



CONSENT AND FORM OF PROXY

SOLICITED BY THE MANAGEMENT OF FLOWER ONE HOLDINGS INC.

This Consent and Form of Proxy is to be completed by holders (“**Debentureholders**”) of the 9.5% Unsecured Convertible Debentures due November 15, 2022 (the “**Debentures**”) of Flower One Holdings Inc. (the “**Company**”) in connection with the extraordinary meeting of Debentureholders to be held virtually at <https://web.lumiagm.com/205211209> on Wednesday, April 15, 2021 at 10:00 a.m. (Vancouver time) (the “**Meeting**”).

If Debentureholders representing 66 2/3% or more of the outstanding Debentures deposit this Consent and Form of Proxy marked “Consent To/Vote For” prior to the Meeting to approve the Resolutions (as defined below), written consent to the Resolutions will be deemed to have been received and no Meeting will be required. Management may solicit the return of a signed copy of this Consent and Form of Proxy from you directly in order to expedite the approval process. Please complete and return this Consent and Form of Proxy to Odyssey Trust Company immediately in accordance with the instructions below.

The undersigned, being a holder of Debentures, hereby, with respect to all of the Debentures held by the undersigned:

1. DEBENTURE AMENDMENT RESOLUTION

CONSENTS TO/VOTES FOR **WITHHOLDS CONSENT TO/VOTES AGAINST**

the adoption, with or without amendment, of an extraordinary resolution (the “**Debenture Amendment Resolution**”), the full text of which is set forth in Appendix “A-1” to the accompanying management information circular dated March 12, 2021 (the “**Information Circular**”), approving amendments to the trust indenture between the Company and Odyssey Trust Company dated November 15, 2019, as supplemented by a supplemental indenture dated December 18, 2019, governing the Debentures, and authorizes Odyssey Trust Company to execute a supplemental trust indenture embodying such amendments (hereinafter referred to as the “**Debenture Amendments**”), in order to:

- (a) extend the maturity date of the Debentures from November 15, 2022 to January 31, 2024;
- (b) provide that the Debentures will bear interest from the effective date of the Debenture Amendments at the rate of, (i) if paid in Canadian dollars, 4.0% per annum, and (ii) if paid in common shares in the capital of the Company (“**Common Shares**”), 6.0% per annum, with the applicable method of payment at the sole discretion of the Company;
- (c) reduce the conversion price for which each Common Share may be issued upon conversion of the Debentures from \$1.50 to \$0.385;
- (d) reduce the current market price (i.e. volume weighted average price of the Common Shares on the Canadian Securities Exchange (“**CSE**”) for the 20 consecutive trading days preceding the applicable date) for which the Company will have the right to force the conversion of Debentures from greater than \$2.25 to equal to or greater than \$1.05;
- (e) provide the Company with the right (the “**New Conversion Option**”) to convert 60% of the principal amount of the Debentures, plus accrued interest thereon, for units of the Company (each, a “**Unit**” or collectively, the “**Units**”) at a conversion price of \$0.35 per Unit. Each Unit will be comprised of one Common Share and 5/6 of a warrant (each, a “**Warrant**” or collectively, “**Warrants**”). Each whole Warrant will be exercisable for one Common Share at an exercise price of \$0.70 per Common Share for a period of 36 months, provided that if, at any time prior to the expiry date of the Warrants, the volume weighted average trading price of the Common Shares on the CSE, or other principal exchange on which the Common Shares are listed, is greater than \$1.05 for 20 consecutive trading days, the Company will be entitled to, within 10 business days of the occurrence of such event, deliver a notice to the holders of Warrants accelerating the expiry date of the Warrants to the date that is 30 days following the date of such notice. The New Conversion Option shall be



exercisable by the Company upon notice to Debentureholders and such conversion will be effective on the date specified by the Company in the notice, which date will be not more than 60 days and not less than 20 days after the date of such notice; and

- (f) make such other consequential amendments as required to give effect to the foregoing as more fully set forth in the Information Circular;

which supplemental trust indenture shall be substantially in the form attached as Appendix "B" to the Information Circular, all as more particularly described in the Information Circular.

2. NOTICE WAIVER RESOLUTION

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the adoption, with or without amendment, of an extraordinary resolution (the "**Notice Waiver Resolution**"), the full text of which is set forth in Appendix "A-2" to the Information Circular, waiving the requirement for the Company to provide notice of exercise of the New Conversion Option (the "**Notice Waiver**").

3. DELISTING RESOLUTION

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the adoption, with or without amendment, of an extraordinary resolution (the "**Delisting Resolution**"), the full text of which is set forth in Appendix "A-3" to the Information Circular, approving the delisting of the Debentures from the CSE (the "**Delisting**").

4. LISTING RESOLUTION

CONSENTS TO/VOTES FOR WITHHOLDS CONSENT TO/VOTES AGAINST

the adoption, with or without amendment, of an ordinary resolution (together with the Debenture Amendment Resolution, the Notice Waiver Resolution and the Delisting Resolution, the "**Resolutions**") the full text of which is set forth in Appendix "A-4" to the Information Circular, approving the listing of the amended Debentures on the CSE (together with the Debenture Amendments, Notice Waiver and Delisting, the "**Amendments**").

The undersigned hereby appoints Kellen O'Keefe, Director, President and Interim Chief Executive Officer of the Company, or failing him, appoints Richard Groberg, Interim Chief Financial Officer of the Company, or instead of either of them, _____ as proxyholder, with power of substitution, to attend, to act and to vote for and on behalf of the undersigned at the Meeting to consider the Resolutions, and at any adjournments or postponements thereof and on every poll that may take place thereat, in the same manner, to the same extent and with the same power as if the undersigned were present at the Meeting and without restricting the general authorization and power hereby conferred, the designee named above is specifically instructed to vote the Debentures to which this Consent and Form of Proxy relates as indicated in the paragraph above.



The undersigned instructs the person herein designated as proxyholder to act on the foregoing matters as directed. In the absence of any such direction the Debentures will be voted FOR the Resolutions approving the Amendments, as more particularly described in the Information Circular. The undersigned hereby confers on the designee named herein discretionary authority with respect to the Amendments or variations of the matters outlined above and with respect to matters other than those listed in the accompanying Notice of Extraordinary Meeting of Debentureholders that may properly be brought before the Meeting. The undersigned hereby revokes any form of proxy previously given for purposes of the Meeting in respect of Debentures held by the undersigned.

DATED this _____ day of _____, 2021

Signature of Debentureholder

Please Print Name

IF THIS CONSENT AND FORM OF PROXY IS COMPLETED BY HOLDERS OF AT LEAST 66 2/3% OF THE AGGREGATE PRINCIPAL AMOUNT OF THE DEBENTURES, WHO “CONSENT TO/VOTE FOR” THE RESOLUTIONS PRIOR TO THE DEBENTUREHOLDER MEETING, THE RESOLUTIONS WILL BE DEEMED APPROVED BY WRITTEN CONSENT AND THE COMPANY WILL CANCEL THE MEETING.

INSTRUCTIONS FOR SIGNING AND DEPOSIT

Appointment of Proxy Holder

A holder of Debentures has the right to appoint a person (who need not be a Debentureholder) other than Kellen O’Keefe, Director, President and Interim Chief Executive Officer of the Company, or Richard Groberg, Interim Chief Financial Officer of the Company, to attend and act on behalf of such holder of Debentures at the Meeting or any adjournment thereof. If you wish to appoint a person other than the persons whose names are printed herein, please insert the name of your chosen proxyholder in the space provided above

Deposit

Other than as provided below, in order for this Consent and Form of Proxy to be valid, it must be deposited at Odyssey Trust Company, United Kingdom Building, 350 – 409 Granville Street, Vancouver, British Columbia, Canada, V6C 1T2, as soon as practicable and in any event no later than 10:00 am (Vancouver time) on April 13, 2021 or, if the Meeting is adjourned or postponed, forty-eight (48) hours (exclusive of Saturdays, Sundays and statutory holidays in the Province of British Columbia) prior to the time of any postponement(s) or adjournment(s) of the Meeting.

Date and Signing

This Consent and Form of Proxy must be dated and signed by the holder of Debentures or such holder’s duly authorized attorney or if such holder is a corporation by a duly authorized officer (a copy of such authorization should accompany this Consent and Form of Proxy; persons signing as executors, administrator, trustees, etc. should so indicate). If this Consent and Form of Proxy is not dated, it will be deemed to bear the date on which it was mailed to the holder of Debentures. If the Debentures are registered in the name of more than one holder (for example, joint ownership, trustees, executors, etc.) then all of the registered owners must sign this proxy in the space provided above.



This Consent and Form of Proxy should be signed in the exact manner as the name appears on this Consent and Form of Proxy.

Other

The Debentures represented by this Consent and Form of Proxy will be voted or withheld from voting, in accordance with the instructions of the holder of Debentures, on any ballot that may be called for and, if the holder of Debentures has specified a choice with respect to any matter to be acted on, the Debentures will be voted accordingly.

INSTEAD OF MAILING THIS PROXY, YOU MAY SUBMIT YOUR PROXY USING SECURE ONLINE VOTING AVAILABLE ANYTIME:



To Vote Your Proxy Online
please visit:
<http://odysseytrust.com/Transfer-Agent/Login> and click on:



You will require the CONTROL NUMBER printed with your address to the right.

If you vote by Internet, do not mail this proxy.

To request the receipt of future documents via email, you may do so online when voting your proxy. Registered shareholders may request access to Securityholder Online services at www.odyssecontact.com.

Voting by mail may be the only method for securities held in the name of a corporation or securities being voted on behalf of another individual. A return envelope has been enclosed for voting by mail.



CONSENT

If the undersigned has elected to “**CONSENT TO/VOTE FOR**” the Resolutions, by executing and returning this Consent and Form of Proxy, the undersigned also hereby consents to the adoption of the Resolutions for the purposes of Section 10.15 of the Indenture.

The undersigned hereby represents and warrants that the undersigned has full power and authority to give the consent contained herein. The undersigned shall, upon request, execute and deliver any additional documents deemed by the Company to be necessary or desirable to perfect the undersigned’s consent or evidence such power and authority.

The undersigned further agrees that this consent will be irrevocable once delivered, even if the undersigned revokes the proxy appointment in this Consent and Form of Proxy, or if the terms of the Amendments are amended, provided the Amendments are amended in a manner that does not adversely affect Debentureholders.

All authority conferred or agreed to be conferred by this Consent and Form of Proxy will survive the death, incapacity, dissolution or liquidation of the undersigned and every obligation of the undersigned under this Consent and Form of Proxy will be binding upon the undersigned’s heirs, personal representatives, successors and assigns.