

**FLOWER ONE HOLDINGS INC.**

**NOTICE OF EXTRAORDINARY MEETING OF DEBENTURE  
HOLDERS TO BE HELD ON APRIL 15, 2021**

**REFERENCE IS MADE** to the indenture dated March 28, 2019 (the “**Indenture**”) between Flower One Holdings Inc. (the “**Company**”) and Odyssey Trust Company (the “**Trustee**”) under which the Company issued 9.5% Unsecured Convertible Debentures due March 28, 2022 (the “**Debentures**”).

**WHEREAS** the Company may at any time and from time to time convene a meeting of the persons entered in the register for Debentures as registered holders of Debentures (collectively, the “**Debentureholders**”) pursuant to Section 10.1 of the Indenture, **NOTICE IS HEREBY GIVEN** that an extraordinary meeting (the “**Meeting**”) of the Debentureholders will be held virtually through LUMI on **Thursday, April 15, 2021 at 10:30 a.m.** (Vancouver time) for the following purposes:

1. to consider, and if deemed appropriate, to adopt, with or without amendment, 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**”) to approve certain amendments (the “**Debenture Amendments**”) to the Indenture governing the Debentures to:
  - (a) extend the maturity date of the Debentures from March 28, 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 \$2.60 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 \$3.51 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;
2. to consider, and if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (the “**Notice Waiver Resolution**”), the full text of which is set forth in Appendix “A-2” to the Information Circular to waive the requirement for the Company to provide notice of exercise of the New Conversion Option (the “**Notice Waiver**”);
3. to consider, and if deemed appropriate, to adopt, with or without amendment, an extraordinary resolution (the “**Delisting Resolution**”), the full text of which is set forth in Appendix “A-3” to the Information Circular to approve the delisting of the Debentures from the CSE (the “**Delisting**”);
4. to consider, and if deemed appropriate, to adopt, with or without amendment, an ordinary resolution (the “**Listing 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 to approve the listing of the amended Debentures (the “**Amended Debentures**”) on the CSE (the “**Listing**”, together with the Debenture Amendments, Notice Waiver and Delisting, the “**Amendments**”); and
5. to transact such other business as may properly be brought before the Meeting and any postponement(s) or adjournment(s) thereof.

**Please Read this Important Notice**

In light of the ongoing public health concerns related to COVID-19, and based on government recommendations to avoid large gatherings, the Company is holding the Meeting as a completely virtual meeting, which will be conducted via live webcast. All Debentureholders, regardless of geographic location, will have an equal opportunity to participate at the Meeting. Debentureholders will not be able to attend the Meeting in person. Registered Debentureholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/230529630>. Beneficial Debentureholders (being Debentureholders who hold their Debentures through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary) who have not duly appointed themselves as proxyholder will be able to attend as a guest and view the webcast, but will not be able to participate or vote at the Meeting.

As a Debentureholder, it is very important that you read the Information Circular and other Meeting materials carefully. They contain important information with respect to voting your Debentures and attending and participating at the Meeting.

A Debentureholder who wishes to appoint a person other than the management nominees identified on the consent and form of proxy (the “**Form of Proxy**”) or voting instruction form, to represent him, her or it at the Meeting may do so by inserting such person’s name in the blank space provided in the Form of Proxy or voting instruction form and following the instructions for submitting such Form of Proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your Form of Proxy or voting instruction form. If you wish that a person other than the management nominees identified on the Form of Proxy or voting instruction form attend and participate at the Meeting as your proxy and vote your Debentures, including if you are a non-registered Debentureholder and wish to appoint yourself as proxyholder to attend, participate and vote at the Meeting, you **MUST** register such proxyholder after having submitted your Form of Proxy or voting instruction form identifying such proxyholder. Failure to register the proxyholder will result in the proxyholder not receiving a Username to participate in the Meeting. Without a Username, proxyholders will not be able to attend, participate or vote at the Meeting. To register a proxyholder, shareholders **MUST** send an email to [flowerone@odysseytrust.com](mailto:flowerone@odysseytrust.com) prior to 10:30

a.m. (Vancouver time) on April 13, 2021 and must provide the Trustee with their proxyholder's contact information, amount of Debentures appointed, name in which the Debentures are registered if they are a registered Debentureholder, or the name of broker where the Debentures are held if a beneficial Debentureholder, so that the Trustee may provide the proxyholder with a Username via email.

It is important to note that Debentureholders accessing the Meeting virtually must remain connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting.

The Information Circular accompanies this Notice. The Information Circular contains details of the matters to be considered at the Meeting. The Board of Directors of the Company (the "**Board of Directors**") has fixed March 12, 2021 as the record date for determining the Debentureholders who are entitled to receive notice of and vote at the Meeting (the "**Record Date**").

**To be valid, any proxies must be received by the Trustee by not later than 10:30 a.m. (Vancouver time) on April 13, 2021 or 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. See "*Information Regarding Proxies and Voting at the Meeting*" in the Information Circular.**

**Each of the Debenture Amendment Resolution, the Notice Waiver Resolution and the Delisting Resolution will be binding on all Debentureholders if approved:**

- At the Meeting, by the holders of not less than 66  $\frac{2}{3}$ % of the principal amount of the Debentures outstanding present or represented by proxy at the Meeting; or
- In writing, by the holders of 66  $\frac{2}{3}$ % of the principal amount of all the outstanding Debentures.

**The Listing Resolution will be binding on all Debentureholders if approved:**

- At the Meeting, by the holders of a majority of the principal amount of the Debentures outstanding present or represented by proxy at the Meeting; or
- In writing, by the holders of 66  $\frac{2}{3}$ % of the principal amount of all the outstanding Debentures.

**Accordingly, it is important that your Debentures be represented and voted whether or not you plan to attend the Meeting in person. If the Resolutions are validly approved by the Debentureholders in writing prior to the date of the Meeting, the Meeting will be cancelled and will not proceed. In such event, the Company will issue a press release notifying Debentureholders that the Resolutions have been approved and the Meeting has been cancelled.**

Certain of the Debentures have been issued in the form of global certificates registered in the name of CDS & Co. and, as such for these Debentures, CDS & Co. is the registered Debentureholder. Only registered Debentureholders, or their duly appointed proxyholders, have the right to vote at the Meeting, or to appoint or revoke a proxy. In connection with Debentures held in the name of CDS & Co., CDS & Co., or its duly appointed proxyholders, may only vote the Debentures in accordance with instructions received from the beneficial Debentureholders. Beneficial Debentureholders as of the Record Date wishing to vote their Debentures at the Meeting must provide instructions to their broker or other intermediary through which they hold their Debentures in sufficient time prior to the deadline for depositing proxies for the Meeting to permit their broker or other nominee to instruct CDS & Co., or its duly appointed proxyholders, as to how to vote their Debentures at the Meeting.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Kellen O’Keefe”*

Kellen O’Keefe  
President & Interim Chief Executive Officer

Voting Methods	Internet	Email or Fax	Mail
<b>Registered Debentureholders</b> <i>Debentures held in own name and represented by a physical certificate.</i>	Vote online at <a href="https://login.odysseytrust.com/pxlogin">https://login.odysseytrust.com/pxlogin</a>	Email: <a href="mailto:proxy@odysseytrust.com">proxy@odysseytrust.com</a> Fax: 1-800-517-4553	Return the Form of Proxy in the enclosed envelope.
<b>Non-Registered Debentureholders</b> <i>Debentures held with a broker, bank or other intermediary.</i>	Vote online at <a href="http://www.proxyvote.com">www.proxyvote.com</a>	Call or fax to the number(s) listed on your voting instruction form.	Return the voting instruction form in the enclosed envelope