



HILL STREET BEVERAGE COMPANY INC.

**Notice of Annual General and Special Meeting of Shareholders
to be held on March 30, 2021**

And

Management Information Circular

February 25, 2021



NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Hill Street Beverage Company Inc. (the “**Corporation**”) will be held in a virtual meeting format only via webcast <https://meet.google.com/egy-fgpe-ofy>, or by conference call at +1 226-316-9330 (PIN: 312193366) at 11:00 am (Toronto time), on March 30, 2021, for the following purposes:

1. to receive the audited financial statements of Hill Street Beverage Company Inc. for the financial years ended June 30, 2020 and June 30, 2019, together with the report of the auditor thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditor;
4. to consider and, if thought appropriate, pass, with or without variation, an ordinary resolution approving the Corporation’s rolling stock option plan, as more fully described in the accompanying management information circular dated February 25, 2021 (the “**Circular**”);
5. to consider and, if thought appropriate, pass, with or without variation, an ordinary resolution of disinterested shareholders, amending the terms of stock options representing of the Corporation issued to officers, directors and employees of the Corporation;
6. to consider and, if thought appropriate, pass, with or without variation, a resolution to confirm, ratify and approve By-law No. 1A as adopted by the Corporation’s board of directors to amend the Corporation’s by-laws to include advance notice provisions for the nomination of candidates for election to the board of directors, as more fully described in the Circular;
7. to consider and, if thought appropriate, pass, with or without variation, an ordinary resolution of disinterested shareholders, approving the Corporation’s restricted share unit plan, as more fully described in the Circular;
8. to consider and, if thought appropriate, pass, with or without variation, an ordinary resolution of disinterested shareholders, consenting to HoldCo (St. Catharines) Ltd. becoming a control person of the Corporation;
9. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Additional information relating to the business to be submitted to the Meeting is set forth in the accompanying Circular.

Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of our Shareholders, colleagues and the broader community, the Meeting will be held in a virtual meeting format only via live webcast online at <https://meet.google.com/egy-fgpe-ofy>, or by conference call at **+1 226-316-9330 (PIN: 312193366)**. Shareholders and duly appointed proxyholders will be able to attend the Meeting (virtually), and submit questions, provided they have an internet connection. **It is possible that Shareholders will not be able to cast live votes at the meeting and as such each shareholder is strongly encouraged to complete and submit the proxy accompanying this circular in advance of the meeting.** Nonregistered shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but will not be able to vote at the Meeting.

Accompanying this Notice of Annual and Special Meeting of Shareholders is the Circular, either a form of proxy for registered Shareholders or a voting instruction form for beneficial Shareholders.

A Shareholder wishing to be represented by proxy at the Meeting or any adjournment thereof must deposit his, her or its duly executed form of proxy with the Corporation's transfer agent and registrar, Computershare Investor Services Inc., 510 Burrard St, 3rd Floor, Vancouver, B.C., V6C 3B9, no later than 24 hours prior to the commencement of the meeting, or with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof.

It is possible that Shareholders will not be able to cast live votes at the meeting and as such each shareholder is strongly encouraged to complete and submit the proxy accompanying this circular in advance of the meeting.

If requested by a Shareholder, a copy of the annual management's discussion and analysis of the Corporation, including the audited financial statements of the Corporation as at and for the financial years ended June 30, 2020 and June 30, 2020, and the report of the auditor of the Corporation thereon, also accompanies this Notice of Annual and Special Meeting of Shareholders.

The directors of the Corporation have fixed the close of business on February 22, 2021, as the record date for the determination of the Shareholders of the Corporation entitled to receive notice of and to vote at the Meeting.

DATED at Toronto, Ontario this 25th day of February, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Jack Fraser"*

Jack Fraser
Chairman of the Board

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HILL STREET BEVERAGE COMPANY INC.

Management Information Circular
for the Annual General and Special Meeting of Shareholders to be held on March 30, 2021

GLOSSARY OF DEFINED TERMS

The following is a glossary of certain defined terms used in this Information Circular:

“**Board of Directors**” or “**Board**” means the board of directors of the Corporation.

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

“**Computershare**” means Computershare Investor Services Inc., transfer agent of the Corporation.

“**Corporation**” means Hill Street Beverage Company Inc., a corporation governed by the *Business Corporations Act* (Ontario).

“**Directors**” means the directors elected or appointed to the Board of Directors.

“**Information Circular**” or “**Circular**” means this management proxy information circular, together with all appendices and attachments hereto.

“**Management**” means the senior executive officers of the Corporation.

“**Meeting**” means the annual and special general meeting of the Shareholders to be held at will be held in a virtual meeting format only via webcast <https://meet.google.com/egy-fgpe-ofy>, or by conference call at +1 226-316-9330 (PIN: 312193366), at 11:00 am (Toronto time), on March 30, 2021.

“**Notice of Meeting**” means the notice of the Meeting dated February 25, 2021.

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

“**Record Date**” means February 22, 2021, the record date for determining Shareholders entitled to receive notice of and vote at the Meeting.

“**Shareholders**” means the registered holders of Common Shares.

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

GENERAL PROXY INFORMATION

Solicitation of Proxies

This management information circular (“**Circular**”) is furnished in connection with the solicitation of proxies by the Management of Hill Street Beverage Company Inc. (the “**Company**” or “**Corporation**”) for use at the annual and special meeting (the “**Meeting**”) of the holders (collectively the “**Shareholders**” or individually a “**Shareholder**”) of common shares in the capital of the Corporation (“**Common Shares**”) to be held **on March 30, 2021 at 11:00 a.m. (Toronto time)**. **Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of our Shareholders, colleagues and the broader community, the Meeting, including any and all adjournments or postponements of the Meeting, will be held in a virtual meeting format only via webcast only for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the “Notice of Meeting”). It is possible that shareholders will not be able to cast live votes at the meeting, and as such each shareholder is strongly encouraged to complete and submit the proxy form accompanying this circular in advance of the meeting.**

It is expected that the solicitation of proxies for the Meeting will be primarily by mail, but proxies may be solicited personally, by telephone or by other means of communication by management of the Corporation and by the directors and officers of the Corporation who will not be specifically remunerated therefore. All costs of solicitation of proxies by or on behalf of management will be borne by the Corporation.

Except as noted below, the Corporation has distributed or made available for distribution, copies of the Notice, the Circular and form of proxy or voting instruction form (if applicable) (the “**Meeting Materials**”) to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Corporation has elected to pay for the delivery of the Meeting Materials to objecting Beneficial Shareholders by the Intermediaries. The Corporation is sending proxy-related materials directly to non-objecting Beneficial Shareholders, through the services of its transfer agent and registrar, Computershare Investor Services Inc. (“**Computershare**”). The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Corporation if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Corporation will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Corporation is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

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

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

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are officers and/or Directors of the Corporation. **A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Such right may be exercised by inserting in the blank space provided for that purpose the name of the desired person or by completing another proper form of proxy and, in either case, delivering the completed and executed proxy to the Corporation’s transfer agent and registrar, **Computershare at 510 Burrard St, 3rd Floor, Vancouver, BC V6C 3B9, no later than 24 hours prior to the commencement of the meeting, or delivering it to the chairman of the Meeting on the day of the Meeting** or any adjournment thereof prior to the time of voting. A proxy must be executed by the registered Shareholder or his, her or its attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized.

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
 - (i) at the head office address for the Corporation at 2410 Lucknow Drive Unit #31, Mississauga, Ontario, L5S 1V1, no later than 24 hours prior to the commencement of the meeting; or
 - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof electronically at jack@hillstreetbevco.com;
- or
- (b) in any other manner permitted by law.

Exercise of Discretion by Proxies

The persons named in the accompanying form of proxy will vote or withhold from voting, the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. **In the absence of such direction, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Circular, the management of the Corporation knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Corporation should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

Advice to Beneficial Shareholders

The form of proxy must be signed by the Shareholder or the duly appointed attorney thereof. **Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares, or non-objecting beneficial owners whose names have been provided to the Corporation's registrar and transfer agent, can be recognized and acted upon at the Meeting.** The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as "**Beneficial Shareholders**").

If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. ("**CDS**"), as nominee for CDS Clearing and Depository Services Inc., which acts as depository for many Canadian Intermediaries. Common Shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients. **Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their Common Shares are communicated to the appropriate person.**

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided by the Corporation to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the voting instruction forms or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the voting instruction forms or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares

to be represented at the Meeting. **A Beneficial Shareholder receiving a proxy or voting instruction form from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting; the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.**

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their own Common Shares as proxyholder for the Intermediary should enter their own names in the blank space on the management form of proxy or voting instruction form provided to them and return the same to their Intermediary (or the agent of such Intermediary) in accordance with the instructions provided by such Intermediary or agent well in advance of the Meeting. **Beneficial Shareholders should carefully follow the instructions of their Intermediaries and their service companies.**

All references to Shareholders in this Circular and the accompanying form of proxy and Notice of Meeting are to Shareholders of record unless specifically stated otherwise.

There are two types of Beneficial Shareholders. The first are those who have objected to their name being made known to the issuers of securities which they own, or “**Objecting Beneficial Owners**”. The second are those who have not objected to their name being made known to the issuers of securities which they own, or “**Non-Objecting Beneficial Owners**”.

Non-Objecting Beneficial Owners

Non-Objecting Beneficial Owners are to receive meeting materials and a voting instruction form (“**VIF**”) from their intermediaries via Broadridge. These VIFs are to be completed and returned in the envelope provided or by facsimile in accordance with the request for voting instructions.

If you are a Beneficial Owner, and your intermediary has sent these materials to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding Common Shares on your behalf. By choosing to send these materials to you, the Corporation (and not the intermediary holding Common Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Objecting Beneficial Owners

Objecting Beneficial Shareholders may receive meeting materials through their intermediary holding Common Shares on their behalf. CDS acts as nominee for brokerage firms through which Objecting Beneficial Holders hold their Common Shares. Common Shares held by CDS can only be voted (for or against resolutions) upon the instructions of the Objecting Beneficial Shareholders. Without specific instructions, brokers/nominees are prohibited from voting the Common Shares for their clients. Other than Non-Objecting Beneficial Owners, management of the Corporation does not know for whose benefit the Common Shares registered in the name of CDS are held.

Objecting Beneficial Shareholders cannot be recognized at the Meeting for purposes of voting their Common Shares in person or by way of depositing a Form of Proxy. If you are an Objecting Beneficial Shareholders and wish to vote in person at the Meeting, please see the voting instructions you received or contact your intermediary/broker well in advance of the Meeting to determine how you can do so.

Objecting Beneficial Shareholders should carefully follow the instructions of their intermediaries/brokers, including those on how and when voting instructions are to be provided, in order to have their Common Shares voted at the Meeting.

THE CORPORATION

The Corporation is engaged in the business of marketing and distribution of alcohol-free beer and alcohol-free wine in Canada. Hill Street sells its products online, in approximately 4,000 recognized retail chain stores and through licensed distributors in Canada. It also provides a direct consumer subscription service and e-commerce sales at as www.hillstreetbeverages.com.

The Corporation’s head office is located at 2410 Lucknow Drive Unit #31, Mississauga, Ontario, L5S 1V1.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares of which 142,170,150 Common Shares are issued and outstanding as of the Record Date. In addition, as of February 22, 2021, the Corporation has the following convertible securities reserved for issuance:

Description of Securities	Number Outstanding	Exercise Price	Expiry Date
2019 Series Warrants	4,241,653	\$0.40	June 7, 2021
Other Warrants	2,500,000	\$0.20	June 5, 2022
2020 Series Warrants	19,450,000	\$0.05	May 1, 2022
	17,019,000	\$0.13	December 19, 2022
Series 2020 Convertible Debentures	\$1,000,000	\$0.05	May 1, 2022
Options issued under Stock Option Plan	9,386,547	\$0.13 ⁽¹⁾	Variable

Notes:

(1) Weighted average price. See "Equity Plan Compensation Information".

The holders of Common Shares are entitled to dividends as and when declared by the Board, to receive notice of and one vote per Common Share at meetings of Shareholders of the Corporation and, upon liquidation, dissolution and wind-up, to share equally in such assets of the Corporation distributed to the Shareholders. There are no conversion or exchange rights attaching to Common Shares, nor are there any sinking or purchase fund provisions, provisions permitting or restricting the issuance of additional securities or any other material restrictions, nor are there any provisions requiring a Common Shareholder to contribute additional capital. All Common Shares outstanding after completion of the Transaction will be fully paid and non-assessable.

Record Date

The directors of the Corporation have fixed February 22, 2021, as the record date for the determination of the Shareholders entitled to receive notice of the Meeting. Holders of record of Common Shares at the close of business on February 22, 2021, will be entitled to vote at the Meeting and at all adjournments thereof.

Principal Holders of Securities of the Corporation

As at February 22, 2021, to the knowledge of the Directors and executive officers of the Corporation, the only person, firm or corporation that beneficially owned, or exercised control or direction over, directly or indirectly, voting securities of the Corporation carrying more than 10% of the voting rights attaching to any class of voting securities of the Corporation is as follows:

Name and Municipality of Residence	Number of Common Shares	Approximate Percentage of Outstanding Common Shares
HoldCo (St. Catharines) Ltd. ⁽¹⁾ St. Catharines, Ontario	21,797,855	15.4%

Notes:

(1) A company controlled by Rudy Sawatzky, a proposed nominee for director.

(2) HoldCo (St. Catharines) Inc. also holds warrants to purchase 3,333,333 Common Shares at a price of \$0.13 until December 23, 2021; warrants to purchase 19,000,000 Common Shares at a price of \$0.05 until May 1, 2022; and \$1,000,00 worth of convertible debentures that are convertible at a price of \$0.05 into 20,000,000 Common Shares;

QUORUM FOR MEETING

At the Meeting, a quorum shall consist of two persons present at the opening of the meeting who are entitled to vote thereat either as shareholders or as proxy holders and holding or representing more than ten per cent (10%) of the outstanding shares of the Corporation.

APPROVAL REQUIREMENTS

Unless otherwise indicated, all of the matters to be considered at the Meeting are ordinary resolutions requiring approval by more than 50% of the votes cast in respect of the resolution by or on behalf of Shareholders present in person or represented by proxy at the Meeting.

The Corporation will submit to the Shareholders at the Meeting, the audited consolidated financial statements of the Corporation for the financial years ended June 30, 2019, and June 30, 2020, and the Auditors' Report thereon. No vote by the Shareholders with respect to these matters is required. National Instrument 51-102 Continuous Disclosure Obligations ("**NI 51-102**") provides that the Corporation is no longer required to send annual or interim financial statements or the management's discussion and analysis relating thereto to its registered and beneficial Shareholders, unless they request copies of same. The Instrument also provides that the Corporation must send annually a request form to its registered Shareholders and Beneficial Shareholders that may be used by such Shareholders to request any or all of the annual and interim financial statements and the management's discussion and analysis relating thereto. Shareholders are encouraged to review and, if action is desired, send the enclosed return cards to **Computershare, 510 Burrard St, 3rd Floor, Vancouver, BC V6C 3B9**.

BUSINESS OF THE MEETING

1. Election of Directors

The Board proposes that the following six (6) persons are to be nominated for election as directors of the Corporation at the Meeting to hold office until the next annual meeting or their successors are elected or appointed: Kevin Ruddle, Rudy Sawatzky, Craig Binkley, Jack Fraser, Lori Senecal, Raymond Bisailon;

The Board has concluded that each nominee is qualified to serve on the Board. The nominees have the relevant expertise essential to ensure appropriate strategic direction and oversight. Each director nominee has confirmed his eligibility and willingness to serve as a director if elected. The enclosed form of Proxy provides for Shareholders to vote for each director individually.

The following table sets forth certain information regarding the nominees, their position with the Corporation, their principal occupation during the last five years, the dates upon which the nominees became directors of the Corporation, the current committees on which they are members, and the approximate number of Common Shares and options to purchase Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of February 22, 2021, which information has been furnished by the respective nominees individually:

JACK FRASER		Principal Occupation and Biographical Information	
<p><i>Toronto, Ontario</i> <i>Chairman of the Board</i></p> <p>Director Since October 2018.</p> <p>INDEPENDENT</p> <p>Chair of the Audit Committee</p> <p>Member of the Governance and Nominations Committee</p> <p>Member of the Compensation Committee</p> <p>Member of the Executive Committee</p>	<p>Jack Fraser is a serial growth venture operator and financier with more than 30 years of experience in digital media and e-commerce. Since Dec 2019, Jack has been a Partner with BDC Capital's Late Stage Growth Coinvest Fund. He has served as a board director of numerous private, public, and public private partnership groups and as an operating partner for various private equity groups. Jack currently serves on various company boards that focus on digital commerce, FinTech and SaaS. Jack has a long history of working with hyper-growth mid-stage companies developing and expanding internal capabilities for international market expansion, product evolution and launch, and establishing regional operations. Jack began his career in corporate banking with RBC and BMO and then moved into business operations with several high-growth companies in Canada, the U.S. and the U.K. Jack supported the development of some of Canada's most recognized digital retail brands and has held various executive roles, including COO & CFO, and most recently as the head of finance with SSENSE, a Quebec-based global luxury fashion e-commerce retailer. Jack holds a joint MBA from the Kellogg School of Management at Northwestern University and Schulich School of Business at York University</p>		
Other Public Board Memberships	None		
Fiscal 2020 Board Attendance Record	10 of 12		
Number of Common Shares Beneficially Owned, Controlled or Directed	299,063 Options ⁽¹⁾		

Notes:

(1) Subject to the Option Repricing Resolution, Options are exercisable at a price of \$0.175 until July 31, 2023.

LORI SENECAI	Principal Occupation and Biographical Information	
<p><i>New York, New York</i></p> <p>Director Since 2018 Interim Co-Chief Executive Officer</p> <p>INDEPENDENT</p> <p>Chair of the Compensation Committee</p> <p>Member of the Audit Committee</p> <p>Member of the Executive Committee</p>	<p>For more than two decades Lori Senecal has been an innovative and award-winning leader in the Strategic Marketing and Communications Industry. She has been recognized for her role in creating dynamic, talent focused cultures and inventive business models that have driven superior growth for world-class companies. In her roles as Global CEO she has counseled multinationals across a broad spectrum of industries and helped executive teams mobilize around courageous visions to reinvent entire categories and industries, to unlock business value.</p> <p>She was the Global CEO of the world-renowned Marketing and Communications powerhouse Crispin Porter Bogusky. During her tenure, the agency created bold firsts and garnered world-class results for clients such as Domino's, American Airlines, Hotels.com, and Hershey's by capitalizing on expertise in technology, design and innovation. During that time, Advertising Age recognized CP+B as "Creativity Innovator of the Year".</p> <p>As Global CEO of Kirshenbaum Bond Senecal, Lori grew the company from a 250-person domestic operation to one of over 900 people worldwide. The company was recognized by Advertising Age as an "A-List Standout Agency" three consecutive years, and by Crain's as a "Best Place to Work in NYC". Lori has been named to AdWeek's Power 100 List which recognizes top leaders in media, marketing and technology. She has also been named one of Fast Company's "Most Creative People in Business". She was profiled in the New York Times "Corner Office", a feature that celebrates CEO's who are culture makers and industry drivers. Lori has been a keynote speaker on Fast Company's "Most Creative People Tour" in LA, as well as at the "3% Conference" in NYC. She was both a Jury Member and a Main Stage Speaker at the Cannes Festival of Creativity.</p> <p>Lori began her career at McLaren McCann in Toronto and was soon tapped by McCann Worldwide to join the leadership team in NY, where she rose to the office of President. As a graduate of McGill University with a Bachelor of Commerce, she is fluent in English and French.</p>	
Other Public Board Memberships	None	
Fiscal 2020 Board Attendance Record	12 of 12	
Number of Common Shares Beneficially Owned, Controlled or Directed	315,000 Options ⁽¹⁾	

Notes:

(1) Subject to the Option Repricing Resolution, 115,000 Options are exercisable at a price of \$0.21 until May 23, 2024. In addition, 200,000 Options are exercisable at a price of \$0.05 until May 1, 2025.

CRAIG BINKLEY	Principal Occupation and Biographical Information	
<p><i>Los Angeles, CA, USA</i></p> <p>Director Since: July 2018 Interim Co-Chief Executive Officer</p> <p>INDEPENDENT</p> <p>Chair of the Executive Committee</p> <p>Member of the Governance and Nominations Committee</p> <p>Member of the Compensation Committee</p> <p>Member of the Audit Committee</p>	<p>Craig Binkley is a successful global business leader and experienced CEO who has built upon his success running global organizations to become a sought-after Advisor and Board Member to clients ranging from Fortune 500 to small business entrepreneurs.</p> <p>Craig has been on the Board of Hill Street since 2017 and was a member of the team that completed Hill Street's going public transaction in 2018. Craig brings a wealth of global operating experience in both alcoholic and non-alcoholic beverages, as well as other consumer packaged goods and B2B business categories that are highly relevant for the Hill Street lines of business. He has been actively involved in the global cannabis industry since 2017, focused on helping to accelerate the positive impact of cannabis, hemp and CBD as a thought leader and speaker at global events, as a board member for cannabis-related companies, and by building consumer brands and commercial go-to-market operations across a range of consumer categories within the cannabis sector.</p> <p>Before entering the professional services arena, Craig was a global leader at The Coca-Cola Company as Worldwide Director of Marketing for Diet Coke & Coca-Cola light, as well as the Minute Maid brand of juices and drinks. He also served as CMO of Coca-Cola Mexico, the second largest Division in the world.</p> <p>In his professional services work, Craig is currently Managing Partner at Fidelum Partners. Prior to that he was CEO of Northstar - a global, multi-award-winning, market research agency, and EVP of Strategy for the MDC Partners network of renowned marketing and communications agencies. He joined MDC through its acquisition of Zyman Group, a successful global strategy consulting firm where Craig was a founding partner and Chief Consulting Officer. Craig graduated from Davidson College in North Carolina and completed postgraduate work at Harvard Business School's Program for Management Development</p>	
Other Public Board Memberships	None	
Fiscal 2020 Board Attendance Record	11 of 12	
Number of Common Shares Beneficially Owned, Controlled or Directed	469,957 Options ⁽¹⁾	

Notes:

(1) Subject to the Option Repricing Resolution, Options are exercisable at a price of \$0.175 until July 31, 2023.

Kevin Ruddle		Principal Occupation and Biographical Information	
<i>St. Catharines, Ontario</i> Director Since: July 2018 NOT INDEPENDENT Chair of the Governance and Nominations Committee Member of the Executive Committee	Kevin Ruddle is the Vice President, Vin First Inc o/a Vin First Innovative Packaging. Mr. Ruddle is the operational leader for Vin First Inc o/a Vin First Innovative Packaging, which exclusively serves winery and distillery clients from around the globe, with its Tetra Pak processing line in Canada. Kevin has over thirty years experience in the wine and packaging sectors. Kevin, has served as Chairman for 13 years and been on several Boards of Directors.		
Other Public Board Memberships	None		
Fiscal 2020 Board Attendance Record	11 of 12		
Number of Common Shares Beneficially Owned, Controlled or Directed	9,294,782 Common Shares ⁽¹⁾ 7,000,000 Warrants ⁽²⁾ 469,957 Options ⁽³⁾		

Notes:

(1) Held through 1568234 Ontario Inc., a company controlled by Mr. Ruddle.

(2) Warrants are exercisable at a price of \$0.13 until December 19, 2022.

(3) Subject to the Option Repricing Resolution, Options are exercisable at a price of \$0.175 until July 31, 2023.

RUDY SAWATZKY		Principal Occupation and Biographical Information	
<i>St. Catharines, Ontario</i> Director Since July 2018 NOT INDEPENDENT	Rudy Sawatzky is the President and Chief Executive Officer of Grey Forest Homes Ltd. and Vin First Inc. o/a Vin First Innovative Packaging. Rudy continues to be a very successful entrepreneur and real estate developer in the Niagara region. The past 60+ years in Canada, Mr. Sawatzky has established over 17 successful companies including several with international reach. Examples of his works can be seen in high end cabinetry manufacturing to residential construction/land development, to wine import & export to innovative packaging. Mr. Sawatzky has been responsible for many community building & employment opportunities in his role as President of each of these endeavours. Rudy has also served on several public & private Board of Directors.		
Other Public Board Memberships	None		
Fiscal 2020 Board Attendance Record	10 of 12		
Number of Common Shares Beneficially Owned, Controlled or Directed	21,797,855 Common Shares ⁽¹⁾ 23,333,000 Warrants ⁽²⁾ 299,063 Options ⁽³⁾		

Notes:

(1) Held through HoldCo (St. Catharines) Inc., a company controlled by Mr. Sawatzky.

(2) 3,333,333 Warrants are exercisable at a price of \$0.13 until December 23, 2021; 20,000,000 Warrants are exercisable at \$0.05 until May 1, 2022.

(3) Subject to the Option Repricing Resolution, Options are exercisable at a price of \$0.175 until July 31, 2023.

Raymond Bisailon	Principal Occupation and Biographical Information	
<p><i>Sudbury, Ontario</i></p> <p>Director Since: February 2021</p> <p>INDEPENDENT</p> <p>Proposed member of Compensation Committee</p> <p>Proposed member of Governance and Nominations Committee</p> <p>Proposed Member of Executive Committee</p>	<p>Mr. Bisailon is a calculated, thoughtful, philanthropic entrepreneur and private investor who has had a successful passion for investing since an early age. In his quest to follow in the footsteps of legendary investors, he has taken calculated risks in excellent businesses that possess a unique competitive advantage. As a proud graduate of Laurentian University, Raymond was fortunate to have been selected to represent the country of Canada as a member of AISEC in Sao Paulo, Rio de Janeiro, Vitoria and Salvador Brazil in 1997. In 1998, he was a Canadian Student Ambassador in the Sichuan Province of China to encourage International Trade Relations. Upon graduation in 1999, Raymond worked as a Certified Financial Planner (CFP) and Canadian Investment Manager (CIM) with Industrial Alliance Insurance and then in 2002 as a Senior Financial Advisor with CIBC Imperial Service. In 2012, he launched Bisailon Asset Management Inc, a full-service Financial Planning Firm in Sudbury, Ontario.</p>	
Other Board Memberships	None	
Fiscal 2020 Board Attendance Record	Not applicable	
Number of Common Shares Beneficially Owned, Controlled or Directed	<p>5,000,000 Common Shares⁽¹⁾</p> <p>5,000,000 Warrants⁽¹⁾⁽²⁾</p>	

Notes:

(1) Held through Bisailon Holding Inc., a company controlled by Raymond Bisailon.

(2) Warrants are exercisable at \$0.13 until December 19, 2022;

Committees of the Board

Effective December 2020, directors of the Corporation have four standing committees: the executive committee (“**Executive Committee**”) the governance and nominations committee (“**Governance and Nominations Committee**”); the compensation committee (the “**Compensation Committee**”) and the audit committee (the “**Audit Committee**”).

The Executive Committee will consist of five (5) directors being Mr. Binkley (Chair), Ms. Senecal, Mr. Fraser, Mr. Ruddle, and Mr. Bisailon.

The Governance and Nominations Committee will consist of four (4) directors, being Mr. Ruddle (Chair), Mr. Bisailon, Mr. Fraser, and Mr. Binkley.

The Audit Committee will consist of three (3) directors, being Mr. Fraser (Chair), Ms. Senecal, and Mr. Binkley.

The Compensation Committee will consist of four (4) Directors being Ms. Senecal (Chair), Mr. Bisailon, Mr. Fraser and Mr. Binkley.

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE INDIVIDUALS NOTED ABOVE AS DIRECTORS OF THE CORPORATION.

THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR INTEND TO VOTE FOR THE ELECTION OF THE NOMINEES WHOSE NAMES ARE SET FORTH ABOVE, UNLESS THE SHAREHOLDER WHO HAS GIVEN SUCH PROXY HAS DIRECTED THAT THE COMMON SHARES REPRESENTED BY SUCH PROXY BE WITHHELD FROM VOTING IN RESPECT OF THE ELECTION OF DIRECTORS OF THE CORPORATION. MANAGEMENT OF THE CORPORATION DOES NOT CONTEMPLATE THAT ANY OF THE

NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR OF THE CORPORATION FOR THE ENSUING YEAR, HOWEVER, IF THAT SHOULD OCCUR FOR ANY REASON PRIOR TO THE MEETING OR ANY ADJOURNMENT THEREOF, THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR HAVE THE RIGHT TO VOTE FOR THE ELECTION OF THE REMAINING NOMINEES AND MAY VOTE FOR THE ELECTION OF A SUBSTITUTE NOMINEE AT THEIR DISCRETION.

Cease Trade Orders and Bankruptcies

None of the nominees for election as a director of the Corporation is, or has been within the 10 years prior to the date hereof, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied such company access to any exemption under securities legislation that was, in each case, in effect for a period of more than 30 consecutive days and that was issued while that person was acting in such capacity or that was issued after that person ceased to act in such capacity and which resulted from an event that occurred while that person was acting in such capacity.

Except as otherwise discussed below, none of the nominees for election as a director of the Corporation is, or has been within the 10 years prior to the date hereof, a director or executive officer of any company that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

None of the nominees for election as a director of the Corporation has, within the 10 years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his assets.

None of the nominees for election as a director of the Corporation has been subject to (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

2. Appointment of Auditor

The auditor of the Corporation is currently MNP LLP (“MNP”). The Board recommends that Shareholders vote in favour of the appointment of MNP LLP as the auditor of the Corporation for the ensuing year and authorizing the directors to fix their remuneration.

THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR INTEND TO VOTE FOR THE APPOINTMENT OF MNP LLP AS THE AUDITOR OF THE CORPORATION UNTIL THE CLOSE OF THE NEXT ANNUAL MEETING OF THE SHAREHOLDERS OR UNTIL ITS SUCCESSOR IS APPOINTED AND THE AUTHORIZATION OF THE DIRECTORS OF THE CORPORATION TO FIX THE REMUNERATION OF MNP LLP, UNLESS THE SHAREHOLDER WHO HAS GIVEN SUCH PROXY HAS DIRECTED THAT THE COMMON SHARES REPRESENTED BY SUCH PROXY BE WITHHELD FROM VOTING IN RESPECT OF THE APPOINTMENT OF THE AUDITOR OF THE CORPORATION.

3. Approval of the Option Plan

Summary of Stock Option Plan

The Stock Option Plan provides that the Board may from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of the Corporation and its affiliates, non-transferable options to purchase Common Shares for a period of up to ten (10) years from the date of grant, provided that the number of Common Shares reserved for issuance may not exceed 10% of the total issued and outstanding Common Shares at the date of the grant.

The purpose of the Stock Option Plan, pursuant to which the Corporation may grant incentive stock options, is to promote the profitability and growth of the Corporation by facilitating the efforts of the Corporation to obtain and retain key individuals. The

Stock Option Plan provides an incentive for and encourages ownership of the Common Shares by its key individuals so that they may increase their stake in the Corporation and benefit from increases in the value of the Common Shares.

Pursuant to the Stock Option Plan, the maximum number of Common Shares reserved for issuance in any twelve (12) month period to any one optionee other than a consultant may not exceed 5% of the issued and outstanding Common Shares at the date of the grant. The maximum number of Common Shares reserved for issuance in any twelve (12) month period to any consultant may not exceed 2% of the issued and outstanding Common Shares at the date of the grant and the maximum number of Common Shares reserved for issuance in any 12 month period to all persons engaged in investor relations activities may not exceed 2% of the issued and outstanding number of Common Shares at the date of the grant.

Incentive stock options may be exercised until the earlier of: (a) the expiry time of such option; and (b) 90 days (or such other period as may be determined by the Board, provided such period is not more than one year) following the date the optionee ceases to be a director, officer or employee of the Corporation or its affiliates or a consultant or a management company employee, provided that if the cessation of such position or arrangement was by reason of death, the option may be exercised within a maximum period of one year after such death, subject to the expiry date of such option. Notwithstanding the foregoing, in the event of termination for cause, all options held by such terminated optionee will be cancelled immediately. In the event that the Corporation becomes listed on the Toronto Stock Exchange, the Stock Option Plan provides that the Board may grant options which allow an optionee to elect to exercise its option on a "cashless basis", whereby the optionee, instead of making a cash payment for the aggregate exercise price, shall be entitled to be issued such number of Common Shares equal to the number which results when: (i) the difference between the aggregate Fair Market Value of the Common Shares underlying the option and the aggregate exercise price of such option is divided by (ii) the Fair Market Value of each Common Share. "Fair Market Value" as defined in the Stock Option Plan means the closing price as reported by the Exchange (in the event that the Corporation becomes listed on the Toronto Stock Exchange) on the last trading day immediately preceding the exercise date. Options may be granted with a maximum expiry term of 10 years.

As at the date of this Circular, a total of 9,386,547 Common Shares were issuable pursuant to options granted under the Stock Option Plan, representing approximately 6.60% of the issued and outstanding Common Shares.

Approval of Stock Option Plan

As the Stock Option Plan provides for a rolling maximum number of Common Shares which may be issuable upon the exercise of options granted under the Stock Option Plan, Exchange Policy 4.4 requires that the Stock Option Plan receive Shareholder approval each year at the annual Shareholders' meeting. Accordingly, Shareholders will be asked to consider and, if thought appropriate, pass a resolution approving the Stock Option Plan. A copy of the Stock Option Plan is attached as Schedule "A" to this Circular.

The Board has unanimously approved the Stock Option Plan and recommends that Shareholders vote FOR the resolution regarding the Stock Option Plan. An affirmative vote of a majority of the votes cast at the Meeting is sufficient to pass the resolution approving the resolution regarding the Stock Option Plan.

The complete text of the resolution which management intends to place before the Meeting for approval, confirmation and adoption, with or without modification, is as follows (the "**Stock Option Plan Resolution**"):

"WHEREAS the policies of the TSX Venture Exchange require annual Shareholder approval for the continuation of the rolling stock option plan of the Corporation (the "**Stock Option Plan**");

RESOLVED THAT:

1. the Stock Option Plan, in the form attached as Schedule "A" to the Circular of the Corporation dated February 25, 2021, is hereby authorized and approved;
2. the form of the Option Plan may be amended in order to satisfy the requirements or requests of any regulatory authorities, or at the discretion of the Board of Directors acting in the best interests of the Corporation without requiring further approval of the Shareholders of the Corporation;

3. all issued and outstanding stock options previously granted, including stock options previously granted pursuant to previous stock option plans, be and are continued and are hereby ratified, confirmed and approved; and

4. any one officer and director of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual's discretion for the purpose of giving effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination."

MANAGEMENT OF THE CORPORATION RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE STOCK OPTION PLAN RESOLUTION AT THE MEETING.

THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR INTEND TO VOTE IN FAVOUR OF THE RESOLUTION TO APPROVE THE STOCK OPTION PLAN IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE STOCK OPTION PLAN.

4. Approval of Stock Option Repricing

Due to a recent significant drop in the trading price of the Corporation's Common Shares on the TSXV has meant that certain of the outstanding incentive stock options as currently priced no longer offer an adequate incentive to directors, officers, employees and consultants of the Corporation. Recognizing that the stock option grants are a critical element of the Corporation's compensation policy, the Board is of the view that it is in the best interests of the Corporation reprice certain of the outstanding stock options granted to certain directors, officers, employees and consultants of the Corporation, to be more in line with the market price of the Common Shares.

By directors' resolution July 28, 2020 the Board resolved that, subject to approval of the TSXV and the Corporation's shareholders by way of disinterested shareholder approval at the Meeting, that up to 5,892,797 existing outstanding Options held by certain directors, officers, employees and consultants of the Corporation be repriced from \$0.175 and \$0.21, to \$0.075, which was the last closing price of the Common Shares on the date prior to the Board's approval of such repricing, for the persons specified in the resolution below.

Repricing Resolution

Pursuant to the policies of the TSXV and the Stock Option Plan, the repricing of the Options requires disinterested shareholder approval. Disinterested shareholder approval is the approval by a majority of the votes cast on the ordinary resolution by all shareholders at the Meeting, excluding the votes attached to Common Shares beneficially owned by persons holding options subject to such repricing. Accordingly, at the Meeting, the Corporation's disinterested shareholders will be asked to consider, and if thought fit, to pass with or without amendment, an ordinary resolution as follows (the "**Repricing Resolution**").

"RESOLVED THAT:

1. The re-pricing of stock options exercisable for an aggregate of up to 5,871,547 common shares of Hill Street Beverage Company Inc. (the "**Corporation**"), previously granted to such persons, as set out below including the price therefor, or such other price as may be acceptable to the TSX Venture Exchange, be and is hereby ratified, confirmed and approved:

Optionee Name	Date of Original Grant	Number of Options	Expiry Date	Original Exercise Price	Amended Exercise Price
Terry Donnelly	31-Jul-18	1,464,623	10-Feb-22	\$0.1750	\$0.0750
Kevin Ruddle	31-Jul-18	469,957	31-Jul-23	\$0.1750	\$0.0750
Craig Binkley	31-Jul-18	469,957	31-Jul-23	\$0.1750	\$0.0750
Jack Fraser	31-Jul-18	299,063	31-Jul-23	\$0.1750	\$0.0750

Optionee Name	Date of Original Grant	Number of Options	Expiry Date	Original Exercise Price	Amended Exercise Price
Rudy Sawatzky	31-Jul-18	299,063	31-Jul-23	\$0.1750	\$0.0750
Bruce Anderson	31-Jul-18	1,036,054	31-Dec-21	\$0.1750	\$0.0750
June Nicholson	31-Jul-18	863,378	31-Jul-23	\$0.1750	\$0.0750
Hinta Chambers	31-Jul-18	690,702	31-Jul-23	\$0.1750	\$0.0750
Parvinder Shergill	31-Jul-18	63,750	17-Dec-21	\$0.1750	\$0.0750
Reuban Nadesan	23-May-19	100,000	24-May-24	\$0.2100	\$0.0750
Lori Senecal	23-May-19	115,000	23-May-24	\$0.2100	\$0.0750
		5,871,547			

2. The board of directors of the Corporation is hereby authorized in its absolute discretion to determine whether or not to proceed with the above resolution, in whole or in part, without further ratification or approval by the shareholders.
3. Any one director or officer of the Corporation is authorized and directed on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments, and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions."

MANAGEMENT OF THE CORPORATION RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE REPRICING RESOLUTION AT THE MEETING.

THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR INTEND TO VOTE IN FAVOUR OF THE REPRICING RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY DISTINTERESTED SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE REPRICING RESOLUTION.

5. Amendment to By-law No. 1 – Advance Notice Provision

The Corporation's By-Law No. 1, relating generally to the transaction of the business and affairs of the Corporation was originally enacted on November 30, 2018. The Corporation wishes to confirm By-Law No. 1A, a copy of which is attached as **Error! Reference source not found.** hereto, which amends By-Law No. 1 of the Corporation. By-Law No. 1A is being presented for confirmation by Shareholders to provide for advance notice of nominations of directors (the "**Advance Notice Provision**") in circumstances where nominations for election to the Board are made by Shareholders. The Advance Notice Provision provides Shareholders, directors and management of the Corporation with a transparent, structured and fair process for nominating directors of the Corporation in connection with any annual or special meeting of Shareholders.

The purpose of the Advance Notice Provision is to: (i) ensure that all Shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or, where the need arises, special meetings of Shareholders. The Advance Notice Provision fixes a deadline by which registered Shareholders must submit director nominations to the Corporation prior to any annual or special meeting of Shareholders and sets forth the information that a Shareholder must include in a written notice to the Corporation for any director nominee to be eligible for election at such annual or special meeting of Shareholders. As a result of these requirements, the Advance Notice Provision provides all Shareholders with the opportunity to participate effectively in the election of directors by allowing them to consider all director nominees and to be made aware of potential proxy contests in advance of an annual or special meeting of Shareholders.

Terms of the Advance Notice Provision

The following is a brief summary of certain provisions of the Advance Notice Provision in By-Law No. 1A and is qualified in its entirety by the full text of By-Law No. 1A which is attached as **Error! Reference source not found.**hereto.

- (1) Other than pursuant to: (i) a proposal made in accordance with the OBCA; or (ii) a requisition of a meeting of Shareholders made in accordance with the OBCA, Shareholders must give advance written notice to the Corporation of any nominees for election to the Board.
- (2) The Advance Notice Provision fixes a deadline by which registered Shareholders must submit, in writing, nominations for directors to the corporate secretary of the Corporation prior to any annual or special meeting of Shareholders and sets forth the specific information that such holders must include with their nominations in order to be effective.
- (3) For an annual meeting of Shareholders, notice to the Corporation must be not less than 30 and not more than 65 days prior to the date of the annual meeting; save and except where the annual meeting is to be held on a date less than 50 days after the date on which the first public announcement of the date of such annual meeting was made, in which event notice may be given not later than the close of business on the 10th day following such public announcement.
- (4) For a special meeting of Shareholders (that is not also an annual meeting), notice to the Corporation must be given not later than the close of business on the 15th day following the day on which the first public announcement of the date of such special meeting was made.

For the purposes of the Advance Notice Provision, “public announcement” means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by the Corporation for public access under its profile on SEDAR at www.sedar.com. The Board may, in its sole discretion, waive any requirement of the Advance Notice Provision.

Shareholder Approval

By-Law No. 1A was approved by the Board on February 25, 2021 and is in effect until it is confirmed, confirmed as amended or rejected by Shareholders at the Meeting, and if confirmed or confirmed as amended, By-Law No. 1A will continue in effect in the form in which it was so confirmed and the amendment of By-Law No. 1 thereby will continue. If Shareholders reject the confirmation of By-Law No. 1A, the former By-Law No. 1, in its unamended form, will become effective again, as of the date of the Meeting (and not retroactively).

Accordingly, at the Meeting, Shareholders will be asked to consider, and, if deemed advisable, approve the following resolution confirming, ratifying and approving the Corporation’s By-Law No. 1A attached as **Error! Reference source not found.**hereto (the “**Advance Notice Resolution**”).

“RESOLVED THAT:

1. By-Law No. 1A of the Corporation, substantially in the form as set forth in **Error! Reference source not found.**to the management information circular of the Corporation dated February 25, 2021 is hereby confirmed, ratified and approved.
2. Any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such instruments and documents and to perform and do all such acts and things as may be deemed advisable in such individual’s discretion for the purpose of giving

effect to this resolution, the execution of any such document or the doing of any such other act or thing being conclusive evidence of such determination.”

In order for the Advance Notice Resolution to be effective, it must be approved by a resolution passed by a majority of the votes cast by Shareholders present in person or represented by proxy at the Meeting. The Board unanimously recommends that Shareholders vote FOR the Advance Notice Resolution.

MANAGEMENT OF THE CORPORATION RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE ADVANCE NOTICE RESOLUTION AT THE MEETING.

THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR INTEND TO VOTE IN FAVOUR OF THE ADVANCE NOTICE RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE ADVANCE NOTICE RESOLUTION.

6. Approval of RSU Plan

At the Meeting, shareholders will be asked to consider, and if thought fit, pass with or without amendment, an ordinary resolution set forth below (the "**RSU Plan Resolution**") to ratify, confirm and approve the Corporation's restricted share unit plan (the "**RSU Plan**") and to reserve Common Shares from treasury for issuance under the RSU Plan.

The Board has adopted the RSU Plan for the benefit of the Corporation's directors, officers, employees and consultants, on February 21, 2018. The RSU Plan has been established as a vehicle by which equity-based incentives may be awarded to the employees, consultants, directors and officers of the Corporation, to recognize and reward their significant contributions to the long-term success of the Corporation including to align the employees', consultants' directors' and officers' interests more closely with the shareholders of the Corporation.

The Board intends to use Restricted Share Units ("**RSUs**") issued under the RSU Plan, as well as the Options issued under the New Option Plan as part of the Corporation's overall executive compensation plan. Since the value of RSUs increase or decrease with the price of the Common Shares, RSUs reflect a philosophy of aligning the interests of holders there with those of the shareholders by tying compensation to share price performance. In addition, RSUs assist in the retention of qualified and experienced persons by rewarding those individuals who make a long term commitment.

Particulars of the RSU Plan

A summary of certain provisions of the RSU Plan is set out below. This summary is qualified in its entirety by the full text of the RSU Plan which is attached as Schedule "D" to this Circular.

Administration

The RSU Plan is administered by the Compensation Committee of the Board (in this section, the "**Committee**") or such other committee as the Board determines. Subject to the limitations of the RSU Plan, without limiting the generality of the foregoing, the Committee has the power to: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; (iii) make any other determinations that the Committee deems necessary or desirable for the administration and operation of the RSU Plan; and (iv) prescribe, amend and rescind rules and procedures relating to the RSU Plan. The Board has the authority to designate Eligible Persons and determine the grant of RSUs to them.

Eligibility Under the RSU Plans

Pursuant to the RSU Plan, RSUs may be granted to the following persons (collectively, the "**Eligible Persons**"), from time to time by the Board, subject to the limitations set forth in the RSU Plan, but may not be granted when that grant would be prohibited by or in breach of applicable laws or any black out period then in effect:

- (a) a director of the Corporation or any of its subsidiaries;

- (b) an officer of the Corporation or any of its subsidiaries;
- (c) an employee of the Corporation or any of its subsidiaries; and
- (d) a consultant to the Corporation or any of its subsidiaries, which is an individual (or a corporation or partnership of which the individual is an employee, shareholder or partner), other than an employee, officer, management company employee or a director of the Corporation, that (i) is engaged to provide on a bona fide basis, consulting, technical, management or other services to the Corporation or any of its subsidiaries, other than services provided in relation to a distribution; (ii) provides the services under a written contract between the Corporation or a subsidiary of the Corporation and the individual or the consultant company; (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or its subsidiaries; and (iv) has a relationship with the Corporation or a subsidiary of the Corporation that enables the individual to be knowledgeable about the business and affairs of the Corporation.

Common Shares Reserved for Issuance Under the RSU Plan

The number of Common Shares which may be reserved for issuance under the Plan, shall not exceed 14,172,015 Common Shares, provided that at no time may the number of Common Shares issuable under any and all of the Corporation's equity incentive plans in existence from time to time on and after the effective date of the Plan, including the New Option Plan, exceed 20% of the issued and Common Shares of the Corporation.

Limits on RSU Grants

The RSU Plan provides for the following limits on grants, unless approval by disinterested shareholders in accordance with the rules of the TSXV is obtained:

- (a) the maximum number of Common Shares which may be issuable to insiders of the Corporation under the RSU Plan and all of the Corporation's other share compensation arrangement in existence from time to time may not exceed 10% of the issued and outstanding Common Shares;
- (b) the maximum number of Common Shares which may be issuable to any one Eligible Person under the RSU Plan and all of the Corporation's other share compensation arrangement in existence from time to time may not exceed 5% of the issued and outstanding Common Shares;
- (c) the maximum number of Common Shares which may be issuable to any one consultant under the RSU Plan and all of the Corporation's other share compensation arrangement in existence from time to time may not exceed 2% of the issued and outstanding Common Shares; and
- (d) the maximum number of Common Shares which may be issuable to all Eligible Persons retained by the Corporation to provide investor relations activities (as defined by the policies of the TSXV) as a group, under the RSU Plan and all of the Corporation's other share compensation arrangement in existence from time to time may not exceed 2% of the issued and outstanding Common Shares.

Grants and Vesting of RSUs

The Committee may in its own discretion, at any time, and from time to time, grant RSUs to Eligible Persons as it determines appropriate, subject to the limitations set out in the RSU Plan. Subject to the terms of the RSU Plan, the Committee may from time to time establish the grant date and grant to any Eligible Person one or more RSUs as the Committee deems appropriate. RSUs shall vest pursuant to the vesting schedule set out in an Eligible Person's grant agreement evidencing the grant of the particular RSUs.

Notwithstanding any other provision of the RSU Plan, the Committee may in its sole and absolute discretion accelerate and/or waive any vesting or other conditions, for all or any RSUs for any Eligible Person at any time and from time to time.

Redemption of RSUs

Unless redeemed earlier in accordance with the RSU Plan and subject to any black-out periods then in effect, each one RSU will be redeemed by the Corporation on or about its applicable vesting date and, at such time, the holder thereof will be entitled to receive one Common Share. Certain holders of RSUs may defer the receipt of all or any part of their entitlement to Common Shares in lieu of such Common Shares until a later date, in accordance with, and subject to restrictions as further set out in the RSU Plan.

Transferability of RSUs

RSUs are non-assignable and non-transferable except by will or by the laws of descent and distribution. All benefits and rights granted under the RSU Plan may only be exercised by the Eligible Persons or the Estate of an Eligible Person.

Cessation of Employment

Unless otherwise determined by the Committee in its sole discretion, or as specified in the applicable RSU agreement:

- (a) subject to certain restrictions, if a holder of RSUs is terminated by the Corporation for cause or if a holder of RSUs voluntarily terminates his or her employment for any reasons or resigns as a director, as applicable, all of his or her RSUs that have not reached their respective redemption dates as at the date of termination will be cancelled, and all of his or her RSUs that have reached their respective redemption dates as at the date of termination but redemption thereof has been deferred by such holder will be redeemed as soon as possible for Common Shares;
- (b) subject to certain restrictions, in the event that the employment of a holder of RSUs is involuntarily terminated for reasons other than cause, his or her RSUs will be redeemed on the date of termination for Common Shares, provided such RSUs have vested at such time;
- (c) subject to certain restrictions, in the event that a director is not re-elected at an annual or special meeting of shareholders of the Corporation, his or her RSUs will be redeemed on the date of the annual or special meeting of shareholders for Common Shares, provided such RSUs have vested at such time
- (d) subject to certain restrictions, in the event that an Eligible Person dies, his or her RSUs will be redeemed upon the date of death for Common Shares, Cash Consideration in lieu thereof or a combination of both, as determined by the Committee in its sole discretion; and
- (e) if an RSU holder's employment is terminated, for reasons other than cause, at any time within 12 months following a change of control (as defined in the RSU Plan), subject to the prior approval of the TSXV if required, the Corporation will redeem all outstanding RSUs granted to such holder, within 30 days following the date such holder provides actual service to the Corporation pursuant to a written notice of termination, for an equal number of Common Shares. No fractional RSUs may be issued.

No Compensation for Cancelled RSUs

An Eligible Person ceases to be an eligible to receive RSUs under the RSU Plan on his or her last day of actual and active employment with the Corporation or one of its subsidiaries. For the purposes of the RSU Plan, no period of notice of termination of employment that is or ought to have been given to an Eligible Person, after the date on which the he or she ceases to be an Eligible Person shall be included in determining such person's entitlement under the RSU Plan.

Tax Withholding

The Corporation may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Corporation is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any consideration including, without limiting the generality of the foregoing, the withholding of the issue of Common Shares, to be issued and/or paid under the RSU Plan, until such time as the Eligible Person has paid the Corporation for any amount which the

Corporation is required to withhold with respect to such taxes or other amounts. Without limitation to the foregoing, the Committee may, if applicable, adopt administrative rules under the RSU Plan which provide for the sale of Common Shares (or a portion thereof) in the market upon the issuance of such Common Shares under the provisions of the RSU Plan to satisfy withholding obligations under the RSU Plan.

Termination of RSU Plan

The Board may terminate the RSU Plan at any time in its absolute discretion. If the RSU Plan is so terminated, no further RSUs will be granted, but the RSUs then outstanding will continue in full force and effect in accordance with the provisions of the RSU Plan.

Adjustments

The RSU Plan contains provisions for the adjustment in the number of Common Shares subject to the RSU Plan and issuable on redemption of RSUs in the event of any stock dividend, stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than ordinary dividends) of the Corporation assets to shareholders or any other similar corporate transaction or event which the Board determines affects the Common Shares such that an adjustment is appropriate to prevent dilution or enlargement of the rights of Eligible Persons under the RSU Plan.

Amendments to the RSU Plan

Subject to applicable laws and regulatory approvals, the RSU Plan may be amended without shareholder approval for the following:

- (a) amendments to the terms and conditions of the RSU Plan necessary to ensure that the RSU Plan complies with the applicable regulatory requirements, including the rules of the TSXV, in place from time to time;
- (b) amendments to the provisions of the RSU Plan respecting administration of the RSU Plan and eligibility for participation under the RSU Plan;
- (c) amendments to the provisions of the RSU Plan respecting the terms and conditions on which RSUs may be granted pursuant to the plan, including the provisions relating to the payment of the RSUs; and
- (d) minor changes of a "house-keeping nature".

Disinterested shareholder approval is required for any amendments related to:

- (a) the number or percentage of issued and outstanding Common Shares available for grant under the RSU Plan;
- (b) a change in the method of calculation of redemption of RSUs held by Eligible Persons; and
- (c) an extension to the term for redemption of RSUs held by Eligible Persons.

RSU Plan Resolution

Pursuant to the rules of the TSXV, the RSU Plan Resolution must be passed by a majority of the votes cast on the ordinary resolution by all shareholders at the Meeting, excluding the votes attached to Common Shares beneficially owned by insiders (as defined under the policies of the TSXV) of the Corporation to whom RSUs may be granted under the RSU Plan and their associates (as defined under the policies of the TSXV). If the RSU Plan Resolution is not approved by disinterested shareholders at the Meeting, the RSU Plan will be terminated.

"RESOLVED THAT:

1. The restricted share unit plan (the "**RSU Plan**") of Hill Street Beverage Company Inc. (the "**Corporation**") in substantially the form described in, and appended to, the management information circular of the Corporation dated February 25, 2021, be and the same is hereby ratified, confirmed and approved, subject to acceptance by the TSX Venture Exchange, and shall thereafter continue and remain in effect until ratification is required pursuant to the rules of the TSX Venture Exchange or other applicable regulatory requirements.
2. The number of common shares of the Corporation reserved for issuance under the RSU Plan is 14,172,015.
3. All unallocated restricted share units of the Corporation, rights or other entitlements available under the RSU Plan are hereby approved and authorized, and the Corporation will have the ability to issue restricted share units which may be settled in common shares of the Corporation.
4. The directors of the Corporation or any committee of the board of directors of the Corporation are hereby authorized to grant restricted share units pursuant to the RSU Plan to those eligible to receive restricted share units thereunder.
5. Notwithstanding that these resolutions be passed by the shareholders of the Corporation, the adoption of the RSU Plan is conditional upon receipt of final approval of the TSXV, and the board of directors of the Corporation is hereby authorized and empowered to make any changes to the RSU Plan, if required by the TSX Venture Exchange, or to revoke these resolutions, without any further approval of the shareholders of the Corporation, at any time if such revocation is considered necessary or desirable to the board of directors.
6. Any one director or officer of the Corporation is authorized and directed on behalf of the Corporation, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments, and do all such other acts and things that may be necessary or desirable to give effect to the foregoing resolutions."

MANAGEMENT UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" IN RESPECT OF THE RSU PLAN RESOLUTION.

THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR INTEND TO VOTE IN FAVOUR OF THE RSU PLAN RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST BY DISTINTERESTED SHAREHOLDERS AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE REPRICING RESOLUTION.

7. Approval of Creation of Control Person

Under the policies of the Exchange, a "Control Person" is defined as any person that holds or is one of a combination of persons that holds a sufficient number of any of the securities of a corporation so as to affect materially the control of the corporation, or that holds more than 20% of the outstanding voting shares of a corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the issuer. Pursuant to the policies of the Exchange, if a transaction will result in the creation of a new Control Person, the Exchange will require the Corporation to obtain shareholder approval of the transaction on a disinterested basis excluding any shares held by the proposed new Control Person and its associates and affiliates.

In May 2020, the Corporation completed a non-brokered private placement of units ("**Units**"). Each Unit was comprised of \$1.00 principal amount of secured convertible debentures ("**Convertible Debentures**") and 20 common share purchase warrants (each whole warrant a "**Warrant**"). The principal amount of the Convertible Debenture will mature two years from the date of issuance ("**Maturity Date**"), and may, at the option of the holder, be convertible at any time prior to maturity into common shares in the capital of the Corporation at a conversion price of \$0.05 per share for the first year of the term and \$0.10 thereafter ("**Conversion Price**"). Each Warrant will entitle the holder thereof to purchase one common share in the capital of the Corporation at a price of CDN\$0.05 per share for a period of two years from the date of issuance, subject to acceleration in the event that the volume weighted average trading price of the Common Shares on the TSX Venture Exchange (or such other exchange or quotation system

on which the Common Shares are listed or quoted) is greater than or equal to CDN\$0.12 for a period of twenty (20) consecutive days. The principal accrues interest at the rate 6% per annum, calculated and payable semi annually.

The principal subscriber in the May 2020 financing was HoldCo (St Catharines) Ltd. ("**Hold CoSC**"), a corporation controlled by Rudy Sawatzky, a director of the Corporation, and the Corporation's largest shareholder. At the time of the Completion of the financing, HoldCoSC delivered an undertaking to the TSXV whereby it agreed not to exercise its conversion privilege under the debentures or exercise its rights under the warrants which would result in HoldCoSC acquiring 20% or more of the issued and outstanding Common Shares of the Corporation, without the Corporation first obtaining shareholder approval for such issuance. The Corporation also delivered an undertaking to the TSXV that it would not issue any Common Shares as a result of the exercise of the conversion privilege under the Debentures if such issuance would result in HoldCo acquiring 20% or more of the issued and outstanding Common Shares of the Corporation, without the Corporation first obtaining shareholder approval for such issuance.

In December 2019, HoldCoSC delivered a similar undertaking in connection with 3,333,333 warrants that were issued to HoldCoSC in connection with its participation in another private placement financing for the Corporation. All together, HoldCoSC has delivered undertakings to the TSXV in connection with \$1,000,000 worth of Debentures, that are convertible into 20,000,000 Common Shares, and warrants to purchase 23,333,333 common shares. In the event that HoldCoSC were to exercise all of its rights under convertible Debentures, and warrants, it would result in the issuance of up to 43,333,333 Common Shares.

In the event that HoldCoSC were to exercise all of its rights under convertible Debentures, and warrants, it would become a Control Person of the Corporation. Shareholders will be asked at the Meeting to consider and, if thought fit, to approve the following resolution (the "**Control Person Resolution**"), which must be approved by at least a simple majority of the votes cast by Shareholders represented in person or by proxy at the Meeting (with HoldCoSC and its associates and affiliates abstaining from voting on the Control Person Resolution):

"RESOLVED THAT:

1. The creation of a new Control Person (as such term is defined in the policies of the TSX Venture Exchange), of the Corporation, being HoldCo (St. Catharines) Ltd., resulting from the issuance of up to 43,333,333 Common Shares resulting from the exercise of rights relating to convertible debentures and warrants held by such person, on such terms as are described in such debentures and warrants, is hereby authorized and approved; and
2. any one director or officer of the Corporation, for and on behalf of the Corporation is hereby authorized to execute, deliver and file, or cause to be filed, all documents, instruments and certificates and take all such other actions as any such director or officer, in his or her discretion, may deem necessary, advisable or appropriate to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such documents and instruments and the taking of any such actions."

In order for the Control Person Resolution to be effective, it must be approved by a resolution passed by a majority of the votes cast by disinterested Shareholders present in person or represented by proxy at the Meeting.

MANAGEMENT OF THE CORPORATION RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE CONTROL PERSON RESOLUTION AT THE MEETING.

THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR INTEND TO VOTE IN FAVOUR OF THE CONTROL PERSON RESOLUTION IN THE ABSENCE OF DIRECTION TO THE CONTRARY FROM THE SHAREHOLDER APPOINTING THEM. AN AFFIRMATIVE VOTE OF A MAJORITY OF THE VOTES CAST AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE ADVANCE NOTICE RESOLUTION.

OTHER BUSINESS

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

INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

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

EXECUTIVE COMPENSATION

The purpose of this section is to describe the compensation of certain named executive officers of the Corporation and the directors of the Corporation for the most recently completed financial year of the Corporation in accordance with Form 51-102F6 – *Statement of Executive Compensation* published by the Canadian Securities Administrators. When used in this section, “**Named Executive Officers**” means the chief executive officer, the chief financial officer and each of the three most highly compensated executive officers of the Corporation or the three most highly compensated individuals acting in a similar capacity, other than the chief executive officer and the chief financial officer, at the end of the most recently completed financial year whose total compensation was, individually, more than CDN\$150,000 for that financial year.

Compensation Discussion and Analysis

Philosophy and Objectives of Compensation Program

The executive compensation program of Hill Street is administered by the directors of Hill Street.

The directors of Hill Street review and make decisions in respect of compensation matters relating to the executive officers, employees, consultants and directors of Hill Street, ensuring consistent application of matters relating to remuneration and ensuring that executive remuneration is consistent with industry standards. The directors of Hill Street believe that Hill Street should provide a compensation package that is competitive and motivating, that will attract, hold and inspire qualified executives, that will encourage performance by executives to enhance the growth and development of Hill Street and that will balance the interests of the executives and the Shareholders. Achievement of these objectives is expected to contribute to an increase in Shareholder value.

Compensation Risk

Hill Street's board of directors considers and assesses, as necessary, the implications of risks associated with Hill Street's compensation policies and practices and devotes such time and resources as it believes are appropriate given Hill Street's straightforward method of executive compensation. As at the date of this Filing Statement, the Hill Street board of directors have not identified risks arising from Hill Street's compensation policies and practices that are reasonably likely to have a material adverse effect on Hill Street.

Financial Instruments

Except where prohibited by law, Hill Street's executive officers and directors have not been prohibited from purchasing financial instruments, such as prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by an executive officer or director. To Hill Street's knowledge, no executive officer or director of Hill Street has entered into or purchased such a financial instrument.

Elements of Executive Compensation

The total compensation package for executives is comprised of a base salary, benefits package, and performance or incentive bonuses.

Base Salaries

Executive officers' salaries are reviewed annually and are established by taking into consideration individual salaries as compared to those paid to executives of other companies of comparable size within the wine and beer industry.

Summary Compensation Table

The following table sets forth information concerning the annual and long-term compensation for services rendered to Hill Street and its subsidiaries for the financial year of Hill Street ended June 30, 2018, June 30, 2019, and June 30, 2020, in respect of the Named Executive Officers during such financial years.

Name and Principal Position	Fiscal Year	Salary (CDN\$)	Share-Based Awards (CDN\$)	Option-Based Awards (CDN\$)	Pension Value (CDN\$)	All Other Comp. (CDN\$)	Total Comp. (CDN\$)
Terry Donnelly Former Chief Executive Officer	2020	\$120,000	\$0.00	\$53,800	\$0.00	\$0.00	\$173,800
	2019	\$120,000	\$0.00	\$0.00	\$0.00	\$0.00	\$120,000
	2018	\$106,275 ⁽¹⁾	\$0.00	\$0.00	\$0.00	\$30,000 ⁽²⁾	\$136,275
Hinta Chambers Chief Financial Officer and Secretary	2020	\$106,940	\$0.00	\$69,630	\$0.00	\$35,000	\$211,570
	2019	\$86,323	\$0.00	\$0.00	\$0.00	\$0.00	\$86,323
	2018	\$15,000 ⁽²⁾	\$0.00	\$0.00	\$0.00	\$0.00	\$15,000
Bruce Anderson Former Chief Financial Officer and Secretary	2018	\$65,000	\$0.00	\$0.00	\$0.00	\$0.00	\$65,000

Notes:

- (1) A portion of the amounts were paid to 1381718 Ontario Ltd., a management company controlled by T. Donnelly.
- (2) Represents bonus paid to Mr. Donnelly which accrued during the fiscal year ended June 30, 2018.
- (3) Ms. Chambers was hired in April 2018.

Share Based Awards

The following table sets forth certain information, in relation to the Named Executive Officers, regarding share-based and option-based awards outstanding as of the end of the financial year of Hill Street ended June 30, 2020.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price CDN(\$)	Option Expiration Date	Value of Unexercised In-the-Money Options CDN(\$)	Number of Shares or Units of Shares That Have not Vested (#)	Market or Payout Value of Share-Based Awards That Have not Vested CDN(\$)	Market or Payout Value of Share-Based Awards not paid out or distributed CDN(\$)
Terry Donnelly	1,464,623	\$0.175	July 31, 2023	Nil	Nil	Nil	Nil
	850,000	\$0.05	May 1, 2025	\$53,805	Nil	Nil	Nil
Hinta Chambers	690,703	\$0.175	July 31, 2023	Nil	Nil	Nil	Nil
	1,100,000	\$0.05	May 1, 2025	\$69,630	Nil	Nil	Nil

The following table sets forth certain information for the Named Executive Officers, regarding the value vested or earned in connection with incentive plan awards during the financial year of Hill Street ended June 30, 2020.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (CDN\$)	Share-Based Awards – Value Vested During the Year ⁽²⁾ (CDN\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (CDN\$)
Terry Donnelly	\$15,917	\$0.00	\$0.00
Hinta Chambers	\$7,506	\$0.00	\$35,000

Notes:

- (1) Option-based awards are based on the grant date fair value of the applicable awards. Hill Street uses the Black-Scholes model to value all stock option grants. Black-Scholes has been selected to value all stock options, as Hill Street believes that this model most accurately determines the value of stock options granted.
- (2) The amounts reported in this column represent the aggregate dollar value that would have been realized if all of the in-the-money option-based awards had been exercised on their respective vesting dates. Amounts represented by “Nil” indicate that none of the option-based awards were in-the-money on their respective vesting dates.

Discussion of Compensation Awarded to the Named Executive Officers

Management Contracts

Terry Donnelly

Terry Donnelly is the former Chief Executive Officer of Hill Street.

During the year ended June 30, 2020, Mr. Donnelly was compensated pursuant to a CEO management contract that was entered into between the Corporation and Mr. Donnelly in March of 2017 (the “**CEO Management Contract**”). The CEO Management Contract provides for both fixed compensation, comprised of base salary, and performance-based variable incentive compensation. Under the CEO Management Contract, Mr. Donnelly was entitled to receive a base salary of \$120,000 per year, subject to an annual review by the directors of Hill Street, having reference to such factors as the directors in their discretion consider relevant, provided that the adjusted salary may not be less than the base salary for the previous financial year. He was also entitled to receive a discretionary bonus.

Mr. Donnelly’s employment with the Company as Chief Executive Officer ended on February 9, 2021.

Hinta Chambers

Commencing on April 1, 2018, Hinta Chambers was appointed as Chief Financial Officer of Hill Street. In conjunction with her appointment Ms. Chambers entered into a management contract with Hill Street (the “**CFO Management Contract**”). The CFO Management Contract provides for both fixed compensation, comprised of base salary, and performance-based variable incentive compensation.

Under the CFO Management Contract, Ms. Chambers is entitled to receive a base salary of \$110,000 per year, subject to an annual review by the directors of Hill Street, having reference to such factors as the directors in their discretion consider relevant, provided that the adjusted salary may not be less than the base salary for the previous financial year.

Ms. Chambers is eligible to receive an annual bonus at the discretion of the Board of Directors of Hill Street.

Under the CFO Management Contract, Ms. Chambers is entitled to be reimbursed for all travel and out-of pocket expenses reasonably incurred or paid by the executive in the performance of the executive’s duties and responsibilities upon presentation of expense statements or receipts or such other supporting documentation as Hill Street may reasonably require.

Ms. Chambers may terminate the agreement on 3 months, plus one month for every year of service, to a maximum of six months’ prior notice to Hill Street. The agreement contains standard termination provisions for termination “with cause” and “without cause” and provides Ms. Chambers twelve months’ notice for termination “without cause”, or pay in lieu of notice. The employment agreement contemplates special provisions in the event of a change in control, all unvested stock options issued immediately accelerate and vest. In addition, on a change of control, Ms. Chambers may, within thirty days of learning of the Change of Control, give notice to Hill Street that she is leaving employment and such leaving shall be treated as a termination by the Corporation. All benefits that Ms. Chambers may receive shall terminate effective as at the date of termination.

Director Compensation

The following table sets forth certain information, in relation to the directors of Hill Street, other than the Named Executive Officers, regarding share-based and option-based awards outstanding as of the end of the financial year of Hill Street ended June 30, 2020.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (CDN\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (CDN\$)	Number of Shares or Units of Shares That Have not Vested (#)	Market or Payout Value of Share-Based Awards That Have not Vested (CDN\$)	Market or Payout Value of Share-Based Awards not paid out or distributed (CDN\$)
Rudy Sawatzky	299,063	\$0.175 ⁽¹⁾	July 31, 2023	Nil	Nil	Nil	Nil
Kevin Ruddle	469,957	\$0.175 ⁽¹⁾	July 31, 2023	Nil	Nil	Nil	Nil
Craig Binkley	469,957	\$0.175 ⁽¹⁾	July 31, 2023	Nil	Nil	Nil	Nil
Jack Fraser	299,063	\$0.175 ⁽¹⁾	July 31, 2023	Nil	Nil	Nil	Nil
Lori Senecal	115,000	\$0.21 ⁽¹⁾	May 23, 2024	Nil	Nil	Nil	Nil
	200,000	\$0.05	May 1, 2025	\$18,990	Nil	Nil	Nil

Note:

(1) Subject to the approval of the Repricing Resolution, this will be adjusted to \$0.075 or such other price as is acceptable to the TSXV.

The following table sets forth certain information, in relation to the directors of Hill Street, other than the Named Executive Officers, regarding the value vested or earned in connection with incentive plan awards during the financial year of Hill Street ended June 30, 2020.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (CDN\$)	Share-Based Awards – Value Vested During the Year ⁽²⁾ (CDN\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (CDN\$)
Rudy Sawatzky	\$6,783	\$0.00	\$0.00
Kevin Ruddle	\$10,659	\$0.00	\$0.00
Craig Binkley	\$10,659	\$0.00	\$0.00
Jack Fraser	\$11,906	\$0.00	\$0.00
Lori Senecal	\$6,783	\$0.00	\$0.00

Notes:

- (1) Option-based awards are based on the grant date fair value of the applicable awards. Hill Street uses the Black-Scholes model to value all stock option grants. Black-Scholes has been selected to value all stock options, as Hill Street believes that this model most accurately determines the value of stock options granted.
- (2) The amounts reported in this column represent the aggregate dollar value that would have been realized if all of the in-the-money option-based awards had been exercised on their respective vesting dates. Amounts represented by “Nil” indicate that none of the option-based awards were in-the-money on their respective vesting dates.

EQUITY PLAN COMPENSATION INFORMATION

The following table sets forth, as of February 22, 2021, information concerning securities authorized for issue under equity compensation plans of the Corporation.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Stock Option Plan	9,386,547	\$0.13	4,830,468

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS

As of the date hereof, there is not, nor at any time since the beginning of the most recently completed financial year of the Corporation has there been, any indebtedness of any nominee for director or any person who is or has been a director, executive officer or employee of the Corporation or any of its subsidiaries, at any time since the beginning of the Corporation’s last financial year, or of any associate of such persons, to or guaranteed or supported by the Corporation or its subsidiaries either pursuant to an employee stock purchase program of the Corporation or otherwise.

AUDIT COMMITTEE DISCLOSURE

Charter

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

The members of the Audit Committee are Mr. Fraser (Chair), Mr. Binkley and Ms. Senecal. All of members of the Audit Committee are independent within the meaning of National Instrument 52-110 – *Audit Committees* (“**NI 52-110**”).

All members of the Audit Committee are financially literate (as defined in NI 52-110). The Audit Committee has a defined mandate and is responsible for reviewing and overseeing the external audit function, recommending the external auditor and the terms of such appointment or discharge, reviewing external auditor reports and significant findings and reviewing and recommending for approval to the Board of Directors all public financial disclosure information such as financial statements, management’s discussion and analysis, annual information forms and prospectuses. The Audit Committee also pre-approves all non-audit services to be conducted by the external auditors and ensures that management has effective internal control systems, investigates any recommendations for improvement of internal controls and meets at least annually with the Corporation’s external auditors without management present. The Corporation does not have internal auditors and given the size of the Corporation, the Corporation considers this to be practical and appropriate. The Audit Committee expects to convene no less than four times each year and as circumstances otherwise warrant.

The following is a description of the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member:

Relevant Education and Experience

Please see the information under the heading “Election of Directors” above.

Audit Committee Oversight and Pre Approval Policies and Procedure

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services, whereby the Audit Committee can pre-approve such services, as well as establish a threshold amount for fees for non-audit services to be provided by the external auditors without advance approval of the Audit Committee. The nature of such services and the associated cost will be provided to the Audit Committee prior to the next following Audit Committee meeting.

External Auditor Services Fees (By Category)

The aggregate fees billed by the Corporation’s external auditors in the fiscal years ended June 30, 2018 2019 and 2020 are as follows:

Fiscal Year	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2020	\$55,250	Nil	Nil	Nil
2019	\$56,150	Nil	Nil	Nil
2018	\$34,000	\$15,599	\$2,480	Nil

Venture Issuer Exemption

The Corporation is not required to comply with Part 3 of NI 52-110 (Composition of the Audit Committee) and Part 5 of NI 52-110 (Reporting Obligations) by virtue of the exemption for venture issuers contained in section 6.1 of NI 52-110.

CORPORATE GOVERNANCE DISCLOSURE

General

Corporate governance refers to the policies and structure of the board of directors of a corporation, whose members are elected by and are accountable to the shareholders of the corporation. Corporate governance encourages establishing a reasonable degree of independence of the board of directors from executive management and adoption of policies to ensure the board of directors recognizes the principles of good management. The Board is committed to sound corporate governance practices, as such practices are both in the interests of shareholders and help to contribute to effective and efficient decision-making.

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted National Policy 58-201 *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Company. In addition, the CSA have implemented National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with NI 58-101.

Board of Directors

The Corporation currently has six (6) directors, four (4) of whom are considered to be independent and two (2) of which are considered not independent. Mr. Ruddle and Mr. Sawatzky are not independent as they are executive officers or control persons of Vin First Inc., an affiliate of HoldCo (St. Catharines) Ltd., a significant shareholder of the Corporation. Mr. Fraser and Mr. Bisailon are considered independent directors. Since the departure of its former Chief Executive Officer of the Corporation, Mr. Binkley and Ms. Senecal, are currently acting in the capacity of interim co-Chief Executive Officers of the Corporation, notwithstanding their current roles, the Corporation considers them to be independent.

The directors of the Corporation annually review and make a determination as to the independence of each director in light of all applicable laws, rules, regulations and stock exchange requirements. The Corporation seeks to maintain a Board of Directors with at least a majority of independent directors. The Corporation recognizes that its current Board of Directors is not in compliance with this objective. The Board of Directors is cognizant of possible conflicts of interest that may arise and, consequently, relies heavily on its independent board member in situations where these conflicts may exist or could be perceived to exist. The Corporation feels that the Board of Directors adequately facilitates the independent supervision over management.

The directors facilitate independent supervision over management by regularly holding in camera sessions at meetings of the directors without any members of management present. Notwithstanding the foregoing, the directors of the Corporation believe that there is value in having certain members of senior management attend each meeting of the directors to provide information and presentations regarding the business of the Corporation in order to assist the directors in their deliberations. Attendance by senior management is determined by the Chairman of the Board of Directors.

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

Board Mandate

The Board has adopted the Board Mandate, a copy of which is attached hereto as Schedule C. Pursuant to the Board Mandate, the role of the Board of Directors is to oversee the business of the Corporation, to select and provide guidance to the Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer and other officers, set the strategic direction, and to ensure corporate continuity. The Board fulfills its roles directly, through its committees, and via instructions to management. At all times, the board acts with a view towards the best interests of the Corporation and of its shareholders.

Executive Committee

The directors of the Corporation have established an Executive Committee to supervise the execution and implementation of certain strategic and operational matters by the management of the Company. The Executive Committee is comprised of at least four (4) non-executive directors and the Chief Executive Officer (CEO) of the Company. The President, Chief Operating Officer (COO) and Chief Financial Officer (CFO) of the Company are invited meetings as required. The current members of the Executive Committee are Mr. Binkley (Chair), Ms. Senecal, Mr. Fraser, Mr. Ruddle and Mr. Bisailon.

The functions of the Committee are divided in to three principal elements, strategy, operations, and social responsibility.

In respect of strategy, the Executive Committee supervises and gives guidelines to management for the development of a strategic plan for the Company ("**Strategic Plan**"), which Strategic Plan shall be developed and updated on an annual basis. The timing of the

development of the Strategic Plan shall be coordinated with the annual business planning cycle. It also supervises and gives guidelines to management for the development of an annual budget for the Company (“**Annual Budget**”), which Annual Budget shall be developed and updated on an annual basis. The timing of the development of the Annual Budget shall be coordinated with the annual business planning cycle. The Executive Committee requires that the Strategic Plan and Annual Budget is presented to the Board and reviewed and approved by the Board on an annual basis. It also acts as complement to management regarding potential acquisitions, dispositions, mergers etc.

With respect to Operations, the President, COO and CFO with report directly to the CEO for day-to-day matters, and report to the Committee as required by it or in connection with goals, objectives and provide operational guidance to these executives. The Executive Committee supervises the implementation and execution of the Strategic Plan and Annual Budget by management, and provides guidelines to management regarding operational issues, restructuring, major changes etc. The Executive Committee assists with implementing governance and oversight of business operations, including but not limited to: (a) requiring that any new strategies, proposals, or projects, that are not included in the Strategic Plan, must be presented to the Committee and approved by it and the Board prior to management expending any efforts on such projects of greater than 5 hours; (b) requiring a multiple quotation process for any spend/investment over \$10,000, that is not included in the Strategic Plan and Annual Budget; (c) requiring that any individual expense of greater than \$10,000 that is not included in the Annual Budget be approved by the Committee and the Board; (d) requiring that all material human resource matters that are not included in the Strategic Plan and Annual Budget be approved by the Committee and the Board, including hiring, termination, salary adjustments, bonuses, and expense reimbursement for any amount of greater than \$2,000; (e) any material contract (new, renewal or amended) having a dollar value of greater than \$10,000 shall require Committee and Board approval; and (f) such other matters that the Board in its discretion determines. The Executive Committee also acts as an informal “sounding board” for management regarding any other operational matters management may consider appropriate.

With respect to Social Responsibility, the Executive Committee supervises management in setting the guiding principles under which the company will manage its business and operations with respect to the following matters: (a) social responsibility; (b) respect for human rights; (c) health, safety and environmental.

Governance and Nominations Committee

The directors of the Corporation established the Governance and Nominations Committee to assist the directors in fulfilling their oversight responsibilities with respect to, among other things: (a) developing governance guidelines and principles for the Corporation; (b) identifying individuals qualified to be nominated as directors of the Corporation; (c) assist the Board in discharging its responsibilities relating to compensation of the Corporation’s executive officers; (d) evaluating the structure and composition of the committees of the directors of the Corporation; and (e) evaluating the performance and effectiveness of the Board of Directors.

The Governance and Nominations Committee is comprised of Mr. Ruddle (Chair), Mr. Bisailon, Mr. Fraser, and Mr. Binkley. For the purposes of National Instrument 58-101 – Disclosure of Corporate Governance *Practices* published by the Canadian Securities Administrators (“**NI 58-101**”). Mr. Ruddle is not independent as he is an executive officer of Vin First Inc., an affiliate of HoldCo (St. Catharines) Ltd., a significant shareholder of the Corporation. Mr. Bisailon, Mr. Fraser, Ms. Senecal, and Mr. Binkley are independent

The Governance and Nominations Committee is mandated to conduct the following with respect to corporate governance:

- (a) develop the approach of the Corporation to matters of corporate governance and make recommendations to the Board with respect to all such matters;
- (b) prepare and recommend to the Board a set of governance principles applicable to the Corporation and to be included in the Corporation’s public disclosure material;
- (c) keep abreast of best corporate governance practices and make recommendations to the Board on the need, where appropriate, for Board participation in continuing education programmes;
- (d) review from time to time the structure, composition and size of the Board, with a view to determining the impact of the number of Board members upon its effectiveness and report thereon to the Board;

- (e) develop and recommend to the Board criteria for the selection of candidates to serve on the Board;
- (f) identify and evaluate nominees and recommend to the Board such nominees for election to the Board at the annual general meeting of Shareholders;
- (g) assist the Board in its obligation to identify a successor to the Chairperson and Chief Executive Officer of the Corporation;
- (h) consider the mandates of the Board committees, selection, composition and rotation of committee members and the chair and make recommendations to the Board with respect to same;
- (i) develop and facilitate an orientation programme for new members of the Board to ensure their understanding of the Corporation and the business environment and market in which the Corporation operates. Such programme will include the provision of background material, meetings with senior management and visits to the Corporation's facilities and will seek to provide the new director with:
 - (i) an overview of the Corporation (ownership, powers, rules, regulations and company law, Board structure, membership and processes);
 - (ii) an overview of the business (business processes, corporate strategies, organisation, management and people);
 - (iii) an overview of the financials (annual and quarterly accounts, directors' reports, key financial indicators and financial performance of the business); and
 - (iv) an understanding of what is expected from the director on appointment (discussions with the chair with regards to the role, why nominated, potential contributions, particular knowledge and the like).

The charter of the Governance and Nominations Committee can be found on SEDAR at www.sedar.com.

Position Descriptions

The Board has not developed a written position description for the CEO, the Chairman of the Board and the chairs of each of the committees of the Board. Given the size of the Company, the Board does not feel that it is necessary at this time to formalize such position descriptions. Guidance is generally provided through reference to industry norms, past practice and relying upon the provisions of the constating documents of the Company and the statutory and common law. The CEO in conjunction with the Executive Committee is principally responsible for overseeing the operations and affairs of the Company, including strategic organizational and financial management, business development, regulatory compliance, and clinical development. The Chairman of the Board is principally responsible for overseeing the operations and affairs of the Board. With respect to the chairs of each of the committees of the Board, it is currently the Board's view that the general mandates of committees on which such directors may sit are sufficient to delineate the role and responsibilities of the chair of each committee. The chair of each Board committee is required to ensure the committee meets regularly and performs the duties as set forth in the committee mandate, and reports to the Board on the activities of the committee.

Orientation and Continuing Education

The Corporation currently does not have a formal orientation or continuing education program. The Governance and Nominations Committee with the assistance of the Chief Executive Officer and the Chief Financial Officer are responsible for providing an orientation and education program for new directors of the Corporation. When a person joins the Board of Directors, he or she will be given the opportunity to become familiar with the Corporation by meeting with the other directors of the Corporation and with the officers and representatives of the Corporation. As each director has a different skill set and professional background, orientation and training activities will be tailored to the particular needs and experience of the individual director.

Ethical Business Conduct

The directors of the Corporation have established a Code of Business Conduct and Ethics (the “**Ethics Code**”), a copy of which may be found on the Corporation’s website at www.hillstreetbeverages.com. The Ethics Code provides a set of ethical standards by which each director, officer, employee, consultant and contractor of the Corporation is expected to conduct their business and, for each officer and employee of the Corporation, constitutes conditions of employment and, for each consultant and contractor, constitutes conditions of providing services to the Corporation. The Ethics Code is intended to give an overview of the Corporation’s expectations for its directors, officers, employees, consultants and contractors and is supplemented by any other applicable policies adopted by the Corporation.

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

The Ethics Code sets out that all directors, officers, employees, contractors and consultants of the Corporation, in discharging their duties, must comply with: the laws, rules and regulations of the jurisdiction in which the Corporation is conducting business activities; the Ethics Code; and all corporate policies, including, without limitation, the Corporate Disclosure Policy.

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

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

Nomination of Directors

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

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

The directors of the Corporation have the ability to increase or decrease the size of the Board of Directors within the limits set out in the articles and by-laws of the Corporation and applicable laws. The directors will determine the size of the Board of Directors

having regard to the best interests of the Corporation. The directors believe that the size of the Board of Directors should be sufficient to provide a diversity of expertise and opinions and to allow effective committee organization, yet small enough to enable efficient meetings and decision-making and maximize full attendance at meetings of the directors of the Corporation. The directors of the Corporation will review the size of the Board of Directors if a change is recommended by the Governance and Nominations Committee.

Compensation

See “*Statement of Executive Compensation*” above for information regarding compensation made to certain executives and to directors of the Corporation.

Assessments

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

Director Term Limits

The Corporation has not adopted term limits for directors on the Board. It is the Corporation's view that the membership of its Board, including the retirement of directors, is best assessed by the Board in consideration of a variety of factors, including individual director performance, the existing mix of skills and experience of the members of the Board. The Corporation believes that the implementation of term limits could require directors to retire, even when doing so would not be in the best interests of the Corporation, taking into account the overall composition of the Board and a particular director's skills and experience.

Gender Diversity

The Board of directors has not adopted a written policy relating to the gender diversity of its directors and executive officers. The Corporation values diversity of view, experience, skillset, gender and ethnicity as it believes this results in better leadership and decision making for its business. The Corporation does not have specific targets respecting representation on its Board or in executive officer positions based on any particular personal experience or characteristic, including gender. Instead, the Corporation focuses on choosing the most appropriate candidate for the position, having regard to the experience, skillset, gender, ethnicity and other personal characteristics of both the candidate and, as applicable, the Board and executive team as a whole. In conducting its search processes for Board and executive officer appointments, the Corporation will review the extent to which its current appointees reflect gender diversity, and in assessing the appropriateness of candidates for those appointments, will consider the desirability of an increased level of representation of females. Lori Senecal is currently the only female director of the Corporation, and represents 16.7% of the Board. Lori Senecal is co-Chief Executive Officer, Hinta Chambers is Chief Financial Officer, and June Nicholson is Chief Operating Officer of the Corporation, representing 75% of the executive officers of the Corporation.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

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

ADDITIONAL INFORMATION

Additional information relating to the Corporation can be found on SEDAR at www.sedar.com. Financial information is provided in the comparative financial statements and the management's discussion and analysis of the Corporation for the financial year of the Corporation ended June 30, 2020. Shareholders may also obtain these documents, without charge, upon request to counsel to the Corporation c/o James Leech, Torkin Manes LLP, 150 Yonge Street, Suite 1500, Toronto, Ontario, M5C 2W7.

APPROVAL OF THE BOARD OF DIRECTORS

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

DATED at Toronto, Ontario the 25th day of February, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) *"Jack Fraser"*

Jack Fraser
Chairman of the Board of Directors

Schedule "A" STOCK OPTION PLAN

**HILL STREET BEVERAGE COMPANY INC.
(the "Issuer")**

INCENTIVE ROLLING STOCK OPTION PLAN

February 25, 2021

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Defined Terms

For the purposes of this Plan, the following terms shall have the following meanings:

- (a) **"Affiliate"** has the meaning ascribed thereto by the Exchange;
- (b) **"Board"** means the Board of Directors of the Issuer or, as applicable, a committee consisting of not less than 3 Directors of the Issuer duly appointed to administer this Plan;
- (c) **"Common Shares"** means the common shares of the Issuer;
- (d) **"Company"** has the meaning ascribed thereto by the Exchange;
- (e) **"Consultant"** means in relation to the Issuer, an individual (other than an Employee or a Director of the Issuer) who:
 - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Issuer or to an Affiliate of the Issuer other than services provided in relation to a Distribution;
 - (ii) provides the services under a written contract between the Issuer or the Affiliate and the individual or the Company, as the case may be;
 - (iii) in the opinion of the Issuer, spends or will spend a significant amount of time and attention on the business and affairs of the Issuer or an Affiliate of the Issuer; and
 - (iv) has a relationship with the Issuer or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Issuer or the Affiliate;
- (f) **"Director"** means a director, senior officer or Management Company Employee of the Issuer or of an unlisted Company seeking a listing on the Exchange, or a director, senior officer or Management Company Employee of an Issuer's or an unlisted Company's subsidiaries;
- (g) **"Disinterested Shareholder Approval"** has the meaning ascribed thereto by the Exchange in "Policy 4.4 – Incentive Stock Options" of the Exchange's corporate finance manual;
- (h) **"Distribution"** has the meaning ascribed thereto by the Exchange;
- (i) **"Eligible Person"** means a Director, Employee or Consultant, and includes an issuer all the voting securities of which are owned by Eligible Persons;
- (j) **"Employee"** means:
 - (i) an individual who is considered an employee of the Issuer or its subsidiary under the *Income Tax Act (Canada)* (and for whom income tax, employment insurance and Canada Pension Plan deductions must be made at source);
 - (ii) an individual who works full-time for the Issuer or its subsidiary providing services

normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and method of work as an employee of the Issuer or the Affiliate, but for whom income tax deductions are not made at source, or

- (iii) an individual who works for the Issuer or its subsidiary on a continuing and regular basis for a minimum amount of time per week (the number of hours should be disclosed in the submission) providing services normally provided by an employee and who is subject to the same control and direction by the Issuer over the details and method of work as an employee of the Issuer, but for whom income tax deductions are not made at source;
- (k) **“Exchange”** means the TSX Venture Exchange and any successor entity;
- (l) **“Expiry Date”** means the last day of the term for an Option, as set by the Board at the time of grant and, if applicable, as amended from time to time;
- (m) **“Insider”** has the meaning ascribed thereto by the Exchange;
- (n) **“Investor Relations Activities”** has the meaning ascribed thereto by the Exchange;
- (o) **“Issuer”** means Hill Street Beverage Company Inc., and as the case may be, a subsidiary thereof;
- (p) **“Management Company Employee”** means an individual who is employed by a Person providing management services to the Issuer which are required for the ongoing successful operation of the business enterprise of the Issuer, but excluding a Person engaged in Investor Relations Activities;
- (q) **“Market Price”** has the meaning ascribed thereto by the Exchange;
- (r) **“Material Change”** means the definition prescribed by applicable Securities Laws.
- (s) **“Material Fact”** means the definition prescribed by applicable Securities Laws.
- (t) **“Material Information”** means a Material Fact and/or Material Change as defined by applicable Securities Laws and Exchange Policy.
- (u) **“Option”** means an option to purchase Common Shares pursuant to this Plan;
- (v) **“Other Share Compensation Arrangement”** means, other than this Plan and any Options, any stock option plan, stock options, employee stock purchase plan or other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares, including but not limited to a purchase of Common Shares from treasury which is financially assisted by the Issuer by way of loan, guarantee or otherwise;
- (w) **“Participant”** means an Eligible Person who has been granted an Option;
- (x) **“Person”** has the meaning ascribed thereto by the Exchange;
- (y) **“Plan”** means this rolling stock option plan;
- (z) **“Policy”** means a policy of the Exchange as contained in its corporate finance manual, and the meanings of capitalized terms that are stated herein to have “Exchange ascribed meanings” are found in the applicable Policies of the Exchange, particularly Policy 1.1;

- (aa) “**Securities Laws**” means securities legislation, securities regulation and securities rules, as amended, and the policies, notices, instruments and blanket orders in force from time to time that are applicable to an Issuer; and
- (bb) “**Termination Date**” means the date upon which an Eligible Person ceases to qualify as an Eligible Person as that term is defined above.

1.2 Interpretation

References to the outstanding Common Shares at any point in time shall be computed on a non-diluted basis.

ARTICLE 2 ESTABLISHMENT OF PLAN

2.1 Purpose

The purpose of this Plan is to advance the interests of the Issuer, through the grant of Options, by:

- (a) providing an incentive mechanism to foster the interest of Eligible Persons in the success of the Issuer and its Affiliates;
- (b) encouraging Eligible Persons to remain with the Issuer or its Affiliates; and
- (c) attracting new Directors, Employees and Consultants.

2.2 Shares Reserved

- (a) The aggregate number of Common Shares that may be reserved for issuance pursuant to Options under the Plan shall not exceed 10% of the outstanding Common Shares at the time of the granting of an Option, LESS the aggregate number of Common Shares then reserved for issuance pursuant to any Other Share Compensation Arrangement.
- (b) If an Option is surrendered, terminated or expires without being exercised, the Common Shares reserved for issuance pursuant to such Option shall be available for new Options granted under this Plan.
- (c) If there is a change in the outstanding Common Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Common Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:
 - (i) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
 - (ii) the number and kind of shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such shares or other securities or property; and
 - (iii) the vesting of any Options, including the accelerated vesting thereof on conditions the Board deems advisable,

and if the Issuer undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Participants as it shall deem advisable.

- (d) No fractional Common Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Common Share, shall be treated.
- (e) The Issuer shall, at all times while this Plan is in effect, reserve and keep available such number of Common Shares as will be sufficient to satisfy the requirements of this Plan.

2.3 Non-Exclusivity

Nothing contained herein shall prevent the Board from adopting such other incentive or compensation arrangements as it shall deem advisable.

2.4 Effective Date

This Plan shall be subject to the approval of the Exchange and such other applicable regulatory authority and shall be effective as at the date such approvals are obtained. Any Options granted under this Plan prior to such approvals being obtained shall be conditional upon such approvals being obtained, and no such Options may be exercised unless and until such approvals are obtained.

ARTICLE 3 ADMINISTRATION OF PLAN

3.1 Administration

- (a) This Plan shall be administered by the Board. Subject to adhering to the provisions of this Plan, the Board shall have the authority:
 - (i) to determine the Eligible Persons to whom Options are granted, to grant such Options, and to determine any terms and conditions, limitations and restrictions in respect of any particular Option grant, including but not limited to the nature and duration of the restrictions, if any, to be imposed upon the acquisition, sale or other disposition of Common Shares acquired upon exercise of the Option, and the nature of the events and the duration of the period, if any, in which any Participant's rights in respect of an Option or Common Shares acquired upon exercise of an Option may be forfeited; and
 - (ii) to interpret the terms of this Plan, to make all such determinations and take all such other actions in connection with the implementation, operation and administration of this Plan, and to adopt, amend and rescind such administrative guidelines and other rules and regulations relating to this Plan, as it shall from time to time deem advisable, including without limitation for the purpose of ensuring compliance with Section 3.3 hereof.
- (b) The Board's interpretations, determinations, guidelines, rules and regulations shall be conclusive and binding upon the Issuer, Eligible Persons, Participants and all other persons.

3.2 Amendment, Suspension and Termination

The Board may amend, subject to the approval of any regulatory authority whose approval is required, suspend or terminate this Plan or any portion thereof. No such amendment, suspension or termination shall alter or impair

any outstanding unexercised Options or any rights without the consent of such Participant. If this Plan is suspended or terminated, the provisions of this Plan and any administrative guidelines, rules and regulations relating to this Plan shall continue in effect for the duration of such time as any Option remains outstanding.

3.3 Compliance with Legislation & Hold Periods

- (a) This Plan, the grant and exercise of Options hereunder and the Issuer's obligation to sell, issue and deliver any Common Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Issuer, be required. The Issuer shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Common Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals.
- (b) Common Shares sold, issued and delivered to Participants pursuant to the exercise of Options shall be subject to restrictions on resale and transfer under applicable securities laws and the requirements of any stock exchanges or other markets on which the Common Shares are listed or quoted for trading, and any certificates representing such Common Shares shall bear, as required, a restrictive legend in respect thereof.
- (c) The Issuer will comply with the current Policy of the Exchange to impose a four (4) month hold period running from the date of grant with respect to any exercise of Options at an exercise price granted below Market Price where a hold period is not otherwise required under applicable Securities Laws.

3.4 Tax Withholdings

Notwithstanding any other provision contained herein, in connection with the exercise of an Option by a Participant from time to time, as a condition to such exercise the Issuer shall require such Participant to pay to the Issuer an amount as necessary so as to ensure that the Issuer is in compliance with the applicable provisions of any federal, provincial or local Laws relating to the withholding of tax or other required deductions relating to the exercise of such Options. In addition, the Issuer shall be entitled to withhold from any amount payable to a Participant, either under this Plan or otherwise, such amount as may be necessary so as to ensure that the Issuer is in compliance with the applicable provisions of any federal, provincial or local laws relating to the withholding of tax or other required deductions relating to the exercise of such Options.

ARTICLE 4 OPTION GRANTS

4.1 Eligibility and Multiple Grants

Options shall only be granted to Eligible Persons. An Eligible Person may receive Options on more than one occasion and may receive separate Options, with differing terms, on any one or more occasions.

4.2 Option Agreement

Every Option shall be evidenced by an option agreement or certificate, in the form as approved from time to time by the Board, which shall, if the Participant is an Employee, Consultant or Management Issuer Employee, confirm such Participant is a bona fide Employee, Consultant or Management Issuer Employee, as the case may be, of the Issuer. In the event of any discrepancy between this Plan and an option agreement, the provisions of this Plan shall govern.

4.3 Limitation on Grants and Exercises

Subject to Section 2.2(a), the limitations on grants and exercises of stock options under the Plan are as follows:

- (a) To any one person. The number of Common Shares reserved for issuance to any one person in any 12 month period under this Plan shall not exceed 5% of the outstanding Common Shares at the time of the grant, unless the Issuer has obtained Disinterested Shareholder Approval to exceed such limit.
- (b) To Consultants. The number of Common Shares reserved for issuance to any one Consultant in any 12 month period under this Plan shall not exceed 2% of the outstanding Common Shares at the time of the grant.
- (c) To persons conducting Investor Relations Activities. The aggregate number of Common Shares reserved for issuance to all persons conducting Investor Relations Activities in any 12 month period under this Plan shall not exceed 2% of the outstanding Common Shares at the time of the grant.
- (d) To Insiders. Unless the Issuer has received Disinterested Shareholder Approval to do so:
 - (i) the aggregate number of Common Shares reserved for issuance to Insiders under this Plan shall not exceed 10% of the outstanding Common Shares at the time of the grant; and
 - (ii) the aggregate number of Common Shares reserved for issuance to Insiders in any 12 month period under this Plan shall not exceed 10% of the outstanding Common Shares at the time of the grant.

ARTICLE 5 OPTION TERMS

5.1 Exercise Price

The exercise price per Common Share for an Option shall not be less than the “Discounted Market Price”, as defined and calculated pursuant to the Policies of the Exchange, or such other minimum price as may be required by the Exchange such as when the Issuer has been recalled for trading following a suspension or halt. The exercise price is normally fixed by way of the Issuer disseminating a news release announcing a grant of Options subject to the Exchange exception, if applicable, for Options granted to Employees and Consultants.

5.2 Expiry Date

Every Option shall have a term not exceeding and shall therefore expire no later than 10 years after the date of grant. Except where the Issuer or an optionee, who is exercising an Option, is subject to a cease trade order (or similar order under Securities Laws), an automatic extension to the expiry date of an Option will apply if the Issuer has formally imposed a freeze on trading, including Option exercises, by optionees (a “blackout period”) as a result of the bona fide existence of undisclosed Material Information prior to the original expiry date of an Option. Such extension will be effective until 10 business days after the expiry of the blackout period.

5.3 Vesting

- (a) Subject to the subsection 5.3(b) herein and otherwise in compliance with the Policies of the Exchange, the Board shall determine the manner in which an Option shall vest and become exercisable.

- (b) Options granted to Consultants performing Investor Relations Activities shall vest over a minimum of 12 months with no more than 1/4 of such Options vesting in any 3 month period.

5.4 Non-Assignability

Options may not be assigned or transferred.

5.5 Ceasing to be Eligible Person

- (a) If a Participant who is a Director, Employee or Consultant is terminated for cause, each Option held by such Participant shall terminate and shall therefore cease to be exercisable upon such termination for cause.
- (b) If a Participant dies prior to otherwise ceasing to be an Eligible Person, each Option held by such Participant shall terminate and shall therefore cease to be exercisable no later than the earlier of the Expiry Date and the date which is six months after the date of the Participant's death, always provided that the Board may, in its discretion, extend the date of such termination and the resulting period in which such Option remains exercisable to a date not exceeding the earlier of the Expiry Date and the date which is twelve months after the date of the Participant's death.
- (c) If a Participant ceases to be an Eligible Person for any reason whatsoever other than death, each Option held by the Participant other than a Participant who is involved in investor relations activities will cease to be exercisable on the earlier of the Expiry Date and one (1) year after the Termination Date. For Participants involved in investor relations activities, Options shall cease to be exercisable on the earlier of the Expiry Date and 90 days after the Termination Date.
- (d) If any portion of an Option is not vested at the time a Participant ceases, for any reason whatsoever, to be an Eligible Person, such unvested portion of the Option may not be thereafter exercised by the Participant or its legal representative, as the case may be, always provided that the Board may, in its discretion, permit the Participant or its legal representative, as the case may be, to exercise all or any part of such unvested portion of the Option.

ARTICLE 6 EXERCISE PROCEDURE

6.1 Exercise Procedure

An Option may be exercised from time to time, and shall be deemed to be validly exercised by the Participant only upon the Participant's delivery to the Issuer at its registered office:

- (a) a written notice of exercise addressed to the Corporate Secretary of the Issuer, specifying the number of Common Shares with respect to which the Option is being exercised;
- (b) the originally signed option agreement or option certificate with respect to the Option being exercised (or if the Issuer is holding such original, confirmation of same);
- (c) a certified cheque or bank draft made payable to the Issuer for the aggregate exercise price for the number of Common Shares with respect to which the Option is being exercised plus any tax withholding required by the Issuer; and

- (d) documents containing such representations, warranties, agreements and undertakings, including such as to the Participant's future dealings in such Common Shares, as counsel to the Issuer reasonably determines to be necessary or advisable in order to comply with or safeguard against the violation of the laws of any jurisdiction;
- (e) and within 5 business days following, the Participant shall be deemed to be a holder of record of the Common Shares with respect to which the Option is being exercised, and the Issuer shall, within a reasonable amount of time as required to address Exchange requirements, cause a share certificate or the equivalent for such Common Shares to be issued and delivered to the Participant.

ARTICLE 7 AMENDMENT OF OPTIONS

7.1 Consent to Amend

The Board may amend any Option with the consent of the affected Participant and, where required, the Exchange, including any shareholder approval required by the Exchange. For greater certainty, Disinterested Shareholder Approval is required for any reduction in the exercise price of an Option if the Participant is an Insider at the time of the proposed amendment.

7.2 Amendment Subject to Approval

If the amendment of an Option requires regulatory or shareholder approval, such amendment may be made prior to such approvals being given, but no such amended Options may be exercised unless and until such approvals are given.

ARTICLE 8 MISCELLANEOUS

8.1 No Rights as Shareholder

Nothing in this Plan or any Option shall confer upon a Participant any rights as a shareholder of the Issuer with respect to any of the Common Shares underlying an Option unless and until such Participant shall have become the holder of such Common Shares upon exercise of such Option in accordance with the terms of the Plan.

8.2 No Right to Employment

Nothing in this Plan or any Option shall confer upon a Participant any right to continue in the employ of the Issuer or any Affiliate or affect in any way the right of the Issuer or any Affiliate to terminate the Participant's employment, with or without cause, at any time; nor shall anything in the Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Issuer or any Affiliate to extend the employment of any Participant beyond the time which the Participant would normally be retired pursuant to the provisions of any present or future retirement plan of the Issuer or any Affiliate, or beyond the time at which he would otherwise be retired pursuant to the provisions of any contract of employment with the Issuer or any Affiliate.

8.3 Governing Law

This Plan, all option agreements, the grant and exercise of Options hereunder, and the sale, issue and delivery of Common Shares hereunder upon exercise of Options shall be, as applicable, governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The Courts

of the Province of Ontario shall have the exclusive jurisdiction to hear and decide any disputes or other matters arising herefrom.

Schedule "B" AUDIT COMMITTEE CHARTER

HILL STREET BEVERAGE COMPANY INC. AUDIT COMMITTEE CHARTER

The Audit Committee of the Board of Directors (the "**Committee**") of Hill Street Beverage Company Inc. (the "**Company**") has the responsibilities and duties as outlined below:

1. **Mandate**

The mandate of the Committee is:

- (a) to perform such duties as may be required by applicable legislation, regulations and policies including those of the Ontario Securities Commission ("**OSC**"), the Toronto Stock Exchange and/or the TSX Venture Exchange (collectively, the "**TSX**") as more fully described under the heading "Duties" below;
- (b) to assist the Board of Directors (the "**Board**") in fulfilling its oversight responsibilities for:
 - (i) assess and report on financial risks and contingent risks to the Company;
 - (ii) assess and report on any new or emerging risks to the Company;
 - (iii) the integrity of the Company's financial statements;
 - (iv) assess and report on Company performance to budgets;
 - (v) the Company's compliance with legal and regulatory requirements;
 - (vi) the external auditor(s)' qualifications and independence;
 - (vii) review of all material agreements and major purchases;
 - (viii) the performance of the Company's independent auditors; and
 - (ix) the system of internal control over financial reporting ("**internal controls**");
- (c) to perform such other duties as may from time to time be assigned to the Committee by the Board.

2. **Authority**

The Committee has authority to:

- (a) conduct or authorize investigations into any matters within its scope of responsibility;
- (b) retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation;
- (c) meet with Corporation officers, external auditors and outside counsel, as necessary; and

- (d) determine appropriate funding for independent advisors.

3. Financial Information

The Committee shall:

- (a) review the quarterly and annual consolidated financial statements of the Company prior to approval by the Board and disclosure to the public, which review should include discussion with management and external auditors of significant issues regarding the financial results, accounting principles, practices and management estimates and judgments;
- (b) review the quarterly and annual Management's Discussion & Analysis ("MD&A") of the Company's current financial results, position and future prospects prior to review and approval by the Board;
- (c) review the annual budget and quarterly performance of the Board approved budget for major variances and performance issues;
- (d) review earnings press releases and earnings guidance press releases;
- (e) discuss significant financial risk exposures and the steps management of the Company has taken to monitor, control and report such exposures;
- (f) review with management and the external auditors all matters required to be communicated to the Committee under generally accepted auditing standards;
- (g) review the Company's Annual Information Form; and
- (h) review the process relating to and all certifications of the Chief Executive Officer and the Chief Financial Officer on the integrity of the Company's quarterly and annual consolidated financial statements as may be required under applicable securities legislation.

4. Compliance

The Committee shall:

- (a) review investments and transactions to assess risk to the well-being of the Company which may be brought to its attention by the external auditor(s) or by any officer of the Company;
- (b) review the period reports on litigation matters; and
- (c) periodically, review the Charter for the Committee and evaluate the Committee's effectiveness in fulfilling its mandate.

5. Internal Controls

The Committee shall:

- (a) require Corporation management to implement and maintain appropriate internal control

procedures over financial reporting and review, evaluate and approve these procedures; and

- (b) establish procedures for processing complaints regarding accounting, internal controls or auditing matters.

6. External Auditors

The Committee shall:

- (a) have responsibility for the oversight of the external auditor(s) who shall report directly to the Committee;
- (b) retain and terminate the Company's external auditor(s), subject to shareholder ratification;
- (c) review the annual audit plan and letter(s) of engagement;
- (d) at least annually review the report of the external auditor(s);
- (e) review and recommend to the Board the annual fee for the audit, review the Company's audit related expenses and pre-approve permitted non-audit services;
- (f) approve any significant non-audit relationship with the external auditor(s);
- (g) meet with the external auditor(s) and with management to discuss the quarterly and the annual consolidated financial statements including the Company's disclosure under MD&A; and
- (h) review with the external auditor(s) any audit problems or difficulties and management's response.

7. Reporting / Other Duties

The Committee shall:

- (a) report to the Board on the proceedings of each Committee meeting and on the Committee's recommendations at the next regularly scheduled Board meeting;
- (b) provide for an open avenue of communication between internal audit, the external auditors and the Board of Directors; and
- (c) institute and oversee special investigations as needed.

8. Composition

(a) Structure

- (i) The Committee shall be composed of not less than three directors, a majority of whom must be "independent directors" until such time as the Company is listed on the Toronto Stock Exchange, when all members must be "independent directors".

- (ii) Each member of the Committee shall be free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her judgment as a member of the Committee. All members of the Committee shall have a working familiarity with basic finance and accounting practices.
 - (iii) All members of the Committee must be financially literate as required by the policies of the TSX.
- (b) Independence
 - (i) A majority of the members of the Committee must not be current officers or employees of the Company or of any of its subsidiaries or affiliates nor have been such within the 36 months prior to his appointment. A majority of the members must not be persons who are affiliated with the Company or of any of its subsidiaries or affiliates as determined by the Board.
 - (ii) Directors' fees (annual retainer and/or attendance fees) and incentive stock options are the only compensation a member of the Committee may be paid by the Company.
- (c) Appointment of Committee Members
 - (i) Members are appointed or reappointed annually by the Board, such appointments to take effect immediately following the annual meeting of the shareholders of the Company. Members shall hold office until their successors are appointed or until they cease to be Directors of the Company.
- (d) Vacancies
 - (i) Vacancies may be filled for the remainder of the current term of appointment of members of the Committee by the Board.
- (e) Appointment and Qualifications of Committee Chair
 - (i) The Board shall appoint from the Committee membership a Chair for the Committee to preside at meetings. In the absence of the Chair, one of the other members of the Committee present shall be chosen by the Committee to preside at that meeting.

9. Meetings

- (a) Calling of Meetings
 - (i) Meetings of the Committee may be called by:
 - (1) the Chair,
 - (2) any member of the Committee; or

- (3) the External Auditors.
 - (ii) The Committee may call a meeting of the Board to consider any matter of concern to the Committee.
 - (iii) The Committee shall not transact business at a meeting unless a majority of the members present are resident Canadians except where:
 - (1) a resident Canadian member who is unable to be present approves in writing or by telephonic, electronic or other communications facilities the business transacted at the meeting; and
 - (2) a resident Canadian majority of members would have been present if the absent member had been present.
 - (iv) Any resolution consented to at any time during the Company's existence by the signatures of all the members of the Audit Committee is as valid and effective as if passed at a meeting of the members of the Audit Committee duly called, constituted and held for that purpose.
- (b) Notice of Meetings
- Notice of meeting of the Committee shall be sent by prepaid mail, by personal delivery or other means of transmitted or recorded communication or by telephone at least 12 hours before the meeting to each member of the Committee at the member's address or communication number last recorded with the Secretary. A Committee member may in any manner waive notice of a meeting of the Committee and attendance at a meeting is a waiver of notice of the meeting, except where a member attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called.
- (c) Notice to the Internal Auditor and External Auditor(s)
- The external auditor(s) are entitled to receive notice of every meeting of the Committee and to attend and be heard at each meeting and to have the opportunity to discuss matters with the independent directors, without the presence of management.
- (d) Frequency
- The Committee shall meet at least quarterly.
- (e) Quorum
- The quorum for a meeting of the Committee shall be a majority of the number of members, subject to a minimum of two non-executive Board members.
- (f) Secretary and Minutes
- The Chief Financial Officer or the Secretary of the Company shall act as Secretary of the Committee.

Minutes of meetings of the Committee shall be recorded and maintained by the Secretary of the Committee and subsequently presented to the Committee and to the Board, if required by the Board.

Schedule "C" AMENDMENT TO BY-LAW #1

BY-LAW NO. 1A

A by-law amending By-Law No. 1 of

**HILL STREET BEVERAGE COMPANY INC.
(the "Corporation")**

(Adopted by the Board of Directors with immediate effect on February 25, 2021)

By-Law No. 1, as amended from time to time, of the by-laws of the Corporation and this by-law shall be read together and shall have effect, so far as practicable, as though all the provisions thereof were contained in one by-law of the Corporation. All terms contained in this by-law which are defined in By-Law No. 1, as amended from time to time, of the by-laws of the Corporation shall, for all purposes hereof, have the meanings given to such terms in the said By-Law No. 1 unless expressly stated otherwise or the context otherwise requires.

By-Law No. 1 of the by-laws of the Corporation is hereby amended by adding the following after Section 3.04:

3.04.1 Nomination Procedure

Only persons who are nominated in accordance with the procedures set out in this section 3.04.1 shall be eligible for election as directors to the board. Nominations of persons for election to the board may only be made at an annual meeting of shareholders, or at a special meeting of shareholders called for any purpose which includes the election of directors to the board, as follows:

- (a) by or at the direction of the board or an authorized officer of the Corporation, including pursuant to a notice of meeting;
- (b) by or at the direction or request of one or more shareholders pursuant to a proposal made in accordance with the provisions of the Act or a requisition of a meeting of shareholders made in accordance with the provisions of the Act; or
- (c) by any person entitled to vote at such meeting (a "**Nominating Shareholder**"), who: (A) is, at the close of business on the date of giving notice provided for in section 3.04.3 below and on the record date for notice of such meeting, either entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) has given timely notice in proper written form as set forth in this section 3.04.1.

3.04.2 Exclusive Means to Bring Nomination

For the avoidance of doubt, the foregoing section 3.04.1 shall be the exclusive means for any person to bring nominations for election to the board before any annual or special meeting of shareholders.

3.04.3 Timely Notice

For a nomination made by a Nominating Shareholder to be timely notice (a “**Timely Notice**”), the Nominating Shareholder's notice must be received by the Secretary at the registered office of the Corporation:

- (a) in the case of an annual meeting of shareholders, not later than the close of business on the 30th day and not earlier than the opening of business on the 65th day before the date of the meeting; provided, however, if the first public announcement made by the Corporation of the date of the annual meeting is less than 50 days prior to the meeting date, not later than the close of business on the 10th day following the day on which the first public announcement of the date of such annual meeting is made by the Corporation; and
- (b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for any purpose which includes the election of directors to the board, not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting is made by the Corporation.

3.04.4 Time Period for Giving Timely Notice

The time periods for giving of a Timely Notice shall in all cases be determined based on the original date of the annual meeting or the first public announcement of the annual or special meeting, as applicable. In no event shall an adjournment or postponement of an annual meeting or special meeting of shareholders or any announcement thereof commence a new time period for the giving of a Timely Notice.

3.04.5 Form of Notice

To be in proper written form, a Nominating Shareholder's notice to the Secretary must comply with all the provisions of this section 3.04.5 and:

- (1) disclose or include, as applicable, as to each person whom the Nominating Shareholder proposes to nominate for election as a director (a “**Proposed Nominee**”):
 - (a) their name, age, business and residential address, principal occupation or employment for the past five years and status as a “resident Canadian” (as such term is defined in the Act);
 - (b) their direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
 - (c) any relationships, agreements or arrangements, including financial, compensation and indemnity related relationships, agreements or arrangements, between (i) the Proposed Nominee (or any affiliates or associates of, or any person or entity acting jointly or in concert with, the Proposed Nominee), and (ii) the Nominating Shareholder;
 - (d) a statement that the Proposed Nominee would not be disqualified from being a director pursuant to subsection 118(1) of the Act;
 - (e) a statement as to whether the Proposed Nominee would be an “independent” director (within the meaning of sections 1.4 and 1.5 of National Instrument 52110 – *Audit Committees* of the

Canadian Securities Administrators, as such provisions may be amended from time to time) if elected and the reasons and basis for such determination;

- (f) any other information that would be required to be disclosed in a dissident proxy circular or other filings required to be made in connection with the solicitation of proxies for election of directors pursuant to the Act or applicable securities law; and
 - (g) a duly completed personal information form in respect of the Proposed Nominee in the form prescribed by the principal stock exchange on which the securities of the Corporation are then listed for trading; and
- (2) disclose or include, as applicable, as to each Nominating Shareholder giving the notice and each beneficial owner, if any, on whose behalf the nomination is made:
- (a) their name, business and residential address, direct or indirect beneficial ownership in, or control or direction over, any class or series of securities of the Corporation, including the number or principal amount and the date(s) on which such securities were acquired;
 - (b) their interests in, or rights or obligations associated with, an agreement, arrangement or understanding, the purpose or effect of which is to alter, directly or indirectly, the person's economic interest in a security of the Corporation or the person's economic exposure to the Corporation;
 - (c) any proxy, contract, arrangement, agreement or understanding pursuant to which such person, or any of its affiliates or associates, or any person acting jointly or in concert with such person, has any interests, rights or obligations relating to the voting of any securities of the Corporation or the nomination of directors to the board;
 - (d) any direct or indirect interest of such person in any contract with the Corporation or with any of the Corporation's affiliates or principal competitors;
 - (e) a representation that the Nominating Shareholder is a holder of record of securities of the Corporation, or a beneficial owner, entitled to vote at such meeting, and intends to appear in person or by proxy at the meeting to propose such nomination;
 - (f) a representation as to whether such person intends to deliver a proxy circular and/or form of proxy to any shareholder in connection with such nomination or otherwise solicit proxies or votes from shareholders in support of such nomination; and
 - (g) any other information relating to such person that would be required to be included in a dissident proxy circular or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to the Act or as required by applicable securities law.

3.04.6 Currency of Information

All information to be provided in a Timely Notice pursuant to section 3.04.5 shall be provided as of the date of such notice. The Nominating Shareholder shall update such information forthwith so that it is true and correct in

all material respects as of the date that is 10 business days prior to the date of the meeting, or any adjournment or postponement thereof.

3.04.7 Additional Information

If requested by the Corporation, a Proposed Nominee shall furnish any other information as may reasonably be required by the Corporation to determine the eligibility of such Proposed Nominee to serve as a director of the Corporation or a member of any committee, with respect to any relevant criteria for eligibility, or that could be material to a shareholder's understanding of the eligibility, or lack thereof, of such Proposed Nominee.

3.04.8 Notice

Notwithstanding any other provision of this by-law, any notice, or other document or information required to be given to the Secretary pursuant to this Section 3.04 may only be given by personal delivery, facsimile transmission or by email (at such email address as may be stipulated from time to time by the Secretary for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery to the Secretary at the address of the registered office of the Corporation, email (at the address as aforesaid) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received); provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the next following day that is a business day.

3.04.9 Additional Matters

- (a) The chair of any meeting of shareholders shall have the power to determine whether any proposed nomination is made in accordance with the provisions of this Section 3.04, and if any proposed nomination is not in compliance with such provisions, must declare that such defective nomination shall not be considered at any meeting of shareholders.
- (b) Despite any other provision of this Section 3.04, if the Nominating Shareholder (or a qualified representative of the Nominating Shareholder) does not appear in person at the meeting of shareholders of the Corporation to present the nomination, such nomination shall be disregarded, notwithstanding that proxies in respect of such nomination may have been received by the Corporation.
- (c) Nothing in this Section 3.04 shall obligate the Corporation or the board to include in any proxy statement or other shareholder communication distributed by or on behalf of the Corporation or board any information with respect to any proposed nomination or any Nominating Shareholder or Proposed Nominee.
- (d) The board may, in its sole discretion, waive any requirement of this Section 3.04.
- (e) For the purposes of this Section 3.04:
 - (1) "public announcement" means disclosure in a press release disseminated by the Corporation through a national news service in Canada, or in a document filed by the

Corporation for public access under its profile on the System of Electronic Document Analysis and Retrieval at www.sedar.com; and

- (2) “business day” means any day that is not a Saturday, a Sunday or other day on which banks are required or authorized by law to be closed in the City of Toronto, Ontario.

- (f) This Section 3.04 is subject to, and should be read in conjunction with, the Act and the articles. If there is any conflict or inconsistency between any provision of the Act or the articles and any provision of this Section 3.04, the provision of the Act or the articles will govern.

By-Law No. 1 of the by-laws of the Corporation is hereby amended by adding the following after Section 9.02:

9.02.1 Business to be Transacted

No business may be transacted at an annual or special meeting of shareholders other than business that is either (i) specified in the Corporation's notice of meeting (or any supplement thereto) given by or at the direction of the board, (ii) otherwise properly brought before the meeting by or at the direction of the board, or (iii) otherwise properly brought before the meeting by any shareholder of the Corporation who complies with the proposal procedures set forth in section 3.2.2 below.

9.02.2 Proposal

For business to be properly brought before a meeting by a shareholder, such shareholder must submit a proposal to the Corporation for inclusion in the Corporation's management proxy circular in accordance with the requirements of the Act; provided that any proposal that includes nominations for the election of directors shall also comply with the requirements of Section 3.04.

Schedule "D" RSU PLAN

**HILL STREET BEVERAGE COMPANY INC.
RESTRICTED SHARE UNIT PLAN**

EFFECTIVE FEBRUARY 25, 2021

**ARTICLE 1
GENERAL PROVISIONS**

1.1 Purpose

This Restricted Share Unit Plan is established as a vehicle by which equity-based incentives may be awarded to the employees, consultants, directors and officers of the Company, to recognize and reward their significant contributions to the long-term success of the Company including to align the employees', consultants' directors' and officers' interests more closely with the shareholders of the Company.

1.2 Definitions

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

- (a) **"Affiliate"** has the meaning given to such term in Policy 1.1 of the TSXV Policies.
- (b) **"Associate"** has the meaning given to such term in Policy 1.1 of the TSXV Policies.
- (c) **"Blackout Period"** means a period of time imposed by the Company, pursuant to the Company's policies, upon certain designated persons during which those persons may not trade in any securities of the Company;
- (d) **"Board"** means the Board of Directors of the Company;
- (e) **"Business Day"** means any day that is not a Saturday, Sunday or statutory holiday in Toronto, Ontario;
- (f) **"Change of Control"** means the occurrence of any of the following events:
 - (i) the direct or indirect acquisition or conversion of more than 50% of the issued and outstanding shares of the Company by a person or group of persons acting in concert, other than through an employee share purchase plan or employee share ownership plan and other than by persons who are or who are controlled by, the existing shareholders of the Company;
 - (ii) a merger, amalgamation or arrangement of the Company or of the voting shares of the Company where the voting shares of the resulting merged, amalgamated or arranged company, as applicable, are owned or controlled by shareholders of whom more than 50% are not the same as the shareholders of the Company immediately prior to the merger, amalgamation or arrangement; or
 - (iii) a sale by the Company of greater than 50% of the fair market value of the assets of the Company, through one or a series of transactions, to an entity that is not controlled by either the shareholders of the Company or by the Company;

- (g) “**Code**” means the United States Internal Revenue Code of 1986, as amended;
- (h) “**Committee**” means the Compensation Committee of the Board or such other persons designated by the Board to determine the grants of Restricted Share Units and administer this Plan;
- (i) “**Common Share**” means a common share in the capital of the Company;
- (j) “**Company**” means Hill Street Beverage Company Inc. and its successors and assigns;
- (k) “**Consultant**” means an individual or Consultant Company, other than an Employee, a Director or an Officer of the Company, that:
 - (i) is engaged to provide on a bona fide basis, consulting, technical, management or other services to the Company or an Affiliate, other than services provided in relation to a distribution;
 - (ii) provides the services under a written contract between the Company or an Affiliate of the Company and the individual or the Consultant Company;
 - (iii) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention to the affairs and business of the Company or an Affiliate; and
 - (iv) has a relationship with the Company or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Company;
- (l) “**Consultant Company**” means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (m) “**Deferred Payment Date**” means the date for a Non-Canadian Eligible Person under the Plan after the Redemption Date and not later than the Non-Canadian Eligible Person's Retirement Date which the Non-Canadian Eligible Person has elected to defer receipt of Common Shares, as applicable;
- (n) “**Director**” means a non-Employee director of the Board of the Company and/or the board of directors of a Subsidiary of the Company;
- (o) “**Disinterested Shareholder**” means a holder of Common Shares that is not an Insider nor an Associate of an Insider;
- (p) “**Dividend**” means a dividend declared and payable on a Common Share in accordance with the Company's dividend policy as the same may be amended from time to time (an “**Ordinary Dividend**”), and may, in the discretion of the Board, include a special or stock dividend (a “**Special Dividend**”), and may, in the discretion of the Board, include a Special Dividend declared and payable on a Common Share;
- (q) “**Eligible Person**” means any Employee, Consultant, Director or Officer who is designated as an Eligible Person pursuant to Section 2.1;
- (r) “**Employee**” means an employee of the Company and/or of a Subsidiary of the Company;

- (s) “**Exchange**” means, collectively, the TSX Venture Exchange, any successor thereto and any other stock exchange or trading facilities through which the Common Shares trade or are quoted from time to time;
- (t) “**Fair Market Value**” means the closing price of the Common Shares on the Exchange on the Business Day immediately prior to the relevant date, or if the Common Shares are not listed on the Exchange, then on such other stock exchange or quotation system as may be selected by the Committee, provided that, if the Common Shares are not listed or quoted on any other stock exchange or quotation system, then the Fair Market Value will be the value determined by the Committee in its sole discretion acting in good faith;
- (u) “**Grant Date**” means any date determined from time to time by the Committee as a date on which a grant of Restricted Share Units will be made to one or more Eligible Persons under this Plan;
- (v) “**Investor Relations Activities**” shall have the meaning ascribed to such term in the TSXV Policies;
- (w) “**Insider**” has the meaning given to such term in Policy 1.1 of the TSXV Policies;
- (x) “**Non-Canadian Eligible Person**” means an Eligible Person who is not, or has not, been resident, or deemed to be resident, in Canada at any time, and has not received his or her grant of Restricted Share Units as a result of employment carried on in whole or in part in Canada;
- (y) “**Officer**” means an officer of the Company that has been duly appointed by the Board and/or an officer of a Subsidiary of the Company that has been duly appointed by the board of directors of such Subsidiary;
- (z) “**Plan**” means this Restricted Share Unit Plan, as amended from time to time;
- (aa) “**Redemption Date**” in respect of any Restricted Share Unit means a date to be selected by the Board following the date a Restricted Share Unit has become a Vested Restricted Share Unit, which shall be within thirty (30) days of the Vesting Date, unless (i) except with respect to a Vested Restricted Share Unit held by a U.S. Taxpayer, an earlier date(s) has been approved by the Board as the Redemption Date in respect of such Vested Restricted Share Unit, or (ii) Section 3.8, 4.1, 4.2, 6.2 is applicable, in which case the Redemption Date(s) in respect of such Vested Restricted Share Unit shall be the date(s) established as such in accordance with the applicable Section. Such date shall, in all cases, be in compliance with the requirements pertaining to the exception to the application of the salary deferral arrangement rules in paragraph (k) of the definition of “**salary deferral arrangement**” in subsection 248(1) of the Income Tax Act (Canada), as such subsection may be amended or enacted from time to time;
- (bb) “**Reorganization**” means any declaration of any stock dividend (other than a Special Dividend in respect of which the Board, in its discretion, determines that Eligible Persons are to be paid pursuant to Section 3.7), stock split, combination or exchange of shares, merger, consolidation, recapitalization, amalgamation, plan of arrangement, reorganization, spin-off or other distribution (other than Ordinary Dividends) of the Company assets to shareholders or any other similar corporate transaction or event which the Board determines affects the Common Shares such that an adjustment is appropriate to prevent dilution or enlargement of the rights of Eligible Persons under this Plan;
- (cc) “**Restricted Share Unit**” means one notional Common Share (without any of the attendant rights of a shareholder of such Common Share, including, without limitation, the right to vote such

Common Share and the right to receive dividends thereon, except to the extent otherwise specifically provided herein) credited by bookkeeping entry to a notional account maintained by the Company in respect of an Eligible Person in accordance with this Plan;

- (dd) **“Retirement”** in respect of an Eligible Person means the Eligible Person ceasing to be an Employee, Director, Contractor or Officer as a result of a resignation by the Eligible Person where the Eligible Person is at least 55 years of age; has completed 5 years of service with Company or an Affiliate and the Eligible Person has indicated that the Eligible Person intends to cease active full-time employment from any employer;
- (ee) **“Retirement Date”** means the date an Eligible Person ceases to be an Employee, Consultant, Director, or Officer due to Retirement of the Eligible Person;
- (ff) **“Stock Option Plan”** means the stock option plan of the Company dated February 21, 2018, as amended from time to time;
- (gg) **“Subsidiary”** has the meaning set out in the Securities Act (Ontario);
- (hh) **“TSXV Policies”** means the policies included in the TSX Venture Exchange Corporate Finance Manual and **“TSXV Policy”** means any one of them;
- (ii) **“U.S. Taxpayer”** means an Eligible Person who is at the relevant time subject to Section 409A of the Code;
- (jj) **“Vested Restricted Share Unit”** means any Restricted Share Unit which has vested in accordance with the terms of this Plan and/or the terms of any applicable Grant Agreement; and
- (kk) **“Vesting Date”** means, in respect of any Restricted Share Unit, the date that the Restricted Share Unit becomes a Vested Restricted Share Unit and shall, in all cases, be in compliance with the requirements pertaining to the exception to the application of the salary deferral arrangement rules in paragraph (k) of the definition of **“salary deferral arrangement”** in subsection 248(1) of the Income Tax Act (Canada), as such subsection may be amended or enacted from time to time.

1.3 Effective Date

The Plan shall be effective February 25, 2021; provided that no Common Shares, as applicable, may be issued and/or paid under the Plan until and unless all required Exchange, regulatory and shareholder approvals have been obtained with respect to the issuance of Common Shares and/or payment of Cash Consideration, as applicable, hereunder.

1.4 Governing Law; Subject to Applicable Regulatory Rules

The Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. The provisions of the Plan shall be subject to the applicable by-laws, rules and policies of the Exchange and applicable securities legislation.

ARTICLE 2
ELIGIBILITY AND PARTICIPATION

2.1 Eligibility

This Plan applies to those Employees, Consultants, Directors and Officers whom the Committee designates as eligible for a grant of Restricted Share Units pursuant to Section 3.1. The Committee shall make such a designation prior to each Grant Date.

2.2 Rights Under the Plan

Subject to Article 4 and Article 5, an Eligible Person who has been granted Restricted Share Units shall continue to have rights in respect of such Restricted Share Units until such Restricted Share Units have been redeemed for Common Shares, as applicable, in accordance with this Plan.

2.3 Copy of the Plan

The Company shall provide each Eligible Person with a copy of this Plan following the initial grant of Restricted Share Units to such Eligible Person and shall provide each Eligible Person with a copy of all amendments to this Plan.

2.4 Limitation on Rights

Nothing in this Plan shall confer on any Employee, Consultant, Director or Officer any right to be designated as an Eligible Person or to be granted any Restricted Share Units. There is no obligation for uniformity of treatment of Eligible Persons or any group of Employees, Consultants, Directors, Officers or Eligible Persons, whether based on salary or compensation, grade or level or organizational position or level or otherwise. A grant of Restricted Share Units to an Eligible Person on one or more Grant Dates shall not be construed to create a right to a grant of Restricted Share Units on a subsequent Grant Date.

2.5 Grant Agreements

Each grant of Restricted Share Units shall be evidenced by a written agreement (a “**Grant Agreement**”) executed by the Eligible Person in substantially the form appended as Exhibit “A” hereto. An Eligible Person will not be entitled to any grant of Restricted Share Units or any benefit of this Plan unless the Eligible Person agrees with the Company to be bound by the provisions of this Plan. By entering into an agreement described in this Section 2.5, each Eligible Person shall be deemed conclusively to have accepted and consented to all terms of this Plan and all bona fide actions or decisions made by the Committee. Such terms and consent shall also apply to and be binding on the legal representative, beneficiaries, heirs and successors of each Eligible Person.

2.6 Limits on Common Shares Issuable

- (a) The number of Common Shares which may be reserved for issuance under the Plan shall not exceed 14,172,015 Common Shares, provided that at no time may the number of Common Shares issuable under any and all of the Company's equity incentive plans in existence from time to time on and after the effective date of the Plan, including the Company's Stock Option Plan, exceed 20% of the issued and outstanding Common Shares of the Company, or such greater number of Common Shares as shall have been duly approved by the Board and, if required by the TSXV Policies or any other stock exchange on which the Common Shares of the Company may then be listed, by the shareholders of the Company.

- (b) The number of Common Shares which may be issuable under the Plan and all of the Company's other security based compensation arrangements in existence from time to time on and after the effective date of the Plan, within any one-year period:
 - (i) to any one Eligible Person, shall not exceed 5% of the total number of issued and outstanding Common Shares on the Grant Date on a non-diluted basis;
 - (ii) to Insiders as a group shall not exceed 10% of the total number of issued and outstanding Common Shares on the Grant Date on a non-diluted basis; and
 - (iii) To any one Consultant shall not exceed 2% of the total number of issued and outstanding Common Shares on the Grant Date on a non-diluted basis.
 - (iv) To all Eligible Persons retained by the Company to provide Investor Relations Activities as a group, shall not exceed 2% of the total number of issued and outstanding Common Shares on a non-diluted basis.

2.7 No Fractional Shares

No fractional Common Shares may be issued under the Plan. In the event the number of Common Shares to be issued upon the redemption of Restricted Share Units is a fraction, the respective Eligible Person will receive the next lowest whole number of Common Shares and will not receive any other form of compensation for the fractional interest.

ARTICLE 3 **RESTRICTED SHARE UNITS**

3.1 Grant of Restricted Share Units

On each Grant Date, the Committee shall designate Eligible Persons and determine the number of Restricted Share Units to be granted to each Eligible Person in the Committee's sole discretion.

3.2 Redemption of Restricted Share Units

Unless redeemed earlier in accordance with this Plan, the Restricted Share Units of each Eligible Person will be redeemed on or about (but no later than 30 days following) each applicable Vesting Date or, if applicable, at a later Deferred Payment Date(s), the Eligible Person will be entitled to receive and the Company will issue to the Eligible Person, a number of Common Shares equal to the number of Vested Restricted Share Units (net of any applicable statutory withholdings) on the Redemption Date(s) or Deferred Payment Date(s), as the case may be.

3.3 Deferred Payment Date

Non-Canadian Eligible Persons may elect to defer the receipt of all or any part of their entitlement to Common Shares, as applicable, until a Deferred Payment Date. Elections made by U.S. Taxpayers to defer the receipt of all or any part of their entitlement to Common Shares, as applicable, until a Deferred Payment Date shall comply with timing of election requirements and the timing and form of payment requirements of Section 409A of the Code.

3.4 Prior Notice of Deferred Payment Date

Non-Canadian Eligible Persons who elect to set a Deferred Payment Date must give the Company written notice of one or more Deferred Payment Dates not later than thirty (30) days prior to the applicable Redemption Date(s);

provided however, that in the case of a U.S. Taxpayer, such election must be made prior to the year of the Grant Date of the Restricted Share Units to which the election relates. Non-Canadian Eligible Persons may change a Deferred Payment Date by providing written notice to the Company not later than thirty (30) days prior to the Deferred Payment Date.

3.5 Blackout Period

In the event the Redemption Date or, if applicable, the Deferred Payment Date, determined in accordance with the Plan occurs during a Blackout Period applicable to the relevant Eligible Person, then the Redemption Date or the Deferred Payment Date, as applicable, shall be the date that is the tenth Business day after the expiry of the Blackout Period; provided, however, that in the case of a U.S. Taxpayer, the change in the Redemption Date or the Deferred Payment Date does not violate Section 409A of the Code.

3.6 Withholding Taxes

The Company may take such steps as are considered necessary or appropriate for the withholding of any taxes which the Company is required by any law or regulation of any governmental authority whatsoever to withhold in connection with any Common Share Consideration including, without limiting the generality of the foregoing, the withholding of the issue of Common Shares and/or the withholding of all or any portion of any payment of the Cash Consideration, as applicable, to be issued and/or paid under the Plan, until such time as the Eligible Person has paid the Company for any amount which the Company is required to withhold with respect to such taxes or other amounts. Without limitation to the foregoing, the Committee may, if applicable, adopt administrative rules under the Plan which provide for the sale of Common Shares (or a portion thereof) in the market upon the issuance of such Common Shares under the provisions of the Plan to satisfy withholding obligations under the Plan.

3.7 Payment of Dividend Equivalents

When Dividends are paid on Common Shares, an Eligible Person shall be credited with Dividend equivalents in respect of the Restricted Share Units credited to the Eligible Person's account as of the record date for payment of Dividends. Such Dividend equivalents shall be converted into additional Restricted Share Units (including fractional Restricted Share Units) based on the Fair Market Value per Common Share on the date credited and redeemed on the Redemption Date or Deferred Payment Date, as applicable, of the Restricted Share Unit with respect to which the Dividend equivalent was granted.

3.8 Adjustments

If any change occurs in the outstanding Common Shares by reason of a Reorganization, the Committee, in its sole discretion, and without liability to any person, shall make such equitable changes or adjustments, if any, as it considers appropriate, in such manner as the Committee may consider equitable, to reflect such change or event including, without limitation, adjusting the number of Restricted Share Units credited to Eligible Persons and outstanding under the Plan, provided that any such adjustment will not otherwise extend the Redemption Date otherwise applicable. The Company shall give notice to each Eligible Person of any adjustment made pursuant to this section and, upon such notice, such adjustment shall be conclusive and binding for all purposes. The existence of outstanding Restricted Share Units shall not affect in any way the right or power and authority of the Company or its shareholders to make or authorize any alteration, recapitalization, reorganization or any other change in the Company's capital structure or its business or any merger or consolidation of the Company, any issue of bonds, debentures or preferred or preference shares (ranking ahead of the Common Shares or otherwise) or any right thereto, or the dissolution or liquidation of the Company, any sale or transfer of all or any part of its assets or business or any corporate act or proceeding whether of a similar character or otherwise.

ARTICLE 4
EVENTS AFFECTING ENTITLEMENT

4.1 Termination of Employment or Election as a Director

- (a) Voluntary Termination or Termination for Cause. If an Eligible Person is terminated by the Company for cause (as determined by the Company), or if an Eligible Person, voluntarily terminates employment for any reason or resigns as a Director, as applicable, prior to a Redemption Date, all of the Eligible Person's Restricted Share Units shall be cancelled and no amount shall be paid by the Company to the Eligible Person in respect of the Restricted Share Units so cancelled. Any Restricted Share Units outstanding after a Redemption Date for which an Eligible Person who is terminated as set out in this Section 4.1(a) has elected a Deferred Payment Date will be redeemed for an equal number of Common Shares, Cash Consideration in lieu thereof or a combination of both, as determined by the Board in its sole discretion, as soon as possible but no later than 30 days following the date of termination.
- (b) Involuntary Termination. The Restricted Share Units of an Eligible Person which are Vested Restricted Share Units on the applicable date, other than a Director, who is involuntarily terminated by the Company, for reasons other than cause, shall be redeemed for an equal number of Common Shares, Cash Consideration in lieu thereof or a combination of both, as determined by the Board in its sole discretion. For the purposes of this Section 4.1(b), the Redemption Date shall be the date on which the employment of the Eligible Person, other than a Director, is terminated as stated in a written notice of termination, irrespective of any entitlement of the Eligible Person to notice, pay in lieu of notice or benefits beyond the termination date.
- (c) Termination related to Directors. The Restricted Share Units of a Director, who is not re-elected at an annual or special meeting of shareholders shall be redeemed for such number of Common Shares equal to the number of Vested Restricted Share Units on the Redemption Date or Cash Consideration in lieu thereof or a combination of both, as determined by the Board in its sole discretion. For purposes of this Section 4.1(c), the Redemption Date shall be the date on which the annual or special meeting is held.
- (d) Termination on Change of Control. Notwithstanding anything else herein to the contrary, if an Eligible Person's employment is terminated, for reasons other than cause, at any time within 12 months following a Change of Control, then the Corporation shall redeem 100% of the Restricted Share Units granted to such Eligible Person and outstanding under the Plan as soon as reasonably practical following such termination, but no later than thirty (30) days following the Redemption Date for an equal number of Common Shares, Cash Consideration in lieu thereof or a combination of both, as determined by the Board in its sole discretion. For the purposes of this Section 4.1(d) the Redemption Date shall be the last day such Eligible Person provides actual service to the Company pursuant to a written notice of termination and does not include any subsequent common law or contractual notice period.

For purposes of Section 4.1, a U.S. Taxpayer shall be treated as terminated when such person incurs a "separation from service" within the meaning of Section 409A of the Code and United States Treasury Regulation Section 1.409A-1(h) ("**Separation from Service**"). Solely to the extent required by Section 409A of the Code, any payment in respect of Restricted Share Units which has become payable on or following a Separation from Service to any U.S. Taxpayer who is determined to be a "specified employee," under Section 409A(a)(2)(B)(i) of the Code and United States Treasury Regulation Section 1.409A-1(i), shall not be paid before the date that is six months after such U.S. Taxpayer's Separation from Service (or, if earlier, the date of the death of such U.S. Taxpayer). Following

any applicable six month delay of payment, all such delayed payments shall be made to the U.S. Taxpayer in a single lump sum on the earliest possible date.

4.2 Death

All of the Restricted Share Units of an Eligible Person who dies shall be redeemed in accordance with Section 3.2. For the purposes of the foregoing, the Redemption Date shall be the date of the Eligible Person's death.

4.3 No Grants Following Last Day of Active Employment

In the event of termination of any Eligible Person's employment with the Company, such Eligible Person shall not be granted any Restricted Share Units pursuant to Section 3.1 after the last day of active employment of such Eligible Person. Without limiting the generality of the foregoing and of Section 2.4, notwithstanding any other provision hereof, and notwithstanding any provision of any employment agreement between any Eligible Person and the Company, no Eligible Person will have any right to be awarded additional Restricted Share Units, and shall not be awarded any Restricted Share Units, pursuant to Section 3.1 after the last day of active employment of such Eligible Person on which such Eligible Person actually performs the duties of the Eligible Person's position, whether or not such Eligible Person receives a lump sum payment of salary or other compensation in lieu of notice of termination, or continues to receive payment of salary, benefits or other remuneration for any period following such last day of active employment. Notwithstanding any other provision hereof, or any provision of any employment agreement between the Company and an Eligible Person, in no event will any Eligible Person have any right to damages in respect of any loss of any right to be awarded Restricted Share Units pursuant to Section 3.1 after the last day of active employment of such Eligible Person and no severance allowance, or termination settlement of any kind in respect of any Eligible Person will include or reflect any claim for such loss of right and no Eligible Person will have any right to assert, claim, seek or obtain, and shall not assert, claim, seek or obtain, any judgment or award in respect of or which includes or reflects any such right or claim for such loss of right.

ARTICLE 5 **ADMINISTRATION**

5.1 Transferability

Rights respecting Restricted Share Units shall not be transferable or assignable other than by will or the laws of descent and distribution.

5.2 Administration

The Committee shall, in its sole and absolute discretion, but subject to applicable corporate, securities and tax law requirements: (i) interpret and administer the Plan; (ii) establish, amend and rescind any rules and regulations relating to the Plan; and (iii) make any other determinations that the Committee deems necessary or desirable for the administration and operation of the Plan. The Committee may delegate to any person any administrative duties and powers under this Plan. The Committee may correct any defect or supply any omission or reconcile any inconsistency in the Plan in the manner and to the extent the Committee deems, in its sole and absolute discretion, necessary or desirable. Any decision of the Committee with respect to the administration and interpretation of the Plan shall be conclusive and binding on the Eligible Person and his or her legal representative. The Board may establish policies respecting minimum ownership of Common Shares of the Company by Eligible Persons and the ability to elect Restricted Share Units to satisfy any such policy.

It is intended that this Plan and Grant Agreements will comply with Section 409A of the Code (and any regulations and guidelines issued thereunder), to the extent this Plan and such agreements are subject thereto, and this Plan and such agreements shall be interpreted on a basis consistent with such intent. Each amount to be paid under the

Plan shall be construed as a separate identified payment for the purposes of Section 409A of the Code. If an amendment of this Plan and such agreements is necessary in order for it to comply with Section 409A of the Code, the Board will adopt any such amendment in a manner that preserves the original intent of the parties to the extent reasonably possible. No action or failure to act by the Board shall subject the Company to any claim, liability, or expense, and the Company shall not have any obligation to indemnify or otherwise protect any person from the obligation to pay any taxes, interest or penalties pursuant to Section 409A of the Code.

5.3 Records

The Company will maintain records indicating the number of Restricted Share Units credited to an Eligible Person under the Plan from time to time and the Grant Dates of such Restricted Share Units. Such records shall be conclusive as to all matters involved in the administration of this Plan.

5.4 Statements

The Company shall furnish annual statements to each Eligible Person indicating the number of Restricted Share Units credited to the Eligible Person and the Grant Dates of the Restricted Share Units and such other information that the Company considers relevant to the Eligible Person.

5.5 Legal Compliance

Without limiting the generality of the foregoing, the Committee may take such steps and require such documentation from Eligible Persons as the Committee may determine are desirable to ensure compliance with all applicable laws and legal requirements, including all applicable corporate and securities laws and regulations of any country, and any political subdivisions thereof, and the by-laws, rules and regulations of any stock exchanges or other organized market on which Common Shares may from time to time be listed or posted and any applicable provisions of the Income Tax Act (Canada), as amended or income tax legislation or any other jurisdiction.

ARTICLE 6 **AMENDMENT AND TERMINATION**

6.1 Amendment

- (a) The Board reserves the right, in its sole discretion, to amend, suspend or terminate the Plan or any portion thereof at any time, provided that no such amendment, suspension or termination may be (i) made without obtaining any required regulatory or shareholder approvals, or (ii) adversely affect the rights of any Eligible Person with respect to the Restricted Share Units to which the Eligible Person is then entitled under the Plan without the consent of the Eligible Person. Notwithstanding the foregoing, the Company will be required to obtain the Disinterested Shareholder approval for any amendment related to:
 - (i) the number or percentage of issued and outstanding Common Shares available for grant under the Plan;
 - (ii) a change in the method of calculation of redemption of Restricted Share Units held by Eligible Persons; and
 - (iii) an extension to the term for redemption of Restricted Share Units held by Eligible Persons.

- (b) Unless an Eligible Person otherwise agrees, any amendment to the Plan or Restricted Share Unit shall apply only in respect of Restricted Share Units granted on or after the date of such amendment.
- (c) Without limiting the generality of the foregoing, the Board may make the following amendments to the Plan, without obtaining shareholder approval:
 - (i) amendments to the terms and conditions of the Plan necessary to ensure that the Plan complies with the applicable regulatory requirements, including the rules of the Exchange, in place from time to time;
 - (ii) amendments to the provisions of the Plan respecting administration of the Plan and eligibility for participation under the Plan;
 - (iii) amendments to the provisions of the Plan respecting the terms and conditions on which Restricted Share Units may be granted pursuant to the Plan, including the provisions relating to the payment of the Restricted Share Units; and
 - (iv) amendments to the Plan that are of a “housekeeping” nature. 6.2 Termination of the Plan

6.2 Termination of the Plan

The Board may from time to time amend or suspend this Plan in whole or in part and may at any time terminate this Plan. No such amendment, suspension or termination shall adversely affect the rights of any Eligible Person at the time of such amendment, suspension or termination with respect to outstanding and unredeemed Restricted Share Units credited to such Eligible Person without the consent of the affected Eligible Person. If the Board terminates the Plan, no new Restricted Share Units will be awarded to any Eligible Person, but outstanding and unredeemed previously credited Restricted Share Units shall remain outstanding, be entitled to payments as provided under Section 3.7, and be paid in accordance with the terms and conditions of this Plan existing at the time of termination. This Plan will finally cease to operate for all purposes when the last remaining Eligible Person receives a payment in satisfaction of all outstanding and unredeemed Restricted Share Units credited to such Eligible Person, or all outstanding and unredeemed Restricted Share Units credited to such Eligible Person are cancelled pursuant to the provisions thereof.

ARTICLE 7 **GENERAL**

7.1 Rights to Common Shares

This Plan shall not be interpreted to create any entitlement of any Eligible Person to any Common Shares, or to the dividends payable pursuant thereto, or to any Cash Consideration, as applicable, except as expressly provided herein. A holder of Restricted Share Units shall not have rights as a shareholder of the Company with respect to any Common Shares which may be issuable pursuant to the Restricted Share Units so held, whether voting, right on liquidation or otherwise.

7.2 No Right to Employment

This Plan shall not be interpreted as either an employment or trust agreement. Nothing in this Plan nor any Committee guidelines or any agreement referred to in Section 2.5 nor any action taken hereunder shall be construed as giving any Eligible Person the right to be retained in the continued employ or service of the Company

or any of its subsidiaries, or giving any Eligible Person or any other person the right to receive any benefits not specifically expressly provided in this Plan nor shall it interfere in any way with any other right of the Company to terminate the employment or service of any Eligible Person at any time.

7.3 Right to Funds

Neither the establishment of this Plan nor the granting of Restricted Share Units under this Plan shall be deemed to create a trust. Amounts payable to any Eligible Person under the Plan shall be a general, unsecured obligation of the Company. The right of the Employees, Consultants, Directors or Officers to receive payment pursuant to this Plan shall be no greater than the right of other unsecured creditors of the Company.

Exhibit "A"

RESTRICTED SHARE UNIT GRANT AGREEMENT

RESTRICTED SHARE UNIT PLAN OF HILL STREET BEVERAGE COMPANY INC.

This Restricted Share Unit Grant Agreement is made the _____ day of _____, 20__ between the undersigned "Eligible Person" (the "**Eligible Person**"), being an employee, consultant, director or officer of **HILL STREET BEVERAGE COMPANY INC.** (the "**Company**") or a subsidiary thereof, name or designated pursuant to the terms of the Restricted Share Unit Plan of the Company (which Plan, as the same may from time to time be modified, supplemented or amended and in effect, is herein referred to as the "Plan"), and the Company.

In consideration of the grant of Restricted Share Units made to the Eligible Person pursuant to the Plan (the receipt and sufficiency of which are hereby acknowledged), the Eligible Person hereby agrees and confirms that:

- (1) The Eligible Person has received a copy of the Plan and has read, understands and agrees to be bound by the provisions of the Plan.
- (2) The Eligible Person accepts and consents to and shall be deemed conclusively to have accepted and consented to, and agreed to be bound by, the provisions and all terms of the Plan and all bona fide actions or decisions made by the Board, the Committee, or any person to whom the Committee may delegate administrative duties and powers in relation to the Plan, which terms and consent shall also apply to and be binding on the legal representatives, beneficiaries and successors of the undersigned.
- (3) On _____, 20__, the Eligible Person was granted Restricted Share Units, which grant is evidenced by this Agreement.
- (4) The Redemption Date(s) for the Restricted Share Units is/are as follows:

[Details to be inserted]
- (5) This Restricted Share Unit Grant Agreement shall be considered as part of and an amendment to any employment agreement between the Eligible Person and the Company and the Eligible Person hereby agrees that the Eligible Person will not make any claim under that employment agreement for any rights or entitlement under the Plan or damages in lieu thereof except as expressly provided in the Plan.

This Agreement shall be determined in accordance with the laws of the province of Ontario and the laws of Canada applicable therein. Words used herein which are defined in the Plan shall have the respective meanings ascribed to them in the Plan.

HILL STREET BEVERAGE COMPANY INC.

ELIGIBLE PERSON

Per: _____
Authorized Signatory

Print Name: _____
(Eligible Person)

Schedule "E" BOARD OF DIRECTORS CHARTER

HILL STREET BEVERAGE COMPANY INC.

BOARD OF DIRECTORS CHARTER

1. Role of the Board of Directors:

The role of the Board of Directors (the "**Board**") of Hill Street Beverage Company Inc. (the "**Company**") is to oversee the business of the Company, to select and provide guidance to the Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer and other officers, set the strategic direction, and to ensure corporate continuity. The Board fulfills its roles directly, through its committees, and via instructions to management. At all times, the board acts with a view towards the best interests of the Company and of its shareholders.

2. Scope of the Board's Authority:

The Board meets regularly to provide guidance to management, to review reports on the performance of the Company, to discuss significant decisions with regards to the continued business of the corporation. The Board is also directly responsible for the following functions:

3. Selection of the Chief Executive Officer and Senior Executives:

The Board is directly responsible for the selection and evaluation of the Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer. The Board is also responsible for defining the role of the Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer of the Company. The Board's Compensation Committee recommends the compensation of the Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer to the full board.

4. Responsibility for Senior Management:

The Board is responsible for approval of the appointment of the Company's senior management on the recommendation of the Chief Executive Officer and/or Executive Committee. The Board is also responsible for succession planning.

5. Corporate Strategy:

The Board is responsible for developing, planning and overseeing the Company's strategic objectives, approving and monitoring management's role in realizing these objectives and making major decisions affecting the Company's future.

6. Risk Assessment:

The Board, along with management, is responsible for assessing the major risks faced by the Company, and for planning, approving and monitoring the management of these risks.

7. Integrity:

The Board has primary responsibility for maintaining the integrity of the Company and its management. The Board has oversight responsibility for managements implementation of internal controls and management information systems, directly and through its Audit Committee. The Board also has oversight responsibility, to the extent reasonably feasible, for ensuring that the Company conducts its affairs in an ethical way.

8. Selection and Size of the Board:

The Board is elected by the shareholders of the Company at the Company's annual meeting of shareholders. The Governance and Nominating Committee proposes a slate of candidates to the board, which in turn proposes them to the shareholders for election. Shareholders may also make independent proposals for nominations to the Board, by complying with the requirements of the Ontario Business Corporations Act ("OBCA"), or alternatively, at the annual meeting. The number of directors is recommended by the board for shareholder approval, subject to the requirements of the OBCA and the Company's Articles of Incorporation. Between annual meetings, the board may appoint new or replacement directors to serve until the next annual meeting.

9. Qualifications of Directors:

The Company seeks to have an active board, and one which is well-suited to advancing the best interests of the shareholders. As such, the members of the board should possess skills and competencies in areas relevant to the Company's activities, and should complement each others' strengths. A majority of the Company's directors are to be unrelated directors, as defined by the Toronto Stock Exchange.

10. Orientation of New Directors:

The Governance and Nominations Committee, working with management, are responsible for the orientation and education of new directors, who are also offered the opportunity to undertake additional training at Company expense.

11. Meetings:

The Company's Board shall meet at least four times a year, in person or by telephone. The Board is responsible for its agenda. Prior to each board meeting, the Chief Executive Officer and Executive Committee will discuss agenda items for inclusion, and prepare materials for distribution to the directors.

At the end of each regularly scheduled board meeting, the unrelated directors may meet without management presence, chaired by any director. Any director may initiate meetings without management presence by contacting the other independent directors.

12. Committees:

The Board has established the following standing committees: Audit Committee, and the Executive Committee, Governance and Nominations Committee, and Compensation Committee. Committee chairs submit reports to the full board after each committee meeting as structure within the committee charter.

13. Governance and Nominations Committee:

The Governance and Nominations Committee performs an annual evaluation of the board's effectiveness as a whole, as well as of its individual directors and committees. Individual committees also self-assess annually.

14. Compensation:

Compensation for Chief Executive Officer, President, Chief Operating Officer, Chief Financial Officer is determined by the board upon recommendations from the Chief Executive Officer and Compensation Committee.

15. Access to Outside Advisors:

The Board and any committee may at any time with the consent of the Board or the committee members, as applicable, retain outside advisors at the expense of the Company.

16. Corporate Responsibility:

The Board, as well as its committees and individual members, are expected to abide by the Company's Code of Business Ethics.

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