any of the rights of the Warranholder under this Warrant Certificate, including the Exercise Price or the number of Common Shares which may be purchased under this Warrant Certificate, the Corporation shall deliver to the Warranholder a certificate of the Corporation specifying the particulars of such event and, if determinable, the required adjustment and the calculation of such adjustment. In case any adjustment for which a notice in this subsection 8(4) has been given is not then determinable, the Corporation shall promptly after such adjustment is determinable deliver to the Warranholder a certificate providing the calculation of such adjustment. The Corporation hereby covenants and agrees that the register of transfers and share transfer books for the Common Shares will be open, and that the Corporation will not take any action which might deprive the Warranholder of the opportunity of exercising the rights of subscription contained in this Warrant Certificate, during such 21 day period.

9. **Consolidation and Amalgamation.**
- (1) In the case of the Corporation entering into a transaction whereby all or substantially all of its undertaking, property and assets would become the property of any other corporation and/or its securities exchanged for the securities of another corporation (herein called a "successor corporation") whether by way of reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise, the successor corporation shall be bound by all of the provisions hereof including the due and punctual performance of all covenants of the Corporation and forthwith following the occurrence of such event, the successor corporation resulting from such reorganization, reconstruction, consolidation, amalgamation, merger, transfer, sale, disposition or otherwise (if not the Corporation), shall expressly assume, by supplemental certificate satisfactory in form to the Warranholder, acting reasonably, and executed and delivered to the Warranholder, the due and punctual performance and observance of this Warrant Certificate to be performed and observed by the Corporation and these securities and the terms set forth in this Warrant certificate will be a valid and binding obligation of the successor corporation entitling the Warranholder, as against the successor corporation, to all the rights of the Warranholder under this Warrant Certificate.
- (2) Whenever the conditions of Section 7(1) shall have been duly observed and performed the successor corporation shall possess, and from time to time may exercise, each and every right and power of the Corporation under this Warrant Certificate in the name of the Corporation or otherwise and any act or proceeding by any provision hereof required to be done or performed by any director or officer of the Corporation may be done and performed with like force and effect by the like directors or officers of the successor corporation.
10. **No Obligation to Purchase.** Nothing herein contained or done pursuant hereto shall obligate the Warranholder to purchase or pay for or the Corporation to issue any Common Shares except those Common Shares in respect of which the Warranholder shall have exercised its right to purchase in the manner provided hereunder.
11. **Change; Waiver.** Subject to the approval of the Canadian Securities Exchange (or such other stock exchange on which the Common Shares are listed or posted for trading), the provisions of these Warrants may from time to time be amended, modified or waived, if such amendment, modification or waiver is in writing and consented to in writing by the Corporation and the Warranholder.
12. **Further Assurances:** The Corporation hereby covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, all and every such other act, deed and assurance as the Warranholder shall reasonably require for the better accomplishing and effectuating of the intentions and provisions of this Warrant Certificate.
13. **Time of Essence:** Time shall be of the essence of this Warrant Certificate.
14. **Governing Laws:** This Warrant Certificate shall be construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

15. **Notices:** All notices or other communications to be given under this Warrant Certificate shall be delivered by hand, courier, ordinary prepaid mail, facsimile or by electronic transmission and, if delivered by hand, shall be deemed to have been given on the delivery date, if delivered by ordinary prepaid mail shall be deemed to have been given on the fifth day following the delivery date and, if sent by facsimile or electronic transmission, on the date of transmission if sent before 5:00 p.m., Toronto time, on a business day or, if sent after 5:00 p.m., Toronto time, or such day is not a business day, on the first business day following the date of transmission.

Notices to the Corporation shall be addressed to:

TerrAscend Corp.  
P. O. Box 43125  
Mississauga, Ontario, Canada  
L5B 4A7

Attention: General Counsel  
Email: [legal@terrascent.com](mailto:legal@terrascent.com)

with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP  
222 Bay Street – Suite 3000  
P.O. Box 53  
Toronto, Ontario, M5K 1E7

Attention: Andrea Brewer  
Email: [andrea.brewer@nortonrosefulbright.com](mailto:andrea.brewer@nortonrosefulbright.com)

Notices to the Warrantholder shall be addressed to the address of the Warrantholder set out on the face page of this Warrant Certificate.

The Corporation and the Warrantholder may change its address for service by notice in writing to the other of them specifying its new address for service under this Warrant Certificate.

16. **Lost Certificate:** If this Warrant Certificate or any replacement hereof becomes stolen, lost, mutilated or destroyed, the Corporation shall, on such terms as it may in its discretion impose, acting reasonably, issue and deliver a new certificate, in form identical hereto but with appropriate changes, representing any unexercised portion of the subscription rights represented hereby to replace the certificate so stolen, lost, mutilated or destroyed.
17. **Language:** The parties hereto acknowledge and confirm that they have requested that this Warrant Certificate as well as all notices and other documents contemplated hereby be drawn up in the English language. *Les parties aux présentes reconnaissent et confirment qu'elles ont exigé que la présente convention ainsi que tous les avis et documents qui s'y rattachent soient rédigés en langue anglaise.*
18. **Non-Transferable:** The Warrants evidenced hereby (or any portion thereof) may not be assigned or transferred by the Warrantholder.
19. **Successors and Assigns:** This Warrant Certificate shall enure to the benefit of the Warrantholder and the successors and assignees thereof and shall be binding upon the Corporation and the successors thereof.
20. **United States Dollars:** All references herein to monetary amounts are references to lawful money of the United States of America (“U.S. Dollars” or “US\$”).

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IN WITNESS WHEREOF the Corporation has caused this Warrant Certificate to be signed by its duly authorized officer as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**TERRASCEND CORP.**

By: \_\_\_\_\_  
Authorized Officer

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SCHEDULE "A"

TO: TERRASCEND CORP.

**SUBSCRIPTION FORM**

The undersigned hereby subscribes for \_\_\_\_\_ common shares ("**Common Shares**") of TerrAscend Corp. (the "**Corporation**") (or such other number of Common Shares or other securities to which such subscription entitles the undersigned in lieu thereof or in addition thereto pursuant to the provisions of the warrant certificate (the "**Warrant Certificate**") dated [●] issued by the Corporation) at the purchase price of US\$[●] per Common Share (or at such other purchase price as may be in effect under the provisions of the Warrant Certificate) and on and subject to the other terms and conditions specified in the Warrant Certificate and hereunder as follows (please check **ONE** applicable box):

This subscription form is accompanied by a certified cheque, bank draft or money order in lawful money of Canada payable to the Corporation or has transmitted same day funds by wire to such account as the Corporation directed the undersigned in payment of the subscription price.

OR

The Warrants are being exercised pursuant to the cashless exercise provisions set forth in Section 4 of the Warrant Certificate.

The undersigned hereby represents and warrants to the Corporation that the undersigned (check one):

- 1. at the time of exercise of these warrants (i) is not in the United States; (ii) is not a U.S. Person as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"); (iii) is not exercising these warrants on behalf of, or for the account of, a U.S. Person or a person in the United States; (iv) did not acquire these warrants in the United States or on behalf of, or for the account or benefit of, a U.S. Person or a person in the United States; (v) did not execute or deliver this exercise form in the United States; (vi) is not requesting delivery in the United States of the Common Shares issuable upon such exercise; and (vii) represents and warrants that the exercise of these warrants and acquisition of the Common Shares occurred in an "offshore transaction" (as defined in Regulation S under the U.S. Securities Act); OR
  - 2. is
    - (A) (i) present in the United States, (ii) a U.S. Person, (iii) a person exercising these warrants for the account or benefit of a U.S. Person or a person in the United States, or (iv) requesting delivery in the United States of the Common Shares issuable upon such exercise; and
    - (B) the undersigned has an exemption from the registration requirements of the U.S. Securities Act and all applicable state securities laws available for the exercise of these warrants, and has delivered to the Corporation a written opinion of U.S. counsel, in form and substance reasonably satisfactory to the Corporation, or such other evidence reasonably satisfactory to the Corporation to that effect; OR
-

- 3. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, an "accredited investor" within the meaning of Rule 501(a) under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof; OR
- 4. is the original purchaser of these warrants and (a) purchased these warrants directly from the Corporation pursuant to the terms and conditions of a subscription agreement for the purchase of units from the Corporation; (b) is exercising these warrants solely for its own account or for the account of the original beneficial owner, if any, and for whose account such original purchaser exercises sole investment direction; (c) each of it and any beneficial owner was on the date these warrants were purchased from the Corporation, and is on the date of exercise of these warrants, a "qualified institutional buyer" (as that term is used in Rule 144A of the U.S. Securities Act) and is also an "accredited investor" that satisfies one or more of the criteria set forth in Rule 501(a) of Regulation D under the U.S. Securities Act; and (d) all the representations, warranties and covenants agreed upon or made by the undersigned, or any beneficial purchaser, as the case may be during the purchase of these warrants from the Corporation continue to be true and correct as if duly executed as of the date thereof.

"United States" and "U.S. Person" are as defined in Regulation S under the U.S. Securities Act.

The undersigned holder understands that unless Box 1 or 4 above is checked, the certificate representing the Common Shares issued upon exercise of the warrants represented by this Warrant Certificate will bear a legend restricting transfer without registration under the U.S. Securities Act and applicable state securities laws unless an exemption from registration is available (as described in the Warrant Certificate and the subscription documents). If Box 2 above is checked, holders are encouraged to consult with the Corporation in advance to determine that the legal opinion tendered in connection with the exercise will be satisfactory in form and substance to the Corporation.

If Box 2 or Box 3 is checked, any certificate representing the Common Shares issuable upon exercise of these warrants will bear an applicable United States restrictive legend

The undersigned hereby directs that the Common Shares subscribed for be registered and delivered as follows:

<u>Name in Full</u>	<u>Address</u>	<u>Number of Common Shares</u>
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DATED this \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

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By: \_\_\_\_\_

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CERTAIN CONFIDENTIAL INFORMATION (MARKED BY BRACKETS AS “[\*\*\*]”) HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) WOULD BE COMPETITIVELY HARMFUL IF PUBLICLY DISCLOSED.

**ARRANGEMENT AGREEMENT**

**TERRASCEND CORP.**

- and -

**CANOPY GROWTH CORPORATION**

**CANOPY RIVERS CORPORATION**

**JW OPPORTUNITIES MASTER FUND, LTD.**

**JW PARTNERS, LP**

**PHARMACEUTICAL OPPORTUNITIES FUND, LP**

October 8, 2018

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**ARRANGEMENT AGREEMENT**

**THIS AGREEMENT** is made as of October 8, 2018,

AMONG:

**TERRASCEND CORP.**,  
a corporation existing under the laws of the Province of Ontario  
  
(the “**Company**”)

- and -

**CANOPY GROWTH CORPORATION**,  
a corporation existing under the federal laws of Canada  
  
 (“**Canopy Growth**”)

- and -

**CANOPY RIVERS CORPORATION**,  
a corporation existing under the federal laws of Canada  
  
 (“**Canopy Rivers**”)

- and -

**JW OPPORTUNITIES MASTER FUND, LTD.**,  
a corporation existing under the laws of the Cayman Islands  
  
 (“**JW Opportunities**”)

- and -

**JW PARTNERS, LP**,  
a limited partnership existing under the laws of Delaware, USA  
  
 (“**JW Partners**”)

- and -

**PHARMACEUTICAL OPPORTUNITIES FUND, LP**,  
a limited partnership existing under the laws of Delaware, USA  
  
 (“**Pharma Opportunities**” and, together with JW Opportunities  
and JW Partners, the “**JW Entities**”)

WHEREAS the Company wishes to undertake a reorganization of its capital;

AND WHEREAS the Board has unanimously determined (with conflicted directors abstaining) that the Arrangement is fair to the Company Shareholders and in the best interests of the Company, and has resolved to recommend that the Company Shareholders vote in favour of the Arrangement;

AND WHEREAS the Parties intend to carry out the transactions contemplated herein by way of a plan of arrangement under the provisions of the OBCA;

AND WHEREAS the Company has entered into support and voting agreements with all of the directors and senior officers of the Company pursuant to which, among other things, such directors and officers have agreed to vote all of the Common Shares held by them in favour of the Arrangement Resolution, on the terms and subject to the conditions set forth in such agreements;

AND WHEREAS the Parties have entered into this Agreement to provide for the matters referred to in the foregoing recitals and for other matters related to the transactions herein provided for.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the Parties agree as follows:

## **ARTICLE 1** **INTERPRETATION**

### **1.1 Defined Terms**

As used in this Agreement, the following terms have the following meanings:

“**Agreement**” means this arrangement agreement, including all schedules hereto, as may be amended, supplemented or otherwise modified from time to time in accordance with its terms.

“**Arrangement**” means the arrangement under section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement.

“**Arrangement Resolution**” means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by the Company Shareholders entitled to vote thereon pursuant to the Interim Order, substantially in the form of Schedule B.

“**Articles of Arrangement**” means the articles of arrangement of the Company in respect of the Arrangement, required by the OBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form satisfactory to Canopy Growth, Canopy Rivers, the JW Entities and the Company, each acting reasonably.

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“**Authorization**” means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

“**Board**” means the board of directors of the Company, as constituted from time to time.

“**Board Recommendation**” has the meaning specified in Section 2.4(b).

“**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

“**Canopy Growth**” has the meaning specified in the preamble.

“**Canopy Growth Stock Exchange Approval**” means the approval of the TSX and NYSE of the terms of the Arrangement.

“**Canopy Rivers**” has the meaning specified in the preamble.

“**Canopy Rivers Stock Exchange Approval**” means the approval of the TSXV of the terms of the Arrangement.

“**Canopy Warrants**” means (i) the outstanding Warrants issued by the Company to Canopy Growth on December 8, 2017, being 9,545,456 Warrants as of the date of the Arrangement Agreement represented by Warrant certificate 2017-05; and (ii) the outstanding Warrants issued by the Company to Canopy Rivers on December 8, 2017, being 9,545,456 Warrants as of the date of the Arrangement Agreement represented by Warrant certificate 2017-04.

“**Certificate of Arrangement**” means the certificate of arrangement issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“**Closing**” has the meaning specific in Section 2.7(b).

“**Common Shares**” means the common shares in the capital of the Company.

“**Company**” has the meaning specified in the preamble.

“**Company Circular**” means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to the Company Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

“**Company Meeting**” means the special meeting of Company Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular and agreed to in writing by the Parties.

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“**Company Shareholders**” means the registered or beneficial holders of the Common Shares, as the context requires.

“**Constituting Documents**” means articles of incorporation, amalgamation, or continuation, articles and notice of articles, by-laws and other constituting documents, as applicable, and all amendments to such documents.

“**Court**” means the Ontario Superior Court of Justice (Commercial List), or other court as applicable.

“CSE” means the Canadian Securities Exchange.

“CSE Approval” means the approval of the CSE of the terms of the Arrangement.

“Director” means the Director appointed pursuant to section 278 of the OBCA.

“Effective Date” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“Effective Time” means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“Exchangeable Share Protection Agreement” means the exchangeable share protection agreement between Canopy Growth, Canopy Rivers and the Company, substantially in the form of Schedule C.

“Exchangeable Shares” has the meaning specified in the Plan of Arrangement.

“Final Order” means the final order of the Court made pursuant to section 182(5)(f) of the OBCA in a form acceptable to Canopy Growth, Canopy Rivers, the JW Entities and the Company, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of Canopy Growth, Canopy Rivers, the JW Entities and the Company, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to Canopy Growth, Canopy Rivers, the JW Entities and the Company, each acting reasonably) on appeal.

“Governmental Entity” means (i) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, anti-trust, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange.

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“Interim Order” means the interim order of the Court made pursuant to section 182(5) of the OBCA, in a form acceptable to Canopy Growth, Canopy Rivers, the JW Entities and the Company, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of Canopy Growth, Canopy Rivers, the JW Entities and the Company, each acting reasonably.

“JW Entities” means, collectively, (i) JW Opportunities, (ii) JW Partners and (iii) Pharma Opportunities.

“JW Opportunities” has the meaning specified in the preamble.

“JW Partners” has the meaning specified in the preamble.

“JW Warrants” means the outstanding Warrants issued by the Company to the JW Entities on December 8, 2017, being an aggregate of 28,636,361 Warrants as of the date of the Arrangement Agreement represented by Warrant certificates 2017-01, 2017-02 and 2017-03.

“Law” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, notice, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

“MI 61-101” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“Misrepresentation” means an untrue statement of a material fact or an omission to state a material fact required or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made.

“Notice” has the meaning specified in Section 7.3.

“NYSE” means the New York Stock Exchange.

“OBCA” means the *Business Corporations Act* (Ontario).

“Options” means the options to purchase Common Shares issued pursuant to the Company’s Stock Option Plan dated March 8, 2017, as amended on August 6, 2018.

“Order” means a judgment, writ, order, decision, ruling, injunction or decree of any Governmental Entity;

“Outside Date” means February 8, 2019.

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“Parties” means Canopy Growth, Canopy Rivers, the JW Entities and the Company, and “Party” means any one of them.

“Person” includes any individual, partnership, association, body corporate, trust, organization, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

“Pharma Opportunities” has the meaning specified in the preamble.

“Plan of Arrangement” means the plan of arrangement proposed under section 182 of the OBCA, substantially in the form of Schedule A, and any amendments or variations made thereto in accordance with this Agreement or Section 4.1 thereof or made at the direction of the Court with the consent of Canopy Growth, Canopy Rivers, the JW Entities and the Company, each acting reasonably.

“Proportionate Voting Shares” has the meaning specified in the Plan of Arrangement.

“Regulatory Approvals” means the CSE Approval, the Canopy Growth Stock Exchange Approval and the Canopy Rivers Stock Exchange Approval.

“**Required Approval**” has the meaning specified in Section 2.2(b).

“**Restricted Share Exemption**” means an exemption from certain provisions of Securities Laws relating to restricted securities to, among other things, allow the Common Shares to retain their name following the Effective Time, which has been applied for by the Company;

“**Securities Authorities**” means the Ontario Securities Commission and any other applicable securities commission or securities regulatory authority of a province or territory of Canada.

“**Securities Laws**” means the *Securities Act* (Ontario) and any other applicable Canadian securities laws, rules and regulations and published policies thereunder.

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval maintained on behalf of the Securities Authorities.

“**Subject Shares**” has the meaning specified in Section 4.2(a)(ii).

“**Subscription Agreements**” means the subscription agreements entered into between the Company and each of Canopy Growth, Canopy Rivers and the JW Entities dated November 15, 2017.

“**Support and Voting Agreements**” means each of the support and voting agreements dated the date hereof between the Company and each of the directors and senior officers of the Company.

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“**Tax Act**” means the *Income Tax Act* (Canada).

“**Taxes**” means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, provincial sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers’ compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party, and in each case, whether disputed or not.

“**Transfer**” has the meaning specified in Section 4.2(a)(iii).

“**Transfer Agent**” means, prior to the Effective Time, the Person appointed as the transfer agent and registrar of the Common Shares, and following the Effective Time, the Person appointed as the transfer agent and registrar of the Common Shares, Proportionate Voting Shares and the Exchangeable Shares.

“**TSX**” means the Toronto Stock Exchange.

“**TSXV**” means the TSX Venture Exchange.

“**United States**” or “**U.S.**” means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;

“**U.S. Securities Act**” means the United States Securities Act of 1933.

“**Warrants**” means warrants of the Company exercisable for Common Shares.

1.2

**Certain Rules of Interpretation**

In this Agreement, unless otherwise specified:

(a) **Headings, etc.** The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.

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(b) **Currency.** All references to dollars or to \$ are references to Canadian dollars, unless otherwise specified.

(c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(d) **Certain Phrases and References, etc.** The words “including”, “includes” and “include” mean “including (or includes or include) without limitation,” and “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of.” Unless stated otherwise, “Article”, “Section”, and “Schedule” followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Agreement. The term “Agreement” and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it.

(e) **Capitalized Terms.** Unless otherwise specified, all capitalized terms used in any Schedule have the meanings ascribed to them in this Agreement.

(f) **Statutes.** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(g) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 5:00 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 5:00 p.m. on the next Business Day if the last day of the period is not a Business Day.

(h) **Time References.** References to time are to local time, Toronto, Ontario.

- (i) **Affiliates and Subsidiaries.** For the purpose of this Agreement, a Person is an “affiliate” of another Person if one of them is a subsidiary of the other or each one of them is controlled, directly or indirectly, by the same Person. A “subsidiary” means a Person that is controlled directly or indirectly by another Person and includes a subsidiary of that subsidiary. A Person is considered to “control” another Person if: (i) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, unless that first Person holds the voting securities only to secure an obligation, (ii) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the interests of the partnership, or (iii) the second Person is a limited partnership, and the general partner of the limited partnership is the first Person.

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## **ARTICLE 2** **THE ARRANGEMENT**

### **2.1 Arrangement**

The Parties agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement.

### **2.2 Interim Order**

As soon as reasonably practicable after the date of this Agreement, the Company shall apply, in a manner reasonably acceptable to the other Parties, pursuant to section 182 of the OBCA and, in cooperation with the other Parties, prepare, file and diligently pursue an application for the Interim Order, which shall provide, among other things:

- (a) for the classes of persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;
- (b) that the required level of approval (the “**Required Approval**”) for the Arrangement Resolution shall be (i) two-thirds of the votes cast on the Arrangement Resolution by Company Shareholders present in person or represented by proxy at the Company Meeting; and (ii) a simple majority of the votes cast on the Arrangement Resolution by Company Shareholders present in person or represented by proxy at the Company Meeting, excluding for this purpose votes attached to Common Shares held by persons described in items (a) through (d) of section 8.1(2) of MI 61-101;
- (c) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (d) that the Company Meeting may be adjourned or postponed from time to time by the Company in accordance with the terms of this Agreement without the need for additional approval of the Court;
- (e) confirmation of the record date for the purposes of determining the Company Shareholders entitled to notice of and to vote at the Company Meeting in accordance with the Interim Order;
- (f) that the record date for the Company Shareholders entitled to notice of and to vote at the Company Meeting will not change in respect of any adjournment(s) of the Company Meeting, unless required by applicable Laws;
- (g) that, in all other respects, the terms, restrictions and conditions of the Company’s Constatng Documents, including quorum requirements and all other matters, shall apply in respect of the Company Meeting; and
- (h) for such other matters as the Company may reasonably require, subject to obtaining the prior consent of the other Parties, such consent not to be unreasonably withheld, conditioned or delayed.

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### **2.3 The Company Meeting**

Subject to the terms of this Agreement and (other than in the case of Section 2.3(a)) the receipt of the Interim Order, the Company shall:

- (a) fix and publish a record date for the purposes of determining Company Shareholders entitled to receive notice of and vote at the Company Meeting;
- (b) convene and conduct the Company Meeting in accordance with the Interim Order, the Company’s Constatng Documents and Law as soon as reasonably practicable;
- (c) give notice to the other Parties of the Company Meeting and allow the other Parties’ respective representatives, legal counsel and financial advisors to attend the Company Meeting, both in accordance with the Interim Order;
- (d) promptly advise the other Parties, at such times as such other Parties may reasonably request, as to the aggregate tally of the proxies received by the Company in respect of the Arrangement Resolution; and
- (e) promptly advise the other Parties of receipt of any communication (written or oral) from any Company Shareholder, other securityholder of the Company or any other stakeholder in opposition to the Arrangement (except for non-substantive communications).

### **2.4 The Company Circular**

(a) Subject to compliance with Section 2.4(d) by the other Parties, the Company shall promptly prepare and complete the Company Circular together with any other documents required by Law in connection with the Company Meeting and the Arrangement, and the Company shall, promptly after obtaining the Interim Order, cause the Company Circular and such other documents to be filed and sent to each Company Shareholder and other Person as required by the Interim Order and Law, in each case so as to permit the Company Meeting to be held as soon as reasonably practicable, as specified in Section 2.3(b).

(b) On the date of mailing thereof, the Company shall ensure that the Company Circular complies in all material respects with Law and the Interim Order, does not contain any Misrepresentation (except that the Company shall not be responsible for any information included in the Company Circular related to the other Parties or their respective affiliates that was furnished by any of the other Parties for inclusion in the Company Circular pursuant to Section 2.4(d)) and provides the Company Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the Company Meeting. Without limiting the generality of the foregoing, the Company Circular shall include: (i) a statement that the Board has unanimously (subject to any abstentions), after receiving legal and financial advice, determined that the Arrangement Resolution is in the best interests of the Company and recommends that the Company Shareholders vote in favour of the Arrangement

Resolution (the “**Board Recommendation**”), and (ii) a statement that each director and senior officer of the Company has agreed to vote any Common Shares owned or controlled by such individual in favour of the Arrangement Resolution pursuant to the Support and Voting Agreements.

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(c) The Company shall give the other Parties and their respective legal counsel and financial advisors a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents, and shall give reasonable consideration to any comments made by them, and agrees that all information relating solely to the other Parties or their respective affiliates included in the Company Circular must be in a form and content satisfactory to the applicable other Party, acting reasonably.

(d) Each of the other Parties shall provide the Company with, on a timely basis, all information regarding such other Party and its affiliates as required by applicable Laws for inclusion in the Company Circular or in any amendments or supplements to the Company Circular. The applicable other Party shall ensure that such information does not contain any Misrepresentation.

(e) Each Party shall promptly notify the other Parties if it becomes aware that the Company Circular contains a Misrepresentation, or otherwise requires an amendment or supplement. The Parties shall co-operate in the preparation of any such amendment or supplement as required or appropriate, and the Company shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Company Shareholders and, if required by the Court or by Law, file the same with the Securities Authorities or any other Governmental Entity as required.

## **2.5 Final Order**

If the Interim Order is obtained and the Arrangement Resolution is approved at the Company Meeting in accordance with the terms of the Interim Order, the Company shall take all steps necessary to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to section 182 of the OBCA, as soon as reasonably practicable, but in any event not later than three Business Days, after the Arrangement Resolution is passed at the Company Meeting as provided for in the Interim Order.

## **2.6 Court Proceedings**

(a) Each of Canopy Growth, Canopy Rivers and the JW Entities shall cooperate with and assist the Company in, and consent to the Company, seeking the Interim Order and the Final Order, including by providing the Company on a timely basis with any information regarding itself or its affiliates as reasonably requested by the Company or as required by Law to be supplied by it in connection therewith.

(b) In connection with all Court proceedings relating to obtaining the Interim Order and the Final Order, and in each case subject to Law, the Company shall:

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- (i) diligently pursue, and cooperate with Canopy Growth, Canopy Rivers and the JW Entities in diligently pursuing, the Interim Order and the Final Order;
- (ii) provide Canopy Growth, Canopy Rivers, the JW Entities and their respective legal counsel with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with pursuing the Interim Order or the Final Order, and give reasonable consideration to all such comments;
- (iii) provide legal counsel to each of Canopy Growth, Canopy Rivers and the JW Entities with copies of any notice of appearance, evidence or other documents served on the Company or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal from them, and any notice, written or oral, indicating the intention of any Person to appeal, or oppose the granting of, the Interim Order or the Final Order;
- (iv) not object to legal counsel to Canopy Growth, Canopy Rivers or the JW Entities making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order as such counsel considers appropriate, provided that the Company is advised of the nature of any submissions on a timely basis prior to the hearing and such submissions are consistent in all material respects with this Agreement and the Plan of Arrangement;
- (v) ensure that all material filed with the Court in connection with pursuing the Interim Order or the Final Order is consistent in all material respects with this Agreement and the Plan of Arrangement;
- (vi) oppose any proposal from any Person that the Final Order contain any provision inconsistent with this Agreement;
- (vii) if at any time after the issuance of the Final Order and prior to the Effective Date, the Company is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, it shall do so after notice to, and in consultation and cooperation with, Canopy Growth, Canopy Rivers and the JW Entities; and
- (viii) not file any material with the Court in connection with pursuing the Interim Order or the Final Order or serve any such material, or agree to modify or amend any material so filed or served, except as contemplated by this Agreement or with the prior consent of Canopy Growth, Canopy Rivers and the JW Entities, which consent may not be unreasonably withheld, conditioned or delayed, provided that consent may be withheld with respect to any modification or amendment to such filed or served materials that expands or increases the obligations of the Party withholding consent or diminishes or limits the rights of the Party withholding consent set forth in any such filed or served materials or under this Agreement.

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## **2.7 Articles of Arrangement and Effective Date**

(a) The Company shall file the Articles of Arrangement with the Director, and the Effective Date shall occur, on the date which is three Business Days after the date on which all conditions set forth in Section 5.1 to Section 5.5 have been satisfied or waived (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date), unless another time or date is agreed to in writing by the Parties. From and after the Effective Time, the Arrangement will have all of the effects provided by applicable Law, including the OBCA.

(b) The closing of the Arrangement (the “**Closing**”) will take place at the offices of Blake, Cassels & Graydon LLP, 199 Bay St., Suite 4000, Toronto, Ontario, M5L 1A9 or at such other location as may be agreed upon by the Parties.



**2.8**            **Exchange of Shares**

Forthwith following the Effective Time, the Company shall, subject to the terms of the Plan of Arrangement, issue and deliver to the Transfer Agent one or more irrevocable treasury directions authorizing the Transfer Agent, as the registrar and transfer agent of the Proportionate Voting Shares and Exchangeable Shares, to register and issue the aggregate number of Proportionate Voting Shares and Exchangeable Shares, as applicable, to which each of Canopy Growth, Canopy Rivers and the JW Entities are entitled pursuant to the Plan of Arrangement.

**2.9**            **Withholding Taxes**

The Company and the Transfer Agent, as applicable, shall be entitled to deduct and withhold from any Proportionate Voting Shares or Exchangeable Shares deliverable or consideration otherwise deliverable to any former Common Shareholder or holder of Warrants such amounts as they may be required to deduct and withhold therefrom under any provision of applicable Laws in respect of Taxes. To the extent that any amounts are so deducted and withheld, such amounts shall be treated for all purposes hereof as having been paid to the Person to whom such amounts would otherwise have been paid, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To satisfy the amount required to be deducted or withheld from any payment to any such Common Shareholder or holder of Warrants, the Company or the Transfer Agent, as applicable, may sell or otherwise dispose of (or exercise any exchange or conversion rights applicable and then sell or otherwise dispose of the underlying Common Shares) any portion of the Common Shares, Proportionate Voting Shares or Exchangeable Voting Shares deliverable to such holder as is necessary to provide sufficient funds to enable the Company or the Transfer Agent, as applicable, to comply with such deduction and/or withholding requirements.

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**2.10**           **U.S. Securities Law Matters**

The Parties agree that the Arrangement will be carried out with the intention that all Proportionate Voting Shares issued under the Arrangement to the JW Entities will be issued by the Company in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by section 3(a)(10) thereof or another available exemption. In order to ensure the availability of the exemption under section 3(a)(10) of the U.S. Securities Act, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) the Arrangement will be subject to the approval of the Court;
- (b) the Court will be advised as to the intention of the Parties to rely on the exemption from the registration requirements of the U.S. Securities Act under section 3(a)(10) thereof prior to the hearing required to approve the Arrangement;
- (c) before approving the Arrangement, the Court will be required to satisfy itself as to the procedural and substantive fairness of the Arrangement to the Company Shareholders;
- (d) the Company will ensure that the JW Entities will be given adequate notice advising them of their right to attend the Final Order hearing and will provide them with sufficient information for them to exercise that right;
- (e) the JW Entities hereby acknowledge that they have been advised that the Proportionate Voting Shares issued pursuant to the Arrangement have not been registered under the U.S. Securities Act and will be issued by the Company in reliance on the exemption under section 3(a)(10) of the U.S. Securities Act;
- (f) the Final Order approving the Arrangement that is obtained from the Court will expressly state that the Plan of Arrangement is fair and reasonable (as that term is understood for the purposes of section 182 of the OBCA) and is approved by the Court; and
- (g) the Interim Order approving the Company Meeting will specify that each Company Shareholder will have the right to appear before the Court at the Final Order hearing so long as they deliver a Notice of Appearance within the time prescribed by the Interim Order.

**ARTICLE 3**  
**REPRESENTATIONS AND WARRANTIES**

**3.1**            **Representations and Warranties of the Company**

(a) The Company represents and warrants to the other Parties that the representations and warranties set forth in Schedule D are true and correct as of the date hereof and acknowledges and agrees that the other Parties are relying upon such representations and warranties in connection with the entering into of this Agreement.

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(b) The representations and warranties of the Company contained in this Agreement shall survive the completion of the Arrangement and shall not expire and be terminated when this Agreement is terminated in accordance with its terms.

(c) Except for the representations and warranties set forth in this Agreement, neither the Company nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Company.

**3.2**            **Representations and Warranties of the Parties Other than the Company**

(a) Except for representations and warranties specifically limited to a particular Party, each of the Parties other than the Company, severally but not jointly, represents and warrants to the Company that the representations and warranties set forth in Schedule E are true and correct as of the date hereof in respect of such Party and acknowledges and agrees that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement. Where a representation and warranty set forth in Schedule E is specifically limited to a particular Party, such Party represents and warrants to the Company that such representation and warranty is true and correct as of the date hereof and acknowledges and agrees that the Company is relying upon such representation and warranty in connection with the entering into of this Agreement.

(b) The representations and warranties of the Parties other than the Company contained in this Agreement shall survive the completion of the Arrangement and shall not expire and be terminated when this Agreement is terminated in accordance with its terms.

(c) Except for the representations and warranties set forth in this Agreement, none of the Parties other than the Company, nor any other Person, has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Parties other than the Company.

**ARTICLE 4**  
**COVENANTS**

#### 4.1 Covenants of the Company Relating to the Arrangement

(a) Subject to the terms and conditions of this Agreement, the Company shall perform all obligations required to be performed by the Company under this Agreement, cooperate with the other Parties in connection therewith, and do all such other commercially reasonable acts and things as may be necessary or desirable in order to complete and make effective, as soon as reasonably practicable, the Arrangement and, without limiting the generality of the foregoing, the Company shall and, where appropriate, shall cause its subsidiaries to:

- (i) other than in connection with obtaining the Regulatory Approvals, which shall be governed by the provisions of Section 4.4, use its commercially reasonable efforts, upon reasonable consultation with the other Parties, to oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the completion of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement or this Agreement, provided that neither the Company nor any of its subsidiaries will consent to the entry of any judgment or settlement with respect to any such proceeding without the prior written approval of the other Parties, not to be unreasonably withheld, conditioned or delayed;

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- (ii) use its commercially reasonable efforts to satisfy all conditions precedent in this Agreement and carry out the terms of the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law on it with respect to this Agreement or the Arrangement; and
- (iii) not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or any commercially reasonable action not to be taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the completion of the Arrangement.

(b) The Company shall promptly notify the other Parties of:

- (i) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Arrangement;
- (ii) unless prohibited by Law, any notice or other communication from any Governmental Entity in connection with this Agreement (and the Company shall contemporaneously provide a copy of any such written notice or communication to the other Parties); or
- (iii) any material filing, action, suit, claim, investigation or proceeding commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the Company or its affiliates in connection with this Agreement or the Arrangement.

#### 4.2 Covenants of the Parties Other than the Company Relating to the Arrangement

(a) Subject to the terms and conditions of this Agreement, each of the Parties other than the Company shall perform all obligations required to be performed by it under this Agreement, cooperate with the Company in connection therewith, and do all such other commercially reasonable acts and things as may be necessary or desirable in order to complete and make effective, as soon as reasonably practicable, the Arrangement and, without limiting the generality of the foregoing, each of the Parties other than the Company shall and, where appropriate, shall cause its subsidiaries to:

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- (i) other than in connection with obtaining the Regulatory Approvals, which shall be governed by the provisions of Section 4.4, use its commercially reasonable efforts, upon reasonable consultation with the Company, to oppose, lift or rescind any injunction, restraining or other order, decree or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the completion of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement or this Agreement, provided that neither the Party nor any of its subsidiaries will consent to the entry of any judgment or settlement with respect to any such proceeding without the prior written approval of the Company, not to be unreasonably withheld, conditioned or delayed;
- (ii) vote, or cause to be voted, any Common Shares directly or indirectly owned or controlled by the Party or any of its affiliates (the “**Subject Shares**”) (i) in favour of the Arrangement Resolution; (ii) in favour of any other matter necessary for the consummation of the transactions contemplated by this Agreement; and (iii) against, and not otherwise support, any matter that could reasonably be expected to delay, prevent, impede or frustrate the Company Meeting or the successful completion of the Arrangement or any of the transactions contemplated by the Arrangement Agreement;
- (iii) unless required by Law, not, directly or indirectly, prior to the approval of the Arrangement Resolution (i) sell, transfer, gift, assign, grant a participation interest in, option, pledge, hypothecate, grant a security or voting interest in or otherwise convey or encumber (each, a “**Transfer**”), or enter into any agreement, option or other arrangement (including any profit sharing arrangement) with respect to the Transfer of any of its Subject Shares to any Person, (ii) except as required herein, grant any proxies or power of attorney in respect of its Subject Shares or deposit any of its Subject Shares into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, (iii) enter into any agreement affecting or restricting the ability of the Party to exercise all voting rights attaching to its Subject Shares, or (iv) agree to take any of the actions described in the foregoing clauses (i) to (iii);
- (iv) promptly notify the Company, at first orally and then in writing, of the amount of any new Common Shares acquired by, or in respect of which control or direction over the voting is, directly or indirectly, acquired by, the Party after the date hereof and any such Common Shares shall be subject to the terms of this Agreement as though owned by the Party on the date hereof and shall be included in the definition of “**Subject Shares**”;
- (v) not, directly or indirectly (i) solicit proxies, or become a participant in a solicitation, in opposition to or competition with the transactions contemplated by this Agreement, (ii) act jointly or in concert with others with respect to voting securities of the Company for the purpose of opposing or competing with the transactions contemplated by this Agreement, (iii) unless required by Law, publicly withdraw support from the transactions contemplated by this Agreement, or (iv) join in the requisition of any meeting of the securityholders of the Company for the purpose of considering any resolution for any matter that could reasonably be expected to delay, prevent, impede or frustrate the Company Meeting or the successful completion of the Arrangement and each of the transactions contemplated by this Agreement;

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- (vi) use its commercially reasonable efforts to satisfy all conditions precedent in this Agreement and carry out the terms of the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law on it or its affiliates with respect to this Agreement or the Arrangement; and
  - (vii) not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or any commercially reasonable action not to be taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the completion of the Arrangement.
- (b) Each of the Parties other than the Company shall promptly notify the Company of:
- (i) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Arrangement;
  - (ii) unless prohibited by Law, any notice or other communication from any Governmental Entity in connection with this Agreement (and the applicable Party shall contemporaneously provide a copy of any such written notice or communication to the Company); or
  - (iii) any material filing, action, suit, claim, investigation or proceeding commenced or, to the knowledge of the Party, threatened against, relating to or involving or otherwise affecting such Party or its affiliates in connection with this Agreement or the Arrangement.

#### **4.3 Conduct of Business of the Company**

Each of Canopy Growth, Canopy Rivers and the JW Entities covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, it shall not seek to enforce its rights under section 6(vv) of the applicable Subscription Agreement; provided that the Company does not, directly or indirectly, prior to the Effective Time: (a) derive revenue from the cultivation, distribution or possession of marijuana in the United States; or (b) consummate any acquisition of, investment in, or merger, amalgamation, arrangement or similar transaction with, an entity that engages in the business of cultivating, distributing or possessing marijuana in the United States.

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#### **4.4 Regulatory Approvals**

(a) As soon as reasonably practicable after the date hereof, the Company shall make or cause to be made all notifications, filings, applications and submissions required or advisable in order to obtain the CSE Approval, use commercially reasonable efforts to obtain the CSE Approval in a timely manner so as to enable the Closing to occur as soon as reasonably practicable (and in any event no later than the Outside Date) and keep the other Parties reasonably informed as to the status of the CSE Approval.

(b) Canopy Growth shall use commercially reasonable efforts to maintain the Canopy Growth Stock Exchange Approval so as to enable the Closing to occur as soon as reasonably practicable (and in any event no later than the Outside Date) and promptly advise the Company of any changes (or threatened changes) in the status of the Canopy Growth Stock Exchange Approval.

(c) Canopy Rivers shall use commercially reasonable efforts to maintain the Canopy Rivers Stock Exchange Approval so as to enable the Closing to occur as soon as reasonably practicable (and in any event no later than the Outside Date) and promptly advise the Company of any changes (or threatened changes) in the status of the Canopy Rivers Stock Exchange Approval.

(d) Subject to applicable Law, the Parties will coordinate and cooperate in exchanging information and supplying assistance that is reasonably requested in connection with this Section 4.4. The Parties will provide each other with copies of any substantive written or electronic communication received from Governmental Entities on or after the date hereof with respect to all applications, filings or other processes in respect of the Regulatory Approvals (with any competitively and/or commercially sensitive information being permitted to be redacted) and provide the other Parties the opportunity to review and comment on drafts of any substantive notification, filing, application or submission (with any competitively and/or commercially sensitive information being permitted to be redacted) in connection with the Regulatory Approvals, with any such comments being given reasonable consideration.

(e) If any objections are asserted by any Governmental Entity under any applicable Law with respect to the transactions contemplated by this Agreement, or if any proceeding is instituted or threatened by any Governmental Entity challenging or which could lead to a challenge of any of the transactions contemplated by this Agreement as not in compliance with any Law, the Parties shall use commercially reasonable efforts consistent with the terms of this Agreement to resolve or avoid such proceeding so as to allow Closing to occur on or prior to the Outside Date.

#### **4.5 Public Communications**

A Party shall not, and shall cause its affiliates not to, issue any press release or make any other public statement or disclosure with respect to this Agreement or the Arrangement without the consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed); provided, however, that the foregoing shall be subject to each Party's (and their affiliates') overriding obligation to make any disclosure or filing in accordance with applicable Laws, including Securities Laws, and if, based on the advice of its external legal counsel, such disclosure or filing is required, the disclosing Party (or affiliate of a Party) shall use reasonable efforts to give the other Parties prior notice and a reasonable opportunity to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing), and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure or filing. The Party (or its affiliate) making such disclosure shall give reasonable consideration to any comments made by the other Parties and/or their respective legal counsel. Notwithstanding the foregoing, the Company may have discussions with Company Shareholders, other holders of Company securities, financial analysts, commercial counterparties and other stakeholders relating to this Agreement or the transactions contemplated by it, provided that such discussions are not inconsistent with the most recent press releases, public disclosures or public statements made by the Company or any other Party that were approved by all Parties prior to filing or release, as applicable. The Parties acknowledge that the Company will file this Agreement and a material change report relating thereto on SEDAR.

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#### **4.6 Notice Provisions**

(a) Each Party shall promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:

- (i) cause any of the representations or warranties of such Party contained in this Agreement to be untrue or inaccurate in any material respect on the date hereof or on the Effective Date; or

- (ii) result in the failure, in any material respect, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party under this Agreement.

(b) Notification provided under this Section 4.6 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

## **ARTICLE 5** **CONDITIONS**

### **5.1 Mutual Conditions Precedent**

The Parties will not complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the unanimous consent of the Parties:

- (a) **Arrangement Resolution.** The Arrangement Resolution has been approved and adopted at the Company Meeting in accordance with the Interim Order.

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- (b) **Interim and Final Order.** The Interim Order and the Final Order have each been obtained on terms consistent with this Agreement, and have not been set aside or modified in a manner unacceptable to any Party, acting reasonably, on appeal or otherwise.
- (c) **CSE Approval.** The CSE Approval has been made, given or obtained, and such CSE Approval is in force and has not been modified in any material respect without the consent of the Parties.
- (d) **Articles of Arrangement.** The Articles of Arrangement to be sent to the Director under the OBCA in accordance with this Agreement shall be in a form and content satisfactory to the Parties, each acting reasonably.
- (e) **Illegality.** No Law is in effect that makes the completion of the Arrangement illegal or otherwise prohibits or enjoins the Company or the other Parties from completing the Arrangement.

### **5.2 Additional Condition Precedent in Favour of the Company**

The Company is not required to complete the Arrangement unless the Proportionate Voting Shares to be issued to the JW Entities pursuant to the Arrangement are exempt from the registration requirements of the U.S. Securities Act pursuant to section 3(a)(10) thereof, which condition may only be waived, in whole or in part, by the Company.

### **5.3 Additional Condition Precedent in Favour of the Parties Other than the Company**

The Parties will not complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the unanimous consent of the Parties other than the Company:

- (a) **Company Representation and Warranties.** The representations and warranties of the Company set forth in this Agreement are true and correct in all respects, without regard to any materiality qualifications contained in them, as of the Effective Time, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), except where the failure or failures of all such representations and warranties to be so true and correct in all respects would not reasonably be expected to have a material adverse effect on the business, affairs, operations, financial performance, results of operations or financial condition of the Company, and all of the Parties other than the Company shall have received a certificate of the Company addressed to all of the Parties other than the Company and dated the Effective Date, signed on behalf of the Company by two senior executive officers of the Company (on the Company's behalf and without personal liability), confirming the same as of the Effective Date.
- (b) **Company Covenants.** All covenants of the Company under this Agreement to be performed on or before the Effective Time which have not been waived by all of the Parties other than the Company shall have been duly performed by the Company in all material respects and all of the Parties other than the Company shall have received a certificate of the Company addressed to all of the Parties other than the Company and dated the Effective Date, signed on behalf of the Company by two senior executive officers of the Company (on the Company's behalf and without personal liability), confirming the same as of the Effective Date.

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### **5.4 Additional Conditions Precedent in Favour of Canopy Growth**

The Parties will not complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by Canopy Growth:

- (a) **Canopy Growth Stock Exchange Approval.** The Canopy Growth Stock Exchange Approval remains in force and has not been modified in any material respect without the consent of Canopy Growth.
- (b) **Exchangeable Share Protection Agreement.** The Company, Canopy Growth and Canopy Rivers shall have entered into the Exchangeable Share Protection Agreement, to be effective as of the Effective Time.

### **5.5 Additional Conditions Precedent in Favour of Canopy Rivers**

The Parties will not complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by Canopy Rivers:

- (a) **Canopy Rivers Stock Exchange Approval.** The Canopy Rivers Stock Exchange Approval remains in force and has not been modified in any material respect without the consent of Canopy Rivers.
- (b) **Exchangeable Share Protection Agreement.** The Company, Canopy Growth and Canopy Rivers shall have entered into the Exchangeable Share Protection Agreement, to be effective as of the Effective Time.

**5.6**            **Satisfaction of Conditions**

The conditions precedent set out in Section 5.1 to Section 5.5 will be conclusively deemed to have been satisfied, waived or released when the Certificate of Arrangement is issued by the Director.

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**ARTICLE 6**  
**TERM AND TERMINATION**

**6.1**            **Term**

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

**6.2**            **Termination**

(a) This Agreement may be terminated prior to the Effective Time by:

- (i) the mutual written agreement of the Parties;
- (ii) any Party, if:
  - (A) the Required Approval is not obtained at the Company Meeting in accordance with the Interim Order, provided that a Party may not terminate this Agreement pursuant to this Section 6.2(a)(ii)(A) if the failure to obtain the Required Approval has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;
  - (B) after the date of this Agreement, any court of competent jurisdiction or other Governmental Entity has issued an Order that makes the completion of the Arrangement illegal or otherwise prohibits or enjoins the Parties from completing the Arrangement (unless such Order has been withdrawn, reversed or otherwise made inapplicable), and such Order has, if applicable, become final and non-appealable, provided the Party seeking to terminate this Agreement pursuant to this Section 6.2(a)(ii)(B) has used its commercially reasonable efforts to, as applicable and to the extent within its control, appeal or overturn such Order or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or
  - (C) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 6.2(a)(ii)(C) if the failure of the Effective Time to so occur has been primarily caused by, or is primarily a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement; or
- (iii) the Company, if the Board withdraws the Board Recommendation;

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(b) The Party desiring to terminate this Agreement pursuant to this Section 6.2 (other than pursuant to Section 6.2(a)(i)[*Mutual Agreement*]) shall give written notice of such termination to the other Parties, specifying in reasonable detail the basis for such Party's exercise of its termination right.

**6.3**            **Effect of Termination/Survival**

If this Agreement is terminated pursuant to Section 6.1 or Section 6.2, this Agreement shall become void and of no further force or effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to any other Party to this Agreement, except that, in the event of termination under Section 6.1, Section 2.8, Section 2.9, Article 3 (and the related Schedules) and Section 7.2 through to and including Section 7.15 shall survive in accordance with their terms and, in the event of termination under Section 6.2, this Section 6.3 and Section 7.2 through to and including Section 7.15 shall survive in accordance with their terms, and provided further that no Party shall be relieved of any liability for any breach by it of this Agreement prior to such termination.

**ARTICLE 7**  
**GENERAL PROVISIONS**

**7.1**            **Amendments**

(a) This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, subject to the Interim Order and the Final Order and Laws, be amended by mutual written agreement of the Parties, without further notice or authorization on the part of the Company Shareholders, and any such amendment may without limitation:

- (i) change the time for performance of any of the obligations or acts of the Parties;
- (ii) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;
- (iii) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties;
- (iv) modify any mutual conditions contained in this Agreement; and/or
- (v) if the Restricted Share Exemption is not granted, effect the amendments contemplated in Section 7.1(b).

(b) If the Restricted Share Exemption is not granted prior to the Effective Time, the Parties agree to enter into an agreement to amend this Agreement and the Plan of Arrangement to contemplate an amendment to the Constatng Documents of the Company as part of the Plan of Arrangement to change the name of the Common Shares to subordinated voting shares following the creation of the Proportionate Voting Shares and to update references to Common Shares following the Effective Time accordingly.

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7.2 **Expenses**

All out-of-pocket third party transaction expenses incurred in connection with this Agreement and the Plan of Arrangement, including all costs, expenses and fees of the Company incurred prior to or after the Effective Date in connection with, or incidental to, the Plan of Arrangement, shall be paid by the Party incurring such expenses, whether or not the Arrangement is completed.

7.3 **Notices**

Any notice, direction or other communication given pursuant to this Agreement (each a "Notice") must be in writing, sent by hand delivery, courier or email and is deemed to be given and received: (i) on the date of delivery by hand or courier if it is a Business Day and the delivery was made prior to 5:00 p.m. (local time in the place of receipt), and otherwise on the next Business Day; or (ii) if sent by email (with confirmation of transmission) on the date of transmission if it is a Business Day and transmission was made prior to 5:00 p.m. (local time in the place of receipt) and otherwise on the next Business Day, in each case to the Parties at the following addresses (or such other address for a Party as specified by like Notice):

- (a) to the Company at:

TerrAscend Corp.  
P. O. Box 43125  
Mississauga, Ontario, L5B 4A7

Attention: Michael Nashat  
Email: [\*\*\*]

with a copy to:

Blake, Cassels & Graydon LLP  
199 Bay St., Suite 4000  
Toronto, Ontario, M5L 1A9

Attention: Kevin Rusli  
Email: [kevin.rusli@blakes.com](mailto:kevin.rusli@blakes.com)

- (b) to Canopy Growth at:

Canopy Growth Corporation  
1 Hershey Drive  
Smiths Falls, Ontario, K7A 0A8

Attention: Phil Shaer  
Email: [\*\*\*]

with a copy to:

Cassels, Brock & Blackwell LLP  
40 King Street West, Suite 2100  
Toronto, Ontario, M5H 3C2

Attention: Jonathan Sherman  
Email: [jsherman@casselsbrock.com](mailto:jsherman@casselsbrock.com)

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- (c) to Canopy Rivers at:

Canopy Rivers Corporation  
40 King Street West, Suite 2100  
Toronto, Ontario, M5H 3C2

Attention: Matthew Mundy  
Email: [\*\*\*]

with a copy to:

Cassels, Brock & Blackwell LLP  
40 King Street West, Suite 2100  
Toronto, Ontario, M5H 3C2

Attention: Jonathan Sherman  
Email: [jsherman@casselsbrock.com](mailto:jsherman@casselsbrock.com)

- (d) to any of the JW Entities at:

c/o JW Asset Management, LLC  
489 Fifth Ave, 29th Fl  
New York, NY 10017

Attention: Jason Wild  
Email: [\*\*\*]

constitute delivery of the Notice to that Party. The failure to send a copy of a Notice to legal counsel does not invalidate delivery of that Notice to a Party.

**7.4 Time of the Essence**

Time is of the essence in this Agreement.

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**7.5 Injunctive Relief**

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed by a Party in accordance with their specific terms or were otherwise breached by a Party. It is accordingly agreed that each Party shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to specifically enforce compliance with, or performance of, the terms of this Agreement against any other Party without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which a Party may be entitled at Law or in equity.

**7.6 Third Party Beneficiaries**

The Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

**7.7 Waiver**

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

**7.8 Entire Agreement**

This Agreement constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

**7.9 Successors and Assigns**

(a) This Agreement becomes effective only when executed by the Parties. After that time, it will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns.

(b) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Parties.

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**7.10 Severability**

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

**7.11 Governing Law**

(a) This Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

(b) Each Party irrevocably attorns and submits to the exclusive jurisdiction of the Ontario courts situated in the City of Toronto and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

**7.12 Further Assurances**

Each Party hereto shall, from time to time and at all times hereafter, at the request of any other Party hereto, but without further consideration, do all such further acts and things, and execute and deliver all such further documents and instruments and provide all such further assurances as may be reasonably required in order to fully perform and carry out the terms and intent hereof.

**7.13 Rules of Construction**

The Parties to this Agreement waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

**7.14 No Liability**

No director or officer of any Party shall have any personal liability whatsoever to any other Party under this Agreement or any other document delivered under this Agreement.

**7.15 Counterparts**

This Agreement may be executed in any number of counterparts (including counterparts by facsimile or other method of electronic communication) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement

[Remainder of page intentionally left blank. Signature page follows.]

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IN WITNESS WHEREOF the Parties have executed this Arrangement Agreement.

**TERRASCEND CORP.**

By: /s/ Michael Nashat  
Name: Michael Nashat  
Title: President & CEO

**CANOPY GROWTH CORPORATION**

By: /s/ Phil Shaer  
Name: Phil Shaer  
Title: Chief Legal Officer

**CANOPY RIVERS CORPORATION**

By: /s/ Eddie Lucarelli  
Name: Eddie Lucarelli  
Title: Chief Financial Officer

**JW OPPORTUNITIES MASTER FUND, LTD.**

By: /s/ Jason Wild  
Name: Jason Wild  
Title: Authorized Signatory

**JW PARTNERS, LP, by its general partner, JW GP, LLC**

By: /s/ Jason Wild  
Name: Jason Wild  
Title: Authorized Signatory

**PHARMACEUTICAL OPPORTUNITIES FUND, LP, by its general partner, JW GP, LLC**

By: /s/ Jason Wild  
Name: Jason Wild  
Title: Authorized Signatory

*Signature Page - Arrangement Agreement*

**SCHEDULE A  
PLAN OF ARRANGEMENT**

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**SCHEDULE A  
PLAN OF ARRANGEMENT**

**PLAN OF ARRANGEMENT UNDER SECTION 182  
OF THE BUSINESS CORPORATIONS ACT (ONTARIO)**

**ARTICLE 1  
INTERPRETATION**

**1.1 Definitions**

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

“**Arrangement**” means the arrangement under Section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement.

“**Arrangement Agreement**” means the arrangement agreement made as of October 8, 2018 among the JW Entities, Canopy Growth, Canopy Rivers and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

“**Arrangement Resolution**” means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by the Company Shareholders entitled to vote thereon pursuant to the Interim Order.

“**Articles of Arrangement**” means the articles of arrangement of the Company in respect of the Arrangement, required by the OBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form satisfactory to the JW Entities, Canopy Growth, Canopy Rivers and the Company, each acting reasonably.



“**Business Day**” means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

“**Certificate of Arrangement**” means the certificate of arrangement issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

“**Canopy Growth**” means Canopy Growth Corporation, a corporation incorporated under the federal laws of Canada.

“**Canopy Rivers**” means Canopy Rivers Corporation, a corporation incorporated under the federal laws of Canada.

“**Canopy Warrants**” means (i) the outstanding Warrants issued by the Company to Canopy Growth on December 8, 2017, being 9,545,456 Warrants as of the date of the Arrangement Agreement represented by Warrant certificate 2017-05; and (ii) the outstanding Warrants issued by the Company to Canopy Rivers on December 8, 2017, being 9,545,456 Warrants as of the date of the Arrangement Agreement represented by Warrant certificate 2017-04.

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“**Common Share VWAP**” means \$7.5778, being the volume weighted average trading price of the Common Shares on the CSE for the five trading days immediately prior to the date of the Arrangement Agreement.

“**Common Shares**” means the common shares in the capital of the Company.

“**Company**” means TerrAscend Corp., a corporation incorporated under the laws of the Province of Ontario.

“**Company Meeting**” means the special meeting of Company Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular and agreed to in writing by the Parties.

“**Company Shareholders**” means the registered or beneficial holders of Common Shares, as the context requires.

“**Court**” means the Ontario Superior Court of Justice (Commercial List), or other court as applicable.

“**Director**” means the Director appointed pursuant to Section 278 of the OBCA.

“**Effective Date**” means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

“**Effective Time**” means 12:01 a.m. (Toronto time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

“**Exchangeable Shares**” has the meaning specified in Section 2.3(a).

“**Final Order**” means the final order of the Court made pursuant to Section 182(5)(f) of the OBCA in a form acceptable to the JW Entities, Canopy Growth, Canopy Rivers and the Company, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of the JW Entities, Canopy Growth, Canopy Rivers and the Company, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to the JW Entities, Canopy Growth, Canopy Rivers and the Company, each acting reasonably) on appeal.

“**Governmental Entity**” means (i) any international, multinational, national, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, anti-trust, foreign investment, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange.

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“**Interim Order**” means the interim order of the Court made pursuant to section 182(5) of the OBCA, in a form acceptable to the JW Entities, Canopy Growth, Canopy Rivers and the Company, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the JW Entities, Canopy Growth, Canopy Rivers and the Company, each acting reasonably.

“**JW Entities**” means, collectively, (i) JW Opportunities Master Fund, Ltd., a corporation incorporated under the laws of the Cayman Islands (ii) JW Partners, LP, a limited partnership formed under the laws of Delaware, USA and (iii) Pharmaceutical Opportunities Fund, LP, a limited partnership formed under the laws of Delaware, USA.

“**JW Warrants**” means the outstanding Warrants issued by the Company to the JW Entities on December 8, 2017, being an aggregate of 28,636,361 Warrants as of the date of the Arrangement Agreement represented by Warrant certificates 2017-01, 2017-02 and 2017-03.

“**Law**” means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, notice, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

“**Lien**” means any mortgage, charge, pledge, hypothec, security interest, lien (statutory or otherwise), or adverse right or claim, or other third party interest or encumbrance of any kind.

“**OBCA**” means the *Business Corporations Act* (Ontario).

“**Options**” means the options to purchase Common Shares issued pursuant to the Company’s Stock Option Plan dated March 8, 2017, as amended on August 6, 2018.

“**Parties**” means the JW Entities, Canopy Growth, Canopy Rivers and the Company, and “**Party**” means any one of them.

“**Person**” includes any individual, partnership, association, body corporate, trust, organization, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

“**Plan of Arrangement**” means this plan of arrangement proposed under Section 182 of the OBCA, and any amendments or variations made in accordance with the Arrangement Agreement or Section 4.1 hereof or made at the direction of the Court in the Interim Order or Final Order with the prior written consent of the JW Entities, Canopy Growth, Canopy Rivers and the Company, each acting reasonably.

“**Proportionate Voting Shares**” has the meaning specified in Section 2.3(a).

“**Subscription Agreements**” means the subscription agreements entered into between the Company and each of the JW Entities, Canopy Growth and Canopy Rivers dated November 15, 2017.

“**Tax Act**” means the *Income Tax Act* (Canada).

“**Transfer Agent**” means, prior to the Effective Time, the Person appointed as the transfer agent and registrar of the Common Shares, and following the Effective Time, the Person appointed as the transfer agent and registrar of the Common Shares, Proportionate Voting Shares and the Exchangeable Shares.

“**Warrants**” means all outstanding warrants to purchase Common Shares, including the Canopy Warrants and the JW Warrants.

## 1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

- (a) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.
- (b) **Currency.** All references to dollars or to \$ are references to Canadian dollars, unless specified otherwise.
- (c) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.
- (d) **Certain Phrases, etc.** The words (i) “including”, “includes” and “include” mean “including (or includes or include) without limitation,” (ii) “the aggregate of”, “the total of”, “the sum of”, or a phrase of similar meaning means “the aggregate (or total or sum), without duplication, of,” and (iii) unless stated otherwise, “Article”, “Section”, and “Schedule” followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Plan of Arrangement.
- (e) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

- (f) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 5:00 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 5:00 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.
- (g) **Time References.** References to time herein are to local time, Toronto, Ontario.

## **ARTICLE 2** **THE ARRANGEMENT**

### 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

### 2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective and be binding on the JW Entities, Canopy Growth, Canopy Rivers, the Company, all holders and beneficial owners of Common Shares, Options and Warrants, the Transfer Agent and all other Persons, at and after the Effective Time without any further act or formality required on the part of any Person.

### 2.3 Arrangement

At the Effective Time each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

- (a) the articles of the Company will be amended to: (i) authorize the issuance of an unlimited number of a new class of proportionate voting shares (the “**Proportionate Voting Shares**”); (ii) authorize the issuance of an unlimited number of a new class of exchangeable shares (the “**Exchangeable Shares**”); (iii) authorize the issuance of an unlimited number of a new class of preferred shares, issuable in series (the “**Preferred Shares**”); and (iv) add the rights, privileges, restrictions and conditions attaching to the Proportionate Voting Shares, Common Shares, Exchangeable Shares and Preferred Shares set out in Exhibit A;
- (b) each Common Share held by any of the JW Entities shall, without any further action by or on behalf of the JW Entities, be deemed to be assigned and transferred by the holder thereof to the Company (free and clear of all Liens) in exchange for 0.001 of a Proportionate Voting Share, and:
  - (i) the JW Entities shall cease to be the holders thereof and to have any rights as holders of such Common Shares other than the right to receive Proportionate Voting Shares in respect thereof in accordance with this Plan of Arrangement;

- (ii) the JW Entities shall be removed from the register of the Common Shares maintained by or on behalf of the Company and added to the register of the Proportionate Voting Shares maintained by or on behalf of the Company; and
- (iii) the Common Shares transferred to the Company shall be cancelled;

- (c) each Canopy Warrant held by either Canopy Growth or Canopy Rivers shall, without any further action by or on behalf of Canopy Growth or Canopy Rivers, be deemed to be acquired by the Company (resulting, for the avoidance of doubt, in the cancellation of such Canopy Warrant) in exchange for the issuance by the Company to Canopy Growth or Canopy Rivers, as applicable, of a fraction of a Common Share per Canopy Warrant equal to (i) the Common Share VWAP minus the exercise price of the Canopy Warrant; divided by (ii) the Common Share VWAP;
- (d) each Common Share held by either Canopy Growth or Canopy Rivers (including each Common Share issued in accordance with Section 2.3(c)) shall, without any further action by or on behalf of Canopy Growth or Canopy Rivers, be deemed to be assigned and transferred by the holder thereof to the Company (free and clear of all Liens) in exchange for one Exchangeable Share, and:
  - (i) Canopy Growth and Canopy Rivers shall cease to be the holders thereof and to have any rights as holders of such Common Shares other than the right to receive Exchangeable Shares in respect thereof in accordance with this Plan of Arrangement;
  - (ii) Canopy Growth and Canopy Rivers shall be removed from the register of the Common Shares maintained by or on behalf of the Company and added to the register of the Exchangeable Shares maintained by or on behalf of the Company; and
  - (iii) the Common Shares transferred to the Company shall be cancelled;
- (e) the JW Warrants will be amended to reflect that each JW Warrant is exercisable for 0.001 of a Proportionate Voting Share instead of one Common Share; and
- (f) each of the Subscription Agreements will be amended to delete Section 6(vv) [*Canadian Operations*] thereof,

provided that none of the foregoing will occur or will be deemed to occur unless all of the foregoing occur and, if they occur, all of the foregoing will be deemed to occur without further act or formality.

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### **ARTICLE 3** **CERTIFICATES AND PAYMENTS**

#### **3.1 Issuance of Shares**

- (a) Forthwith following the Effective Time, the Company shall, subject to Section 3.1(b), issue and deliver to the Transfer Agent one or more irrevocable treasury directions authorizing the Transfer Agent, as the registrar and transfer agent of the Common Shares, Proportionate Voting Shares and Exchangeable Shares, to register and issue the aggregate number of Proportionate Voting Shares and Exchangeable Shares, as applicable, to which each of the JW Entities, Canopy Growth and Canopy Rivers are entitled in accordance with Sections 2.3(b) and (d).
- (b) Upon surrender to the Transfer Agent for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding Common Shares that were transferred or deemed to be transferred, as applicable, pursuant to Section 2.3, together with such additional documents and instruments as the Transfer Agent may reasonably require, the holder of the Common Shares represented by such surrendered certificate(s) shall be entitled to receive in exchange therefore, and the Transfer Agent shall deliver to such holder, the applicable consideration that such holder has the right to receive under this Plan of Arrangement for such Common Shares, less any amounts withheld pursuant to Section 3.4, and any certificate(s) so surrendered shall forthwith be cancelled.
- (c) Until surrendered as contemplated by this Section 3.1, each certificate that immediately prior to the Effective Time represented Common Shares that were transferred or deemed to be transferred, as applicable, pursuant to Section 2.3 shall be deemed after the Effective Time to represent only the right to receive upon such surrender the consideration which such holder has the right to receive under this Plan of Arrangement for such Common Shares, less any amounts withheld pursuant to Section 3.4.
- (d) No holder of Common Shares, Options or Warrants as of the Effective Time shall be entitled to receive any consideration with respect to such Common Shares, Options or Warrants under this Plan of Arrangement other than any consideration to which such holder is entitled to receive in accordance with Section 2.3 and this Section 3.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

#### **3.2 Fractional Shares**

No fractional Common Shares or Exchangeable Shares shall be issued to Canopy Growth or Canopy Rivers pursuant to this Plan of Arrangement. A holder of Canopy Warrants or a Common Shareholder otherwise entitled to a fractional interest in a Common Share or Exchangeable Share shall receive the nearest whole number of Common Shares or Exchangeable Shares, as applicable, with fractions equal to 0.5 or more being rounded up. Fractional Proportionate Voting Shares equal to 0.001 of a Proportionate Voting Share or greater may be issued to the JW Entities pursuant to this Plan of Arrangement. A Common Shareholder otherwise entitled to a fractional interest in an Exchangeable Share that is less than 0.001 shall receive the nearest thousandth of an Exchangeable Share, with fractions equal to 0.0005 or more being rounded up.

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#### **3.3 Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Transfer Agent will issue in exchange for such lost, stolen or destroyed certificate the applicable number of Proportionate Voting Shares or Exchangeable Shares, subject to any withholdings in accordance with Section 3.4. When authorizing such issuance in exchange for any lost, stolen or destroyed certificate, the Person to whom such Proportionate Voting Shares or Exchangeable Shares are to be delivered shall as a condition precedent to the delivery of such Proportionate Voting Shares or Exchangeable Shares, give a bond satisfactory to the Company and the Transfer Agent (acting reasonably) in such sum as the Company may direct, or otherwise indemnify the Company in a manner satisfactory to the Company, acting reasonably, against any claim that may be made against the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

#### **3.4 Withholding Rights**

The Company and the Transfer Agent, as applicable, shall be entitled to deduct and withhold from any Proportionate Voting Shares or Exchangeable Shares deliverable or consideration otherwise deliverable to any former Common Shareholder such amounts as they may be required to deduct and withhold therefrom under any provision of applicable Laws in respect of Taxes. To the extent that any amounts are so deducted and withheld, such amounts shall be treated for all purposes hereof as having been paid to the Person to whom such amounts would otherwise have been paid, provided that such withheld amounts are actually remitted to the appropriate taxing authority. To satisfy the amount required to be deducted or withheld from any payment to any such Common Shareholder, the Company or the Transfer Agent, as applicable, may sell or

otherwise dispose of (or exercise any exchange or conversion rights applicable and then sell or otherwise dispose of the underlying Common Shares) any portion of the Proportionate Voting Shares or Exchangeable Voting Shares deliverable to such holder as is necessary to provide sufficient funds to enable the Company or the Transfer Agent, as applicable, to comply with such deduction and/or withholding requirements.

### **3.5 No Liens**

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

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### **3.6 Existing Options and Warrants**

For clarity, from and after the Effective Time all Options and Warrants issued and outstanding following the Effective Time, other than the JW Warrants, will remain exercisable for Common Shares.

### **3.7 Paramountcy**

From and after the Effective Time, this Plan of Arrangement shall take precedence and priority over any and all Common Shares, Options and Warrants issued or outstanding prior to the Effective Time.

### **3.8 Tax Election**

The Company will, at the request of Canopy Rivers or Canopy Growth, jointly elect with Canopy River or Canopy Growth, as applicable, under subsection 85(1) of the Tax Act with respect to the transfer of the Canopy Warrants. Such elections will be duly and timely prepared (in the form and manner prescribed by the Tax Act and the regulations thereunder) by Canopy Rivers or Canopy Growth, as applicable, timely delivered to the Company for execution (providing the Company with reasonable time to review in advance of the filing deadline), whereupon such elections will be timely signed by an appropriate signing officer of the Company and returned to Canopy Rivers or Canopy Growth, as applicable, for timely filing. The agreed amount for the purposes of paragraph 85(1)(a) of the Tax Act in respect of the Canopy Warrants will be such amount as is determined by Canopy Rivers or Canopy Growth, as applicable, within the limits prescribed in the Tax Act. The Company will, at the request of Canopy Rivers and/or Canopy Growth, as applicable, jointly elect with Canopy Rivers and/or Canopy Growth, as applicable, under corresponding provisions of applicable provincial income tax legislation with respect to the transfer of the Company Warrants in respect of which a request to file a tax election is made by Canopy Rivers or Canopy Growth, as applicable. The foregoing provisions of this Section 3.8 will apply to the making of any such provincial elections, with necessary changes. The Company will not be responsible or liable for any taxes, interest, penalties, damages or expenses resulting from the failure by anyone to properly complete or file an election referred to above in the form and manner and within the time prescribed by the Tax Act or relevant provincial tax legislation, as the case may be, unless such taxes, interest, penalties, damages or expenses result solely from the failure by the Company to fulfil its obligations under this Section 3.8.

### **3.9 Shares Fully Paid**

All Common Shares, Proportionate Voting Shares and Exchangeable Shares issued pursuant to this Plan of Arrangement shall be fully paid and non-assessable, and the Company shall be deemed to have received the full consideration therefor.

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## **ARTICLE 4** **AMENDMENTS**

### **4.1 Amendments to Plan of Arrangement**

- (a) The JW Entities, Canopy Growth, Canopy Rivers and the Company may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the JW Entities, Canopy Growth, Canopy Rivers and the Company, each acting reasonably, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to the Company Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company at any time prior to the Company Meeting (provided that the JW Entities, Canopy Growth and Canopy Rivers shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by the JW Entities, Canopy Growth, Canopy Rivers and the Company (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Company Shareholders voting in the manner directed by the Court.
- (d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Date unilaterally by the Company, provided that it concerns a matter which, in the reasonable opinion of the Company, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not expected by the Company, acting reasonably, to be materially prejudicial to any other Party.

### **4.2 Termination**

This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

## **ARTICLE 5** **FURTHER ASSURANCES**

### **5.1 Further Assurances**

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

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## EXHIBIT A

### RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS ATTACHING TO SHARES

Except as set out below, the Proportionate Voting Shares, Common Shares and Exchangeable Shares (collectively, the “Shares”) have the same rights, are equal in all respects and are treated by the Corporation as if they were shares of one class only.

Notwithstanding any other provision herein, but subject to the *Business Corporations Act* (Ontario) (the “Act”), the special rights and restrictions attached to any class of Shares may be modified if the amendment is authorized by not less than 66 ⅔% of the votes cast at a meeting of holders of Shares duly held for that purpose. However, if the holders of Proportionate Voting Shares, as a class, the holders of Common Shares, as a class, or the holders of Exchangeable Shares, as a class, are to be affected in a manner materially different from any other classes of Shares, the amendment must, in addition, be authorized by not less than 66 ⅔% of the votes cast at a meeting of the holders of the class of Shares which is affected differently.

#### PROPORTIONATE VOTING SHARES

1. **Voting Rights.** The holders of the Proportionate Voting Shares shall be entitled to receive notice of, and to attend, all meetings of the shareholders of the Corporation and shall have 1000 votes for each Proportionate Voting Share held at all meetings of the shareholders of the Corporation, except for meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series.
2. **Dividends.** The holders of the Proportionate Voting Shares shall be entitled to receive, subject to the rights of the holders of any other class of shares, any dividend declared by the Corporation. If, as and when dividends are declared by the directors, each Proportionate Voting Share shall be entitled to 1,000 times the amount paid or distributed per Common Share (or, if a stock dividend is declared, each Proportionate Voting Share shall be entitled to receive the same number of Proportionate Voting Shares per Proportionate Voting Share as the number of Common Shares entitled to be received per Common Share).
3. **Dissolution.** In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Proportionate Voting Shares shall, subject to the rights of any other class of shares, be entitled to receive the remaining property of the Corporation on the basis that each Proportionate Voting Share shall be entitled to 1,000 times the amount distributed per Common Share, but otherwise there is no preference or distinction among or between the Proportionate Voting Shares and the Common Shares.
4. **Subdivision or Consolidation.** No subdivision or consolidation of the Proportionate Voting Shares may be carried out unless, at the same time, the Common Shares and Exchangeable Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

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5. **Conversion at Option of Holder.** Each issued and outstanding Proportionate Voting Share may at any time, at the option of the holder, be converted into 1,000 Common Shares. The conversion right may be exercised at any time and from time to time by notice in writing delivered to the Corporation’s transfer agent (the “Transfer Agent”) accompanied by the certificate or certificates representing the Proportionate Voting Shares or, if uncertificated, such other evidence of ownership as the Transfer Agent may require, in respect of which the holder wishes to exercise the right of conversion. The notice must be signed by the registered holder of the Proportionate Voting Shares in respect of which the right of conversion is being exercised or by his, her or its duly authorized attorney and must specify the number of Proportionate Voting Shares which the holder wishes to have converted. Upon receipt of the conversion notice and share certificate(s) or other evidence of ownership satisfactory to the Transfer Agent, the Corporation will issue a share certificate or other evidence of ownership representing Common Shares on the basis set out above to the registered holder of the Proportionate Voting Shares. If fewer than all of the Proportionate Voting Shares represented by a certificate accompanying the notice are to be converted, the holder is entitled to receive a new certificate representing the shares comprised in the original certificate which are not to be converted. No fractional Common Shares will be issued on any conversion of Proportionate Voting Shares. Proportionate Voting Shares converted into Common Shares hereunder will automatically be cancelled.
6. **Conversion at Option of Corporation.** If the directors of the Corporation, in good faith, determine that it is no longer advisable to maintain the Proportionate Voting Shares as a separate class of shares (a “Conversion Event”), then, effective on the date approved by the directors, all of the Proportionate Voting Shares shall, without any further action on the part of any holder of Proportionate Voting Shares, immediately and automatically be converted into Common Shares at the conversion ratio of 1000 Common Shares for each Proportionate Voting Share. Promptly following conversion, the Corporation will issue a share certificate or other evidence of ownership representing Common Shares on the basis set out above to the registered holders of Proportionate Voting Shares. No fractional Common Shares will be issued on any conversion of Proportionate Voting Shares. Proportionate Voting Shares converted into Common Shares hereunder will automatically be cancelled. If a Conversion Event occurs, the directors shall not be entitled to issue any further Proportionate Voting Shares.
7. **Fractional Shares.** Any fractional Proportionate Voting Shares issued and outstanding shall have the rights set forth above, provided that each 0.001 of a Proportionate Voting Share shall: (i) entitle the holder to one vote at all meetings of the shareholders of the Corporation, except for meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series; (ii) if, as and when dividends are declared by the directors, be entitled to the amount paid or distributed per Common Share (or, if a stock dividend is declared, each 0.001 of a Proportionate Voting Share shall be entitled to receive 0.001 of a Proportionate Voting Share for each Common Share that a holder of a Common Shares is entitled to receive); (iii) shall be entitled to receive the remaining property of the Corporation on the basis that each 0.001 of a Proportionate Voting Share shall be entitled to the amount distributed per Common Share; and (iv) may be converted into one Common Share.

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#### COMMON SHARES

1. **Voting Rights.** The holders of the Common Shares shall be entitled to receive notice of, and to attend, all meetings of the shareholders of the Corporation and shall have one vote for each Common Share held at all meetings of the shareholders of the Corporation, except for meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote separately as a class or series.
2. **Dividends.** The holders of the Common Shares shall be entitled to receive, subject to the rights of the holders of any other class of shares, any dividend declared by the Corporation. If, as and when dividends are declared by the directors, each Common Share shall be entitled to 0.001 times the amount paid or distributed per Proportionate Voting Share (or, if a stock dividend is declared, each Common Share shall be entitled to receive the same number of Common Shares per Common Share as the number of Proportionate Voting Shares entitled to be received per Proportionate Voting Share).

3. **Dissolution.** In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Common Shares shall, subject to the rights of any other class of shares, be entitled to receive the remaining property of the Corporation on the basis that each Common Share shall be entitled to 0.001 times the amount distributed per Proportionate Voting Share, but otherwise there is no preference or distinction among or between the Proportionate Voting Shares and the Common Shares.
4. **Subdivision or Consolidation.** No subdivision or consolidation of the Common Shares may be carried out unless, at the same time, the Proportionate Voting Shares and Exchangeable Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.
5. **Conversion.** Each issued and outstanding Common Share may at any time, at the option of the holder, be converted into 0.001 of a Proportionate Voting Share. The conversion right may be exercised at any time and from time to time by notice in writing delivered to the Transfer Agent accompanied by the certificate or certificates representing the Common Shares or, if uncertificated, such other evidence of ownership as the Transfer Agent may require, in respect of which the holder wishes to exercise the right of conversion. The notice must be signed by the registered holder of the Common Shares in respect of which the right of conversion is being exercised or by his, her or its duly authorized attorney and must specify the number of Common Shares which the holder wishes to have converted. Upon receipt of the conversion notice and share certificate(s) or other evidence of ownership satisfactory to the Transfer Agent, the Corporation will issue a share certificate or other evidence of ownership representing Proportionate Voting Shares on the basis set out above to the registered holder of the Common Shares. If fewer than all of the Common Shares represented by a certificate accompanying the notice are to be converted, the holder is entitled to receive a new certificate representing the shares comprised in the original certificate which are not to be converted. Common Shares converted into Proportionate Voting Shares hereunder will automatically be cancelled. The right to convert Common Shares into Proportionate Voting Shares hereunder shall terminate if a Conversion Event occurs.

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#### **EXCHANGEABLE SHARES**

1. **Voting Rights.** The holders of Exchangeable Shares shall not be entitled to receive notice of, attend, or vote at meetings of the shareholders of the Corporation; provided that the holders of Exchangeable Shares shall, however, be entitled to receive notice of meetings of shareholders called for the purpose of authorizing the dissolution of the Corporation or the sale of its undertaking or assets, or a substantial part thereof, but holders of Exchangeable Shares shall not be entitled to vote at such meetings of the shareholders of the Corporation.
2. **Dividends.** The holders of the Exchangeable Shares shall not be entitled to receive any dividends.
3. **Dissolution.** In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of the Exchangeable Shares shall not be entitled to receive any amount, property or assets of the Corporation.
4. **Exchange Right.** Each issued and outstanding Exchangeable Share may at any time following the Exchange Start Date applicable to the holder of such Exchangeable Share, at the option of the holder, be exchanged for one Common Share. The conversion right may be exercised at any time and from time to time by notice in writing delivered to the Transfer Agent accompanied by the certificate or certificates representing the Exchangeable Shares or, if uncertificated, such other evidence of ownership as the Transfer Agent may require, in respect of which the holder wishes to exercise the right of conversion. The notice must be signed by the registered holder of the Exchangeable Shares in respect of which the right of conversion is being exercised or by his, her or its duly authorized attorney and must specify the number of Exchangeable Shares which the holder wishes to have converted. Upon receipt of the conversion notice and share certificate(s) or other evidence of ownership satisfactory to the Transfer Agent, the Corporation will issue a share certificate or other evidence of ownership representing Common Shares on the basis set out above to the registered holder of the Exchangeable Shares. If fewer than all of the Exchangeable Shares represented by a certificate accompanying the notice are to be exchanged, the holder is entitled to receive a new certificate representing the shares comprised in the original certificate which are not to be converted. Exchangeable Shares converted into Common Shares hereunder will automatically be cancelled.

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“**Exchange Start Date**” means the date following satisfaction of the following terms and conditions: (i) the Triggering Event has occurred; and (ii) all stock exchanges upon which the securities of the holder of the Exchangeable Share (or any entity of which the holder is a subsidiary) are listed for trading have approved the exchange of the Exchangeable Share into a Common Share, to extent that any such approval is required.

“**Triggering Event**” means the earlier of: (i) the date that federal laws regarding the cultivation, distribution or possession of marijuana in the United States are changed, such that the Corporation is fully compliant with federal regulation in the United States; and (ii) the date that all stock exchanges upon which the securities of the holder of the Exchangeable Share (or any entity of which the holder is a subsidiary) are listed for trading have amended their policies to permit listed issuers to invest in entities that are engaged in the cultivation, distribution or possession of marijuana in states in the United States where it is legal to do so, such that the holder of the Exchangeable Share (and any entity of which the holder is a subsidiary) is fully compliant with all rules and regulations of all stock exchanges upon which the securities of the holder of the Exchangeable Shares (or any entity of which the holder is a subsidiary) are listed for trading.

5. **Change of Control Adjustment.** Upon any consolidation, amalgamation, arrangement, merger, redemption, compulsory acquisition or similar transaction of or involving the Common Shares, or a sale or conveyance of all or substantially all the assets of the Corporation to any other body corporate, trust, partnership or other entity (each a “**Change of Control**”), each Exchangeable Share that is outstanding on the effective date of a Change of Control shall remain outstanding and, upon the exchange of such Exchangeable Share thereafter, shall be entitled to receive and shall accept, in lieu of the number of Common Shares that the holder thereof would have been entitled to receive prior to such effective date (assuming the Exchange Start Date had occurred), the number of shares or other securities or property (including cash) that such holder would have been entitled to receive on such Change of Control, if, on the effective date of such Change of Control, the holder had been the registered holder of the number of Common Shares which it was entitled to acquire upon the exchange of the Exchangeable Share as of such date (assuming the Exchange Start Date had occurred) (the “**Adjusted Exchange Consideration**”).

If the Adjusted Exchange Consideration includes cash, then the Corporation shall, or shall cause the other body corporate, trust, partnership or other entity resulting from or party to such Change of Control to, deposit with an escrow agent appointed by the Corporation on the closing date of the Change of Control the aggregate cash that would be payable to holders of Exchangeable Shares if all of the outstanding Exchangeable Shares were exchanged immediately following the Change of Control. All such funds shall be held by the escrow agent in a segregated interest-bearing account for the benefit of the holders of Exchangeable Shares, and shall solely be used to satisfy the cash portion of the Adjusted Exchange Consideration upon exchanges of Exchangeable Shares from time to time after the Exchange Start Date (with holders of Exchangeable Shares being entitled to any accumulated interest on the funds from the date of initial deposit to and including the business day immediately preceding the date of exchange, on a *pro rata* basis).

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If, in connection with a Change of Control, a holder of a Common Share may elect a form of consideration (including, without limitation, shares, other securities, cash or other property) from options made available, then all holders of Exchangeable Shares shall be deemed to have elected to receive an equal percentage of each of the

different types of consideration offered, unless otherwise agreed in writing by all holders of Exchangeable Shares in accordance with the terms of the transaction and prior to any applicable election deadline. In such case, the Adjusted Exchange Consideration shall equal the consideration that a holder of Common Shares making an election on the terms set forth in the preceding sentence would have received in the transaction.

After any adjustment pursuant to these terms, the term “Common Shares”, where used above, shall be interpreted to mean securities of any class or classes which, as a result of such adjustment and all prior adjustments pursuant to this section, the holder is entitled to receive upon the exchange of Exchangeable Shares, and the number of Common Shares indicated by any exchange of an Exchangeable Share shall be interpreted to mean the number of Common Shares or other property or securities the holder of the Exchangeable Share is entitled to receive upon the exchange of an Exchangeable Share as a result of such adjustment and all prior adjustments pursuant to these terms.

6. **Subdivision or Consolidation.** No subdivision or consolidation of the Exchangeable Shares may be carried out unless, at the same time, the Proportionate Voting Shares and Common Shares are subdivided or consolidated in a manner so as to preserve the relative rights of the holders of each class of securities.

#### PREFERRED SHARES

The rights privileges, restrictions and conditions attaching to the Preferred Shares are as follows:

1. **One or More Series.** The Preferred Shares may at any time and from time to time be issued in one or more series.
2. **Terms of Each Series.** Subject to the Act, the directors may fix, before the issue thereof, the number of Preferred Shares of each series, the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of each series, including, without limitation, any voting rights, any right to receive dividends (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms and conditions of redemption or purchase, any conversion rights, and any rights on the liquidation, dissolution or winding up of the Corporation, any sinking fund or other provisions, the whole to be subject to the issue of a certificate of amendment setting forth the designation, rights, privileges, restrictions and conditions attaching to the Preferred Shares of the series.
3. **Ranking of Preferred Shares.** The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of assets in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, rank on a parity with the Preferred Shares of every other series and be entitled to preference over the Proportionate Voting Shares, Common Shares and Exchangeable Shares. If any amount of cumulative dividends (whether or not declared) or declared non-cumulative dividends or any amount payable on any such distribution of assets constituting a return of capital in respect of the Preferred Shares of any series is not paid in full, the Preferred Shares of such series shall participate rateably with the Preferred Shares of every other series in respect of all such dividends and amounts.

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#### SCHEDULE B ARRANGEMENT RESOLUTION

1. The arrangement (the “**Arrangement**”) under section 182 of the *Business Corporations Act* (Ontario) (the “**OBCA**”) involving TerrAscend Corp. (the “**Company**”), pursuant to the arrangement agreement between the Company, Canopy Growth Corporation, Canopy Rivers Corporation, JW Opportunities Master Fund, Ltd., JW Partners, LP and Pharmaceutical Opportunities Fund, LP dated October 8, 2018, as it may be modified, supplemented or amended from time to time in accordance with its terms (the “**Arrangement Agreement**”), as more particularly described and set forth in the management information circular of the Company dated n, 2018 (the “**Circular**”), and all transactions contemplated thereby, are hereby authorized, approved and adopted.
2. The plan of arrangement of the Company, as it has been or may be modified, supplemented or amended in accordance with the Arrangement Agreement and its terms (the “**Plan of Arrangement**”), the full text of which is set out as Appendix n to the Circular, is hereby authorized, approved and adopted.
3. The: (i) Arrangement Agreement and all the transactions contemplated therein; (ii) actions of the directors of the Company in approving the Arrangement and the Arrangement Agreement; and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement and any modifications, supplements or amendments thereto, and causing the performance by the Company of its obligations thereunder, are hereby ratified and approved.
4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the holders of common shares of the Company (the “**Company Shareholders**”) or that the Arrangement has been approved by the Ontario Superior Court of Justice (Commercial List) (the “**Court**”), the directors of the Company are hereby authorized and empowered, without further notice to or approval of the Company Shareholders: (i) to amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and any related transactions.
5. Any one director or officer of the Company be and is hereby authorized and directed for and on behalf of the Company to make an application to the Court for an order approving the Arrangement, to execute, under the corporate seal of the Company or otherwise, and to deliver to the Director under the OBCA for filing articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement and the Plan of Arrangement in accordance with the Arrangement Agreement.
6. Any officer or director of the Company is hereby authorized and directed, for and on behalf of the Company, to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person’s opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of any such other document or instrument or the doing of any such other act or thing.

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#### SCHEDULE C EXCHANGEABLE SHARE PROTECTION AGREEMENT EXCHANGEABLE SHARE PROTECTION AGREEMENT

THIS AGREEMENT is made as of [-], 201[8],

AMONG:

**TERRASCEND CORP.**,  
a corporation existing under the laws of the Province of Ontario

(the “Company”)

- and -

**CANOPY GROWTH CORPORATION,**  
a corporation existing under the federal laws of Canada

(“Canopy Growth”)

- and -

**CANOPY RIVERS CORPORATION,**  
a corporation existing under the federal laws of Canada

(“Canopy Rivers” and together with the Company and Canopy Growth, the “Parties”)

WHEREAS in connection with a statutory arrangement of the Company under the *Business Corporations Act* (Ontario) completed on the date hereof (the “Arrangement”), the Company issued exchangeable shares in the capital of the Company (“Exchangeable Shares”) to both Canopy Growth and Canopy Rivers in exchange for the common shares in the capital of the Company (“Common Shares”) held by Canopy Growth and Canopy Rivers on that date;

AND WHEREAS the Exchangeable Shares are non-voting, non-participating shares in the capital of the Company that are exchangeable, on a one-for-one basis, for Common Shares of the Company, subject to certain terms and conditions set out in the articles of the Company (as they may be amended or supplemented from time to time), which include, among other things, that such Exchangeable Shares will not be exchangeable until: (a) the cultivation, distribution or possession of marijuana in the United States is legal under federal law in the United States or the stock exchanges on which securities of Canopy Growth or Canopy Rivers, as applicable, are listed permit the investment by Canopy Growth or Canopy Rivers, as applicable, in an entity that participates in the cultivation, distribution or possession of marijuana in the United States; and (ii) the stock exchanges on which securities of Canopy Growth or Canopy Rivers, as applicable, are listed permit the exchange of such Exchangeable Shares;

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AND WHEREAS because the Exchangeable Shares are non-voting and non-participating shares in the capital of the Company and cannot currently be exchanged into Common Shares, as a condition to Canopy Growth and Canopy Rivers agreeing to support the Arrangement, they are seeking assurances from the Company that it will not intentionally erode the value of the Common Shares underlying the Exchangeable Shares during the period that the Exchangeable Shares are outstanding by the Company undertaking certain transactions with respect to the Common Shares;

AND WHEREAS the Parties have entered into this Agreement to address the concerns raised by Canopy Growth and Canopy Rivers;

NOW THEREFORE, in consideration of the foregoing and the covenants and agreements herein contained, the Parties agree as follows:

1. The Company covenants to Canopy Growth and Canopy Rivers that it shall not make any dividend payments or other distributions of any kind or nature to holders of the Company’s securities until the earlier of (i) December 31, 2028; (ii) such time as there are no longer any Exchangeable Shares issued and outstanding; or (iii) a Change of Control (as defined in the articles of the Company) has occurred resulting in Adjusted Exchange Consideration (as defined in the articles of the Company) comprising only cash and the aggregate amount of such Adjusted Exchange Consideration payable upon exchange to holders of Exchangeable Shares outstanding on the date of the Change of Control is placed into escrow in accordance with the terms of the articles of the Company.
2. The Company covenants to Canopy Growth and Canopy Rivers that it shall not undertake a voluntary dissolution, liquidation or winding-up of the Company or any other distribution of assets of the Company among its shareholders for the purpose of winding-up its affairs until such time as there are no longer any Exchangeable Shares issued and outstanding.
3. The Company covenants to each of Canopy Growth and Canopy Rivers that it shall not amend its articles to affect any change in the share capital of the Company that could reasonably be expected to have a negative effect on the Exchangeable Shares without the prior written consent of Canopy Growth and Canopy Rivers, as applicable, such consent not to be unreasonably withheld or delayed.
4. The Company covenants to each of Canopy Growth and Canopy Rivers that it shall not create a series of preferred shares in the capital of the Company that would reasonably be expected to have a negative effect on the Exchangeable Shares without the prior written consent of Canopy Growth and Canopy Rivers, as applicable, such consent not to be unreasonably withheld or delayed; provided that a class of preferred shares that has the right to the same number of votes per share as a Common Share but no right to receive dividends or participate in the assets of the Company on wind up or dissolution shall not be considered to negatively affect the Exchangeable Shares.

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5. Each of Canopy Growth and Canopy Rivers only receives the benefits of the covenants in Sections 1 to 3 above for so long as such Party holds Exchangeable Shares.
6. This Agreement shall automatically terminate when there are no longer any Exchangeable Shares issued and outstanding.
7. Time is of the essence in this Agreement.
8. The Company agrees that irreparable harm to Canopy Growth and Canopy Rivers would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed by the Company in accordance with their specific terms or were otherwise breached by the Company. It is accordingly agreed that each of Canopy Growth and Canopy Rivers shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to specifically enforce compliance with, or performance of, the terms of this Agreement against the Company without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this being in addition to any other remedy to which a Party may be entitled at law or in equity.
9. The Parties intend that this Agreement will not benefit or create any right or cause of action in favour of any person or entity other than the Parties and that no person or entity other than the Parties shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.
10. No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party’s failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.



11. This Agreement becomes effective only when executed by the Parties. After that time, it will be binding upon and enure to the benefit of the Parties and their respective successors and permitted assigns. Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Parties.
12. If any provision of this Agreement is determined to be illegal, invalid or unenforceable by an arbitrator or any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

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13. This Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
14. The Parties to this Agreement waive the application of any law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.
15. This Agreement may be executed in any number of counterparts (including counterparts by facsimile or other method of electronic communication) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

*[Remainder of page intentionally left blank. Signature page follows.]*

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IN WITNESS WHEREOF the Parties have executed this Exchangeable Share Protection Agreement.

**TERRASCEND CORP.**

By: \_\_\_\_\_  
Name: Michael Nashat  
Title: President & CEO

**CANOPY GROWTH CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

**CANOPY RIVERS CORPORATION**

By: \_\_\_\_\_  
Name:  
Title:

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**SCHEDULE D  
COMPANY REPRESENTATIONS AND WARRANTIES**

1. **Organization.** The Company is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation.
2. **Corporate Authorization.** The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Company of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the completion of the Arrangement and the other transactions contemplated hereby other than approval by the Company Shareholders in the manner required by the Interim Order and Law and approval by the Court.
3. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Company, and constitutes a legal, valid and binding agreement of the Company enforceable against it in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
4. **Governmental Authorization.** The execution, delivery and performance by the Company of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by the Company or by any of its subsidiaries other than: (a) the Interim Order and any approvals required by the Interim Order; (b) the Final Order; (c) filings with the Director under the OBCA, (d) the CSE Approval; and (e) filings with the Securities Authorities or the CSE, and (f) Authorizations which, if not taken or made, would not, individually or in the aggregate, materially impede the ability of the Company to complete the Arrangement and the transactions contemplated hereby.
5. **Non-Contravention.** The execution, delivery and performance by the Company of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
  - (a) contravene, conflict with, or result in any violation or breach of the Company's Constatting Documents;
  - (b) conflict with, or result in any violation or breach of any material contract or material Authorization to which the Company or any of its subsidiaries is a party or is otherwise bound, except as would not, individually or in the aggregate, have a material adverse effect on the business, affairs, operations, financial performance, results of operations or financial condition of the Company; or

- (c) assuming compliance with the matters referred to in Paragraph 4 above, contravene, conflict with or result in a violation or breach of any Law applicable to the Company, or any of its properties or assets, except as would not, individually or in the aggregate, materially impede the ability of the Company to complete the Arrangement and the transactions contemplated hereby.
6. **Third Party Consents and Approvals.** No consents, approvals or notices from any third party are required in order for the Company to proceed with the execution and delivery of this Agreement or the completion by it of the transactions contemplated by this Agreement other than those which, if not obtained, would not, individually or in the aggregate, materially impede the ability of the Company to complete the Arrangement and the transactions contemplated hereby.
7. **Shares to be Issued.** All Exchangeable Shares and Proportionate Voting Shares will, when issued in accordance with the terms of the Arrangement, be duly authorized, validly issued, fully-paid and non-assessable shares of the Company.
8. **Litigation.** There are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending or, to the knowledge of the Company, threatened, against the Company before any Governmental Entity, nor is the Company subject to any outstanding judgement, order, writ, injunction or decree that, either individually or in the aggregate, is reasonably likely to prevent or materially delay the completion of the Arrangement or the transactions contemplated hereby.
9. **Capitalization.**
- (a) The authorized capital of the Company consists of an unlimited number of Common Shares. As of October 5, 2018, there were: (i) 96,103,187 Common Shares issued and outstanding; (ii) 7,340,981 Options issued and outstanding providing for the issuance of up to 7,340,981 Common Shares; and (iii) 51,375,958 Warrants issued and outstanding providing for the issuance of up to 51,375,958 Common Shares.
- (b) Except as listed above in Paragraph 9(a), there are no issued, outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate the Company or any of its subsidiaries to, directly or indirectly, issue or sell any securities of the Company or of any of its subsidiaries, or give any Person a right to subscribe for or acquire, any securities of the Company or of any of its subsidiaries.
- (c) There are no issued, outstanding or authorized notes, bonds, debentures or other evidences of indebtedness or any other agreements, arrangements, instruments or commitments of any kind that give any Person, directly or indirectly, the right to vote with holders of Common Shares on any matter except as required by Law.

**SCHEDULE E**  
**REPRESENTATIONS AND WARRANTIES OF THE PARTIES OTHER THAN THE**  
**COMPANY**

1. **Organization.** The Party is an entity duly incorporated or organized, as the case may be, and is validly existing under the laws of the jurisdiction of its incorporation or organization.
2. **Authorization.** The Party has the requisite power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Party of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated hereby have been duly authorized by all necessary action on the part of the Party and no other internal proceedings on the part of the Party are necessary to authorize this Agreement or the completion of the Arrangement and the other transactions contemplated hereby.
3. **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Party, and constitutes a legal, valid and binding agreement of the Party enforceable against the Party in accordance with its terms, subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.
4. **Governmental Authorization.** The execution, delivery and performance by the Party of its obligations under this Agreement and the completion of the Arrangement and the transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by the Party other than: (a) the Interim Order and any approvals required by the Interim Order; (b) the Final Order; (c) filings with the Director under the OBCA; (d) the CSE Approval; (e) the Canopy Growth Stock Exchange Approval (in the case of Canopy Growth only); (f) the Canopy Rivers Stock Exchange Approval (in the case of Canopy Rivers only); (g) compliance with any applicable Securities Laws as well as the rules and policies of the CSE and (h) any Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Entity which, if not taken or made, would not, individually or in the aggregate, materially impede the ability of the Party to complete the Arrangement and the transactions contemplated hereby.
5. **Non-Contravention.** The execution, delivery and performance by the Party of its obligations under this Agreement and the completion of the Arrangement and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):
- (a) contravene, conflict with, or result in any violation or breach of the Party's Constatng Documents; or
- (b) assuming compliance with the matters referred to in Paragraph 4 above, contravene, conflict with or result in a violation or breach of any Law applicable to the Party or any of its properties or assets, except as would not, individually or in the aggregate, materially impede the ability of the Party to complete the Arrangement and the transactions contemplated hereby.

6. **Litigation.** There are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending or, to the knowledge of the Party, threatened, against the Party before any Governmental Entity, nor is the Party subject to any outstanding judgement, order, writ, injunction or decree that, either individually or in the aggregate, is reasonably likely to prevent or materially delay the completion of the Arrangement or the transactions contemplated hereby.
7. **Security Ownership.** Except as set forth in the chart below and the 1,000,000 Options held by Mr. Jason Wild (who exercises control or direction over the JW Entities), neither the Party nor any of its affiliates beneficially owns (of record or beneficially) or exercises control or direction over any securities of the Company. The Party is the sole beneficial owner of the securities listed below next to its name, with good and marketable title thereto, free and clear of any and all mortgages, liens, charges, restrictions, security interests, adverse claims, pledges, encumbrances and demands or rights of others of any nature or kind whatsoever. No Person has any agreement or option, or any right or privilege (whether by law, pre-emptive or contractual) capable of becoming an agreement or option, for the purchase, acquisition or transfer of any of the securities listed below next to the Party's name, or any interest therein or right thereto, except pursuant to this Agreement.

<b>Party</b>	<b>Common Shares</b>	<b>Warrants</b>
Canopy Growth	11,285,456	9,545,456
Canopy Rivers	11,285,456	9,545,456
JW Opportunities	8,605,827	6,827,650
JW Partners	24,848,277	20,482,953
Pharma Opportunities	1,567,425	1,325,758

8. **Securities Voting.** The Party has the sole and exclusive right to vote the securities listed next to its name in the chart in Paragraph 7, above as contemplated herein. Except as required herein, none of the securities listed next to the Party's name in the chart in Paragraph 7 above is subject to any proxy, power of attorney, attorney-in-fact, voting trust, vote pooling or other agreement with respect to the right to vote, call meetings of shareholders or give consents or approvals of any kind.
9. **Canopy Growth Stock Exchange Approval.** Canopy Growth (and no other Party) represents and warrants that (i) it has received the Canopy Growth Stock Exchange Approval; (ii) such Canopy Growth Stock Exchange Approval is, as of the date hereof, in force and has not been modified in any material respect and (iii) it has no knowledge of any proposed material modification or revocation of the Canopy Growth Stock Exchange Approval by either the TSX or the NYSE.

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10. **Canopy Rivers Stock Exchange Approval.** Canopy Rivers (and no other Party) represents and warrants that (i) it has received the Canopy Rivers Stock Exchange Approval; (ii) such Canopy Rivers Stock Exchange Approval is, as of the date hereof, in force and has not been modified in any material respect and (iii) it has no knowledge of any proposed material modification or revocation of the Canopy Rivers Stock Exchange Approval by the TSXV.
11. **Residency.** The Party is resident in the country set forth opposite its name in the chart below.

<b>Party</b>	<b>Jurisdiction of Residency</b>
Canopy Growth	Canada
Canopy Rivers	Canada
JW Opportunities	Cayman Islands
JW Partners	United States
Pharma Opportunities	United States

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