



HILL STREET BEVERAGE COMPANY INC.

**Notice of Annual General and Special Meeting of Shareholders
to be held on May 2, 2023**

and

Management Information Circular

March 27, 2023



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 at the office of **Torkin Manes LLP, 151 Yonge Street, Suite 1500, Toronto ON M5C 2W7 at 1:30 pm** (Toronto time), on May 2, 2023, for the following purposes:

1. to receive the audited financial statements of the Corporation for the financial year ended June 30, 2022 together with the report of the auditor thereon;
2. to set the number of Directors at five (5);
3. to elect directors of the Corporation for the ensuing year;
4. 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;
5. 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 Circular;
6. to consider and, if deemed advisable, to pass, with or without variation, a special resolution approving a consolidation of the Corporation's issued and outstanding Common Shares on the basis of up to 75 pre-consolidation Common Shares for each one (1) post-consolidation Common Share, as more particularly described under the heading "Particulars of Matters to be Acted Upon – Approval of Share Consolidation" in the Circular;
7. to consider and, if deemed advisable, to pass, with or without variation, a special resolution authorizing a change of name of the Corporation from "*Hill Street Beverage Company Inc.*" to "*Hill Incorporated*", or such other name as the board of directors of the Corporation may choose, acting in the best interests of the Corporation, as more particularly described under the heading "Particulars of Matters to be Acted Upon – Approval of Name Change" in the Circular;
8. to consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution approving the Corporation’s amended Restricted Share Unit Plan, as more fully described in the Circular; and
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.

Accompanying this Notice of Annual General 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.

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 year ended June 30, 2022, 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 March 20, 2023, 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 27th day of March, 2023.

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 May 2, 2023**

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 the offices of **Torkin Manes, LLP, 151 Yonge Street, Suite 1500, Toronto ON M5C 2W7 at 1:30 pm** (Toronto time), on May 2, 2023.

“Notice of Meeting” means the notice of the Meeting dated March 27, 2023.

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

“Record Date” means March 20, 2023, 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 May 2, 2023 at 1:30 p.m. (Toronto time)**.

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) to the Corporation c/o Torkin Manes LLP, 151 Yonge St #1500, Toronto, ON M5C 2W7, Attn: James Leech, 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 businesses of (i) licensing of its worldwide patent rights to DehydraTECH™ biodelivery technology for use in the production of cannabis products containing 0.3% or greater THC, to cannabis brands, licensed producers and contract manufacturers for use in the production of their THC cannabis products; and (ii) marketing and distribution of alcohol-free wine in Canada and the US.

The Corporation maintains an office at 1055 West Hastings Street, Suite 300, Vancouver British Columbia, V6E 2E9.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

Description of Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares of which 243,330,400 Common Shares are issued and outstanding as of the Record Date. In addition, as of March 20, 2023, the Corporation has the following convertible securities reserved for issuance:

Description of Securities	Number Outstanding	Exercise Price	Expiry Date
2021 Warrants	42,548,544	\$0.11	April 9, 2024
2021 Broker Warrants	52,000	\$0.08	April 9, 2023
2022 Warrants	17,500,000	\$0.05	December 22, 2024
Options issued under Stock Option Plan	10,222,242	\$0.08 ⁽¹⁾	Variable
Restricted Share Units	10,971,223	NA	NA

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 March 20, 2023, 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 March 20, 2023, will be entitled to vote at the Meeting and at all adjournments thereof.

Principal Holders of Securities of the Corporation

As at March 20, 2023, 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	63,797,855	26.22%

Notes:

(1) HoldCo (St. Catharines) Inc. also holds warrants to purchase 5,000,000 Common Shares at a price of \$0.05 until December 23, 2024, and 465,733 stock options, representing ownership of 27.84% of the issued and outstanding Common Shares and 21.34% of Common Shares on a diluted basis.

QUORUM FOR MEETING

At the Meeting, a quorum shall consist of two (2) 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 year ended June 30, 2022, 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 five (5) 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, Craig Binkley, Jack Fraser, Lori Senecal, and Frank Vizcarra**.

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 March 20, 2023, which information has been furnished by the respective nominees individually:

JACK FRASER		Principal Occupation and Biographical Information	
<p><i>Toronto, Ontario</i> Chairman of the Board</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>Jack Fraser is a Partner with BDC Capital’s Growth Venture CI Fund. Jack has over 30 years of experience as an operator and financier, primarily with digital commerce, FinTech, and P/SaaS companies. Jack joined BDC in January 2020, and since then, he has led investments in companies such as Hopper, Symend, Paper, KOHO, RenoRun, Borrowell, DOZR, and #Paid.</p> <p>Jack started his career in corporate banking with two of Canada’s largest banks and then moved into operational management with several high-growth technology companies in Canada, the U.S.A., and the U.K. Prior to BDC Capital, Jack was the head of finance with SSENSE, a Québec based global luxury fashion e-tailer. Jack has held various executive roles throughout his career, including COO, CFO, and Head of Corporate Development. Jack’s focus has primarily been on developing digital-first strategies and operational transformation to enable market and product expansion initiatives to various countries in Asia-Pacific (APAC), Europe, and North America.</p> <p>Jack holds graduate degrees from the Kellogg School of Management at Northwestern University and the Schulich School of Business at York University. He has served on numerous private, public and public-private partnership groups and as an operating partner for various venture capital and private equity groups.</p>		
Other Public Board Memberships		None	
Securities Beneficially Owned, Controlled or Directed		1,244,063 Options ⁽¹⁾	

Notes:

(1) 299,063 of the Options are exercisable at a price of \$0.075 until July 31, 2023, and 945,000 of the Options are exercisable at a price of \$0.09 until April 30, 2026.

LORI SENEAL	Principal Occupation and Biographical Information	
<p><i>New York, New York</i></p> <p>Director Since 2018</p> <p><i>Former Interim Co-Chief Executive Officer</i></p> <p>INDEPENDENT</p> <p>Member of the Compensation Committee</p> <p>Member of the Audit Committee</p> <p>Member of the Governance and Nominations 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 multinational organizations 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 (CP+B). 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" for 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 CEOs 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	
Securities Beneficially Owned, Controlled or Directed	250,000 Common Shares 250,000 Warrants ⁽¹⁾ 1,835,000 Options ⁽²⁾	

Notes:

(1) 250,000 Warrants are exercisable at a price of \$0.11 until April 9, 2024,

(2) 115,000 Options are exercisable at a price of \$0.075 until May 23, 2024, 200,000 Options are exercisable at a price of \$0.05 until May 1, 2025, 375,000 Options are exercisable at a price of \$0.095 until February 24, 2026, 770,000 Options are exercisable at a price of \$0.09 until April 30, 2026, and 375,000 Options are exercisable at a price of \$0.04 until March 28, 2027.

CRAIG BINKLEY	Principal Occupation and Biographical Information	
<p><i>Los Angeles, California, USA</i></p> <p>Director Since: July 2018 Chief Executive Officer</p> <p><i>Former Interim Co-Chief Executive Officer</i></p> <p>NOT INDEPENDENT</p> <p>Member of the Compensation Committee</p>	<p>Craig Binkley is an experienced global business leader who has had success running companies as well as providing professional services to clients ranging from Fortune 500 companies to small business entrepreneurs.</p> <p>Craig brings a wealth of global operating experience in both alcoholic and non-alcoholic beverages, as well as other consumer packaged goods, pharmaceutical and B2B business categories that are highly relevant for the three 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 product categories within the cannabis sector.</p> <p>Craig spent seventeen years and became a global leader at The Coca-Cola Company, serving as Worldwide Director 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 the professional services arena, Craig has served as CEO of Northstar - a global, multi-award-winning market research agency working in sixty countries with offices on three continents, and as 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> <p>Craig has served as the Corporation's CEO since January of 2022.</p>	
Other Public Board Memberships	None	
Securities Beneficially Owned, Controlled or Directed	<p>8,971,223 Restricted Share Units⁽¹⁾</p> <p>2,113,457 Options⁽²⁾</p>	

Notes:

(1) 4,245,889 of the RSU's vest in installments every three months between January 6, 2023 and January 6, 2027 and 4,725,334 RSU's vest based on meeting performance criteria.

(2) 469,957 Options are exercisable at a price of \$0.075 until July 31, 2023, 375,000 Options are exercisable at a price of \$0.095 until February 24, 2026, 893,500 Options are exercisable at a price of \$0.09 until April 30, 2026, and 375,000 Options are exercisable at a price of \$0.04 until March 28, 2027.

KEVIN RUDDLE		Principal Occupation and Biographical Information	
<p><i>St. Catharines, Ontario</i></p> <p>Director Since: July 2018</p> <p>NOT INDEPENDENT</p> <p>Chair of the Governance and Nominations Committee</p> <p>Member of the Compensation Committee</p>	<p>Kevin Ruddle was the co-founder of VinFirst Innovative Packaging in 2005 (now a subsidiary of Arterra Wines Canada), where he continued to be the V.P. of Operations after its acquisition by Arterra Wines Canada, until his retirement from the wine and alcohol industries in June 2022. VinFirst exclusively serves winery and distilled spirits clients from around the globe, with its Tetra Pak processing and canning lines in Canada.</p> <p>Since his departure from VinFirst, Kevin has embarked on yet another venture, importing and distributing Italian-made, barista-quality commercial gourmet coffee machines. Kevin has over thirty years' experience in the alcohol, beverage and packaging sectors. Kevin has chaired the board for a non-profit charity for over 13 years and continues to serve on several other boards of directors.</p>		
Other Public Board Memberships		None	
Securities Beneficially Owned, Controlled or Directed		2,984,782 Common Shares ⁽¹⁾ 1,152,457 Options ⁽²⁾	

Notes:

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

(2) 469,957 Options are exercisable at a price of \$0.075 until July 31, 2023, and 682,500 Options are exercisable at a price of \$0.09 until April 30, 2026.

FRANK VIZCARRA		Principal Occupation and Biographical Information	
<p><i>San Diego, California, USA</i></p> <p>Director Since April 2021</p> <p>INDEPENDENT</p> <p>Chair of the Compensation Committee</p> <p>Member of the Audit Committee</p>	<p>Frank Vizcarra retired from professional soccer at the end of 1983 to begin his business career with Pizza Hut where he worked for two years. He joined McDonald's Corporation in 1985 and worked there for over 20 years. Mr. Vizcarra held several posts in field operations and at the corporate headquarters including as National Director of Training, Ombudsman, VP of Franchise Relations, Strategy and Innovation and in the Restaurant Solutions Group which oversees operations around the world. He worked closely with senior management for 14 years on a variety of areas of the business.</p> <p>In 2006, he founded The Vizcarra Consulting Group to help CEOs define their strategies and leadership platform to drive their businesses. In 2015, he founded Vizcarra Enterprises LLC dba LOLA 55 to build a chain of Mexican food restaurants.</p> <p>Mr. Vizcarra has served on the Board of Directors of Ensequence, Oovoo Communications, Del Taco, National Advisory Board - Salvation Army and Tender Greens. He also co-founded the Barrio Logan College Institute College Success Program and founded The Opportunity Foundation.</p> <p>He is a graduate of The Ohio State University with a Bachelors' degree in Education.</p>		
Other Public Board Memberships		None	
Securities Beneficially Owned, Controlled or Directed		1,947,813 Common Shares 1,947,813 Warrants ⁽¹⁾ 320,830 Options ⁽²⁾	

Notes:

(1) Warrants, held through Francisco R Vizcarra Revocable Trust|UA 11/27/2018, are exercisable at a price of \$0.11 until April 9, 2024.

(2) Options are exercisable at a price of \$0.09 until April 30, 2026.

Committees of the Board

The directors of the Corporation have three standing committees: the governance and nominations committee (“**Governance and Nominations Committee**”), the compensation committee (the “**Compensation Committee**”), and the audit committee (the “**Audit Committee**”). In January 2023, the former executive committee of the Corporation was dissolved.

The Governance and Nominations Committee will consist of three (3) directors, being Mr. Ruddle (Chair), Ms. Senecal, and Mr. Fraser.

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

The Compensation Committee will consist of five (5) directors being Mr. Vizcarra (Chair), Ms. Senecal, Mr. Ruddle, 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 STOCK OPTION PLAN

Summary of the 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 10% 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 **14,110,798** Common Shares were issuable pursuant to options granted under the Stock Option Plan, representing approximately 5.80% of the issued and outstanding Common Shares.

Approval of the 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 March 27, 2023, 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 NAME CHANGE

The Corporation has proposed that the name of the Corporation be changed. Accordingly, Shareholders will be asked to consider, and if thought advisable, to approve a special resolution authorizing an amendment to the articles of the Corporation in order to change its name to "**Hill Incorporated**" (the "**Name Change**"). The Name Change serves to better reflect the Corporation's evolution from an alcohol-free beverage company solely to a company holding a portfolio of bioscience-driven, technology-powered consumer solutions in the alcohol-free beverage and cannabis industries. Notwithstanding approval of the Name Change by Shareholders, the Board may, in its sole discretion, determine not to implement the Name Change at any time after the meeting without further notice to or action on the part of the Shareholders.

The Name Change will not be effective until all applicable filings are complete. The Board reserves the right to revoke all or part of the articles of amendment to effect the Name Change at any time prior to their becoming effective, or to not proceed with the filing of the articles of amendment to effect the Name Change at all.

Shareholders will be asked at the meeting to consider and, if thought advisable, pass a special resolution in respect of the Name Change (the "**Name Change Resolution**"), substantially in the following form:

“RESOLVED THAT:

1. the Corporation is hereby authorized to amend its articles to change the Corporation's name to "**Hill Incorporated**" or such other name as the directors see fit, effective for twelve (12) months from the date of such approval;
2. notwithstanding the foregoing, the Board is hereby authorized, without further approval of or notice to the shareholders, to revoke this special resolution at any time before it is acted upon; and
3. 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."

THE BOARD HAS UNANIMOUSLY APPROVED THE NAME CHANGE AND RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE NAME CHANGE RESOLUTION. THE NAME CHANGE RESOLUTION MUST BE APPROVED BY AT LEAST TWO-THIRDS (66⅔%) OF THE VOTES CAST IN PERSON OR BY PROXY AT THE MEETING. IT IS THE INTENTION OF THE PERSONS NAMED IN THE ENCLOSED PROXY, IN THE ABSENCE OF INSTRUCTIONS TO THE CONTRARY, TO VOTE THE PROXY FOR THE NAME CHANGE RESOLUTION.

5. APPROVAL OF THE SHARE CONSOLIDATION

At the meeting, the Shareholders will be asked to consider and, if thought advisable, to approve a special resolution authorizing an amendment to the articles of the Corporation to consolidate its outstanding Common Shares (the "**Share Consolidation**") on the basis of up to 75 pre-consolidation Common Shares for each one (1) post-consolidation Common Share.

All outstanding Common Shares, warrants, options, RSUs and any other securities granting rights to acquire Common Shares of the Corporation will be affected by the Share Consolidation in accordance with the adjustment provisions contained in the instruments giving rise to the issuance of such securities.

The Share Consolidation will not be effective until all applicable filings are complete. The Board reserves the right to revoke all or part of the articles of amendment at any time prior to their becoming effective, or to not proceed with the filing of the articles of amendment at all.

Reasons for the Share Consolidation

The Corporation believes that it is in the best interests of the Corporation to reduce the number of outstanding Common Shares by way of the Share Consolidation. The potential benefits of the Share Consolidation include:

1. ***Providing access to the Corporation's stock to more investors, potentially improving trading volume and liquidity***

The Corporation believes that it is desirable for its Common Shares to trade at a higher price per common share. An increase in trading price of the Common Shares could heighten the interest of the financial community in the Corporation and potentially broaden the pool of investors who may consider investing or may be able to invest in the Corporation, potentially increasing the trading volume and liquidity of its Common Shares.

The Share Consolidation may also help to attract institutional investors or fund managers who have internal policies that either prohibit them from purchasing stocks below a certain minimum price or tend to discourage individual brokers from recommending such shares to their customers, including institutional investors, indexes, investment funds and exchange-traded funds that are prohibited from purchasing shares below a certain minimum price threshold.

2. ***Reducing trading transaction costs***

Certain investors pay commissions on a per share basis on a purchase or sale of Common Shares. The Share Consolidation would raise the price per Common Share. As a result, certain investors may pay lower trading commissions when trading a fixed dollar amount (for a lower number of Common Shares).

Share Consolidation Conditional Upon Decision of the Board

If the special resolution is approved, the Share Consolidation would be implemented, if at all, only upon a determination by the Board that it is in the best interests of the Corporation at that time. In connection with any determination to implement the Share Consolidation, the Board will determine the timing for the Share Consolidation to become effective. No further action on the part of the Shareholder will be required in order for the Board to implement the Share Consolidation.

Certain Risks Associated with the Share Consolidation

There can be no assurance that, if the Share Consolidation is implemented, the total market capitalization of the Common Shares immediately following the Share Consolidation will be equal to or greater than the total market capitalization immediately before the Share Consolidation and that the Corporation will be successful in attracting new capital financing or in further developing its products.

The effect of the Share Consolidation upon the market price of the Common Shares cannot be predicted with any certainty, and the history of similar transactions for Corporations similar to the Corporation is varied.

No Fractional Shares to be Issued

No fractional Common Shares will be issued in connection with the Share Consolidation and, in the event that a Shareholder would otherwise be entitled to receive a fractional common share upon the Share Consolidation, such fraction will be rounded down to the nearest whole number.

Shareholders will be asked at the meeting to consider and, if thought advisable, pass a special resolution in respect of the Share Consolidation (the "**Share Consolidation Resolution**"), substantially in the following form:

"RESOLVED THAT:

1. the Corporation's Common Shares be consolidated on the basis of up to 75 pre-consolidation Common Shares for each one (1) post-consolidation Common Share, with the timing to be determined by the Board (the "**Share Consolidation**");
2. no fractional post-consolidation Common Shares be issued and no cash paid in lieu of fractional post-consolidation Common Shares, such that any fractional interest in Common Shares resulting from the Share Consolidation will be rounded down to the nearest whole Common Share;
3. the articles of the Corporation be amended to effect the Share Consolidation;
4. the Board may, at its sole discretion, decide to not act on this special resolution without further approval or authorization from the shareholders; and
5. 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."

THE BOARD HAS UNANIMOUSLY APPROVED THE SHARE CONSOLIDATION AND RECOMMENDS THAT THE SHAREHOLDERS VOTE FOR THE SHARE CONSOLIDATION RESOLUTION. THE SHARE CONSOLIDATION RESOLUTION MUST BE APPROVED BY AT LEAST TWO-THIRDS (66⅔%) OF THE VOTES CAST IN PERSON OR BY PROXY AT THE MEETING. IT IS THE INTENTION OF THE PERSONS NAMED IN THE ENCLOSED PROXY, IN THE ABSENCE OF INSTRUCTIONS TO THE CONTRARY, TO VOTE THE PROXY FOR THE SHARE CONSOLIDATION RESOLUTION.

6. APPROVAL OF AMENDED RESTRICTED SHARE UNIT PLAN

Shareholders of the Corporation approved a restricted share unit plan (the "**RSU Plan**") for the Corporation at the Annual General and Special Meeting of Shareholders held on March 20, 2021. 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 "**Amended RSU Plan Resolution**") to ratify, confirm and approve the Corporation's restricted share unit plan, as amended (the "**Amended RSU Plan**") and to reserve Common Shares from treasury for issuance under the Amended RSU Plan.

The Board has adopted the Amended RSU Plan for the benefit of the Corporation's directors, officers, employees and consultants, on March 14, 2023. The Amended 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 Amended RSU Plan, as well as the Options issued under the Stock 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 Amendments to the RSU Plan

Amendments were made to the RSU Plan to address the following:

- i) increasing the Common Shares of the Corporation reserved for issuance (the "**RSU Pool**") from 14,172,015 to 24,264,040;
- ii) adding certain mandatory terms as required by TSXV Policy 4.4; and
- iii) clarifying the deferred redemption provisions pursuant to the rules of the *Income Tax Act* (Canada).

The full text of the Amended RSU Plan is attached as Schedule "B" to this Circular.

Amended RSU Plan Resolution

Pursuant to the rules of the TSXV, the Amended RSU Plan Resolution must be passed by a majority of the votes cast on the ordinary resolution by all shareholders at the Meeting.

"RESOLVED THAT:

1. The amended restricted share unit plan (the "**Amended 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 March 27, 2023, 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 Amended RSU Plan is 24,264,040.
3. All unallocated restricted share units of the Corporation, rights or other entitlements available under the Amended 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 Amended 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 Amended 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 Amended 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 AMENDED RSU PLAN RESOLUTION.

THE PERSONS NAMED IN THE FORM OF PROXY ACCOMPANYING THIS CIRCULAR INTEND TO VOTE IN FAVOUR OF THE AMENDED 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 IN PERSON OR BY PROXY AT THE MEETING IS SUFFICIENT FOR THE APPROVAL OF THE AMENDED RSU PLAN RESOLUTION.

OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the form of proxy accompanying this 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 cannabis and wine industries.

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, 2020, June 30, 2021, and June 30, 2022, in respect of the Named Executive Officers, during such financial years.

Name and Principal Position	Fiscal Year ⁽¹⁾	Salary, consulting fee, retainer or commission (\$)	Share-Based Awards (CDN\$)	Option-Based Awards (CDN\$)	Bonus (\$)	All Other Comp. (CDN\$)	Total Comp. (CDN\$)
Craig Binkley Chief Executive Officer <i>Formerly Interim Co-Chief Executive Officer⁽¹⁾</i>	2022	\$137,000	\$224,280	\$11,860	\$20,550	NA	\$393,690
	2021	\$47,000	Nil	\$25,705	Nil	\$0.00	\$72,705
Terry Donnelly <i>Former Chief Executive Officer⁽²⁾</i>	2022	N/A	N/A	N/A	N/A	N/A	N/A
	2021	\$85,023	\$0.00	\$0.00	Nil	\$138,500 ⁽³⁾	\$223,523
	2020	\$120,000	\$0.00	\$53,800	Nil	\$0.00	\$173,800
Lori Senecal <i>Former Interim Co-Chief Executive Officer⁽⁴⁾</i>	2022	\$34,000	Nil	\$11,860	Nil	Nil	\$45,860
	2021	\$47,000	Nil	\$25,705	Nil	\$0.00	\$72,705
Matthew Jewell Chief Financial Officer ⁽⁵⁾	2022	N/A	N/A	N/A	N/A	N/A	N/A
Hinta Chambers <i>Former Chief Financial Officer⁽⁶⁾</i>	2022	\$132,687	Nil	Nil	\$82,500	Nil	\$215,187
	2021	\$165,837	\$0.00	\$102,819	Nil	\$69,000	\$337,656
	2020	\$106,940	\$0.00	\$69,630	Nil	\$35,000	\$211,570
Pearl Chan Chief Legal Officer ⁽⁷⁾	2022	\$112,500	\$50,000	Nil	\$40,000	Nil	\$202,500

Notes:

- (1) Mr. Binkley was appointed as Interim Co-Chief Executive Officer on February 9, 2021 and appointed as Chief Executive Officer on January 5, 2022.
- (2) Mr. Donnelly departed from his role as Chief Executive Officer on February 8, 2021.
- (3) This amount includes \$60,000 that was paid to Mr. Donnelly in lieu of notice of termination in connection with the cessation of his employment.
- (4) Ms. Senecal was appointed as Interim Co-Chief Executive Officer on February 9, 2021 and resigned from such position on January 5, 2022.
- (5) Mr. Matthew Jewell was appointed as CFO effective October 12, 2022.
- (6) Ms. Chambers resigned as CFO effective August 30, 2022. Ms. Chambers acted as Interim CFO from August 31, 2022 until October 12, 2022.
- (7) Ms. Pearl Chan was appointed as CLO effective September 20, 2021.

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, 2022.

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
Craig Binkley	Stock Option ⁽¹⁾	469,957	31-Jul-18	\$0.075	\$0.075		31-Jul-23

Chief Executive Officer	Stock Option ⁽²⁾	375,000	24-Feb-21	\$0.095	\$0.095	\$0.025	24-Feb-26
	Stock Option ⁽¹⁾	893,500	30-Apr-21	\$0.090	\$0.090		30-Apr-26
	Stock Option ⁽²⁾	375,000	28-Mar-22	\$0.040	\$0.040		28-Mar-27
	RSU ⁽³⁾	8,971,233	12-Jan-22	NA	NA		NA
Lori Senecal <i>Former Interim Co-Chief Executive Officer</i>	Stock Option ⁽⁴⁾	115,000	23-May-19	\$0.075	\$0.075	\$0.025	23-May-24
	Stock Option ⁽⁴⁾	200,000	01-May-20	\$0.05	\$0.05		01-May-25
	Stock Option ⁽⁵⁾	375,000	24-Feb-21	\$0.10	\$0.10		24-Feb-26
	Stock Option ⁽⁴⁾	770,000	30-Apr-21	\$0.090	\$0.090		30-Apr-26
	Stock Option ⁽⁵⁾	375,000	28-Mar-22	\$0.040	\$0.040		28-Mar-27
Hinta Chambers ⁽⁶⁾ <i>Former Chief Financial Officer</i> ⁽⁷⁾	Stock Option	690,702	31-Jul-18	\$0.075	\$0.075	\$0.025	31-Jul-23
	Stock Option	1,100,000	01-May-20	\$0.050	\$0.050		30-Aug-23
	Stock Option	1,000,000	01-Mar-21	\$0.095	\$0.095		30-Aug-23
Pearl Chan <i>Chief Legal Officer</i> ⁽⁷⁾	RSU	1,000,000	20-Sep-21	NA	\$0.065	\$0.025	NA

Notes:

- (1) Mr. Binkley was granted these stock options in his capacity as a director of the Corporation
- (2) Mr. Binkley was granted these stock options in his capacity as interim co-CEO of the Corporation
- (3) Mr. Binkley was granted these stock options in connection with his appointment as full-time CEO of the Corporation
- (4) Ms. Senecal was granted these stock options in her capacity as a director of the Corporation
- (5) Ms. Senecal was granted these stock options in her capacity as interim co-CEO of the Corporation
- (6) Ms. Chambers resigned as CFO effective August 30, 2022. Ms. Chambers acted as Interim CFO from August 31, 2022 until October 12, 2022.
- (7) Ms. Chan was appointed as CLO effective September 20, 2021.

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, 2022.

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\$)
Craig Binkley	\$14,327	Nil	\$20,550
Lori Senecal	\$14,327	Nil	\$0.00
Hinta Chambers	\$46,924	Nil	\$82,500
Pearl Chan	Nil	Nil	\$40,000

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 share-based awards had been exercised on their respective vesting dates. Amounts represented by “Nil” indicate that none of the share-based awards were in-the-money on their respective vesting dates.

Discussion of Compensation Awarded to the Named Executive Officers

Executive Employment Contracts

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 an employment contract with Hill Street (the “**CFO Employment Contract**”). The CFO Employment Contract provides for both fixed and variable compensation, comprised of base salary, and performance-based variable incentive compensation. Ms. Chambers resigned as CFO as of August 31, 2022 but continued to act as Interim CFO from August 31, 2022, until her final departure from the Corporation on October 12, 2022.

Under the CFO Employment Contract, Ms. Chambers was 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 was eligible to receive an annual bonus at the discretion of the Board of Directors of Hill Street.

Under the CFO Employment Contract, Ms. Chambers was 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.

Under the CFO Employment Contract, Ms. Chambers could have terminated 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 contained standard termination provisions for termination “with cause” and “without cause” and provided Ms. Chambers with twelve months’ notice for termination “without cause” or pay in lieu of notice. The employment agreement contemplated special provisions in the event of a change in control - all unvested stock options issued would have immediately accelerated and vested. In addition, on a change of control, Ms. Chambers may have, within thirty days of learning of the Change of Control, given notice to Hill Street that she was leaving employment and such leaving shall have been treated as a termination by the Corporation. All benefits that Ms. Chambers may have received would have terminated effective as at the date of termination.

Matthew Jewell

On October 12, 2022, Matthew Jewell was appointed as Chief Financial Officer of Hill Street. In connection with his appointment as Chief Financial Officer, Mr. Jewell entered into an employment contract with Hill Street (the “**Current CFO Employment Contract**”).

Under the Current CFO Employment Contract, Mr. Jewell is entitled to receive a base salary of \$200,000 per year.

Mr. Jewell is eligible to receive an annual bonus at the discretion of the Board of Directors of Hill Street, having reference to both employee and company performance.

Under the Current CFO Employment Contract, Mr. Jewell 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.

Mr. Jewell may terminate the agreement on four months’ prior notice to Hill Street. The agreement contains standard termination provisions for termination “with cause” and “without cause” and provides Mr. Jewell with twenty-six weeks plus 4 weeks for each completed year of service notice up to a maximum of thirty-nine weeks’ notice of termination “without cause” or pay in lieu of notice.

The employment agreement provides that on a change of control of the Corporation, if Mr. Jewell’s employment is terminated within twelve months of the completion of the change of control transaction, then Mr. Jewell will be entitled to eighteen months pay on the base salary then in effect.

Craig Binkley

Craig Binkley has served on the Board since July 2018. On February 9, 2021, Mr. Binkley was appointed as Interim Co-Chief Executive Officer of Hill Street. Subsequently, on January 6, 2022, Mr. Binkley was appointed as Chief Executive Officer of Hill Street. In

connection with his appointment as Chief Executive Officer, Mr. Binkley entered into an employment contract with Hill Street (the “**Current CEO Employment Contract**”).

The Current CEO Employment Contract provides for both fixed and variable compensation, comprised of base salary and variable incentive compensation based on employee and company performance.

Under the Current CEO Employment Contract, Mr. Binkley is entitled to receive a base salary of USD\$200,000 per year, subject to increase in the sole discretion of Hill Street, except that the base salary will be subject to an increase annually for inflation.

Mr. Binkley is eligible to receive an annual bonus at the discretion of the Board of Directors of Hill Street, having reference to both employee and company performance.

Under the Current CEO Employment Contract, Mr. Binkley 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.

Mr. Binkley may terminate the agreement on six months’ prior notice to Hill Street. The agreement contains standard termination provisions for termination “with cause” and “without cause” and provides Mr. Binkley with twenty-six weeks plus 4 weeks for each completed year of service notice up to a maximum of thirty-nine weeks’ notice of termination “without cause” or pay in lieu of notice. Furthermore, if Mr. Binkley’s employment is terminated “without cause” after three years from the employment start date, then vesting of all unvested restricted share units issued to him in connection with the employment agreement will be accelerated. A pro-rated bonus will also be payable to Mr. Binkley on a termination “without cause”. All benefits that Mr. Binkley may receive will terminate following the statutory notice period under applicable employment legislation.

The employment agreement provides that on a change of control of the Corporation, if Mr. Binkley’s employment is terminated within six months of the completion of the change of control transaction, then all unvested restricted share units issued in connection with the employment agreement will immediately accelerate and vest. In addition, on a change of control of the Corporation, notwithstanding that Mr. Binkley may then still be employed with the Corporation, on the six-month anniversary of the completion of the change of control transaction, all of Mr. Binkley’s unvested restricted share units issued in connection with the employment agreement will immediately accelerate and vest.

Pearl Chan

Commencing on September 20, 2021, Pearl Chan was appointed as Chief Legal Officer of Hill Street. In conjunction with her appointment Ms. Chan entered into an employment contract with Hill Street (the “**CLO Employment Contract**”). The CLO Employment Contract provides for both fixed and variable compensation, comprised of base salary, and performance-based variable incentive compensation.

Under the CLO Employment Contract, Ms. Chan was entitled to receive a base salary of \$150,000 per year.

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

Under the CLO Employment Contract, Ms. Chan 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. Chan may terminate the agreement on 2 months’ notice. The agreement contains standard termination provisions for termination “with cause” and “without cause” and provides Ms. Chan with four weeks plus four weeks for each completed year of service notice up to a maximum of fifty-two weeks’ notice of termination “without cause” or pay in lieu of notice.

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, 2022.

Name of Director	Type of Compensation Security	Number of Compensation Securities, number of underlying securities and percentage of class	Date of issue or grant	Issue, conversion or exercise price	Closing price of security or underlying security on date of grant	Closing price of security or underlying security at year end	Expiry date
Kevin Ruddle	Stock Option	469,957	31-Jul-18	\$0.075	\$0.075	\$0.025	31-Jul-23
	Stock Option	682,500	30-Apr-21	\$0.090	\$0.090		30-Apr-26
Jack Fraser	Stock Option	299,063	31-Jul-18	\$0.075	\$0.075	\$0.025	31-Jul-23
	Stock Option	945,000	30-Apr-21	\$0.090	\$0.090		30-Apr-26
Lori Senecal	Stock Option ⁽¹⁾	115,000	23-May-19	\$0.075	\$0.075	\$0.025	23-May-24
	Stock Option ⁽¹⁾	200,000	01-May-20	\$0.050	\$0.050		01-May-25
	Stock Option ⁽²⁾	375,000	24-Feb-21	\$0.095	\$0.095		24-Feb-26
	Stock Option ⁽¹⁾	770,000	30-Apr-21	\$0.090	\$0.090		30-Apr-26
	Stock Option ⁽²⁾	375,000	28-Mar-22	\$0.040	\$0.040		28-Mar-27
Frank Vizcarra	Stock Option	320,830	30-Apr-21	\$0.090	\$0.090	\$0.025	30-Apr-26

Notes:

(1) Ms. Senecal was granted these stock options in her capacity as a director of the Corporation

(2) Ms. Senecal was granted these stock options in her capacity as interim co-CEO of the Corporation

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, 2022.

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\$)
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
Frank Vizcarra	Nil	Nil	Nil

- 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 March 20, 2023, 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/ or Conversion of Outstanding RSUs	Weighted Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Stock Option Plan	10,222,242	\$0.08	14,110,798
Restricted Share Unit Plan	10,971,223	N/A	1,000,792

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 "C".

The members of the Audit Committee are Mr. Fraser (Chair), Mr. Vizcarra and Ms. Senecal. All the members of the committee are considered 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, 2020, 2021, and 2022 are as follows:

Fiscal Year	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
2022	\$125,000	Nil	4,250	Nil
2021	\$107,000	\$48,294	Nil	Nil
2020	\$90,950	\$42,000	Nil	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 five (5) directors, three (3) of whom are considered to be independent and two (2) of whom are considered not independent. Mr. Binkley is not independent as he is the Chief Executive Officer of the Corporation. Mr. Ruddle is not independent as he is a former executive of an affiliate of HoldCo (St. Catharines) Ltd., a significant shareholder of the Corporation. Mr. Fraser, Ms. Senecal and Mr. Vizcarra are considered independent directors.

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 "D". 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.

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), Ms. Senecal and Mr. Fraser. 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 a former executive of VinFirst Inc., an affiliate of HoldCo (St. Catharines) Ltd., a significant shareholder of the Corporation. The other two Directors 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 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 20% of the Board. Pearl Chan is Chief Legal Officer of the Corporation, representing 33% 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 at the Corporation's profile 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, 2022. 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 27th day of March, 2023.

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

March 27, 2023

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" AMENDED RESTRICTED SHARE UNIT PLAN

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

EFFECTIVE MARCH 27, 2023

**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) **"Canadian Taxpayer"** means an Eligible Person who is at the relevant time subject to the *Income Tax Act (Canada)*;
- (g) **"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;
- (h) **“Code”** means the United States Internal Revenue Code of 1986, as amended;
- (i) **“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;
- (j) **“Common Share”** means a common share in the capital of the Company;
- (k) **“Company”** means Hill Street Beverage Company Inc. and its successors and assigns;
- (l) **“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;
- (m) **“Consultant Company”** means for an individual Consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (n) **“Deferred Payment Date”** means the date, after the Redemption Date and not later than the Eligible Person's Retirement Date which the Eligible Person has elected to defer receipt of Common Shares;
- (o) **“Director”** means a non-Employee director of the Board of the Company and/or the board of directors of a Subsidiary of the Company;
- (p) **“Disinterested Shareholder”** means a holder of Common Shares that is not an Insider nor an Associate of an Insider;
- (q) **“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;
- (r) **“Eligible Person”** means any Employee, Consultant, Director or Officer who is designated as an Eligible Person pursuant to Section 2.1. Notwithstanding the foregoing and any other provision of the Plan, no Person who performs Investor Relations Activities on behalf of the Company or a Subsidiary of the Company shall be an Eligible Person;

- (s) **“Employee”** means an employee of the Company and/or of a Subsidiary of the Company;
- (t) **“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;
- (u) **“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;
- (v) **“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;
- (w) **“Insider”** has the meaning given to such term in Policy 1.1 of the TSXV Policies;
- (x) **“Investor Relations Activities”** has the meaning attributed thereto in Policy 1.1 – Interpretation, as amended from time to time, of the TSXV Policies;
- (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) **“Person”** includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal representative;
- (aa) **“Plan”** means this Restricted Share Unit Plan, as amended from time to time;
- (bb) **“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) any one of Section 3.3, 3.8, 4.1, 4.2, 6.2 applies, 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;

- (cc) **“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;

- (dd) **“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;
- (ee) **“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;
- (ff) **“Retirement Date”** means the date an Eligible Person ceases to be an Employee, Consultant, Director, or Officer due to Retirement of the Eligible Person;
- (gg) **“Stock Option Plan”** means the stock option plan of the Company dated March 27, 2023, as amended from time to time;
- (hh) **“Subsidiary”** has the meaning set out in the Securities Act (Ontario);
- (ii) **“TSXV Policies”** means the policies included in the TSX Venture Exchange Corporate Finance Manual and **“TSXV Policy”** means any one of them;
- (jj) **“U.S. Taxpayer”** means an Eligible Person who is at the relevant time subject to Section 409A of the Code;
- (kk) **“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
- (ll) **“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, not be earlier than one (1) year from the Grant Date, and 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 March 27, 2023, provided that no Common Shares 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 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. Notwithstanding the foregoing and any other provision of the Plan, no Person who performs Investor Relations Activities on behalf of the Company or a Subsidiary of the Company shall be an Eligible Person.

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 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 Schedule A hereto. Pursuant to the Grant Agreement, the Company and the Eligible Person shall confirm that such Eligible Person is a bona fide Employee, Consultant, Director or Officer of the Company as the case may be. 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 24,264,040 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:
- (i) to any one Eligible Person within a one-year period, shall not exceed 5% of the total number of issued and outstanding Common Shares on the Grant Date on a non-diluted basis, unless disinterested shareholder approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV);
 - (ii) to Insiders as a group, shall not exceed 10% of the total number of issued and outstanding Common Shares during a one-year period, unless disinterested shareholder approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV);
 - (iii) to Insiders as a group at any time, shall not exceed 10% of the total number of issued and outstanding Common Shares on the Grant Date on a non-diluted basis, unless disinterested shareholder approval is obtained in accordance with the policies of the TSXV (or unless permitted otherwise by the policies of the TSXV); and
 - (iv) to any one Consultant within a one-year period, shall not exceed 2% of the total number of issued and outstanding Common Shares on the Grant Date on a non-diluted basis.
- (c) No Restricted Share Units may be granted under the Plan to Persons retained to provide Investor Relations Activities on behalf of the Corporation or a Subsidiary of the Corporation.

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), and 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

An Eligible Persons may elect to defer the receipt of all or any part of their entitlement to receive Common Shares until a Deferred Payment Date. Elections made by Canadian Taxpayers to defer the receipt of all or any part of their

entitlement to Common Shares until a Deferred Payment Date shall comply with timing of election requirements and the timing requirements of the *Income Tax Act* (Canada). Elections made by U.S. Taxpayers to defer the receipt of all or any part of their entitlement to Common Shares, 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

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 one hundred and twenty (120) 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. 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 including, without limiting the generality of the foregoing, the withholding of the issue of Common Shares 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. Where the proposed issuance of Common Shares by the Company would result in the limits contained in Section 2.6(c) being exceeded, the Dividend equivalents which have vested in proportion to the Restricted Share Units to which they relate shall instead be settled in cash. 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

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 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.

SCHEDULE A

This Restricted Share Unit Grant Agreement (the “**Agreement**”) is made the ● day of ●, 20● between the undersigned “Eligible Person” (“**you**”, or “**your**”), being an employee, consultant, director or officer of **HILL STREET BEVERAGE COMPANY INC.** (the “**Company**”) or a subsidiary thereof, named 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.

RSU Grant: The Company hereby awards to you, effective as of the Grant Date shown below, the following Restricted Share Units (“**RSUs**”), each RSU representing the right to receive one common share in the capital of the Company, in accordance with the Plan and the terms of this Agreement:

Eligible Person: ●

Grant Date: ●

Number of RSUs: ●

Vesting Schedule: Your RSUs will vest and become exercisable as follows:

●

The treatment of your RSUs upon termination of your employment or other events is detailed in the Plan.

In consideration of the grant herein of RSUs made to you pursuant to the Plan (the receipt and sufficiency of which are hereby acknowledged), you hereby agree and confirm that:

- (1) You have received a copy of the Plan and have read, understand, and agree to be bound by the provisions of the Plan.
- (2) You accept and consent to and shall be deemed conclusively to have accepted and consented to, and agreed to be bound by, the provisions and all terms of this Agreement and 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) This Agreement shall be considered as part of and an amendment to any employment agreement between you and the Company and you hereby agree that you 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.
- (4) You hereby represent, warrant and confirm, to the best of your knowledge, information and belief, that you are (check one):

- An Employee
- A Consultant
- A Director
- Officer

of the Company and acknowledges and confirms that the Company is relying on such representation and warranty in connection with the grant of RSUs under the Plan.

Miscellaneous. 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.

Per: _____
Name:
Title:

Schedule "C" 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 "D" 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. 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 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, 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.