



**GreenSpace Brands Inc.**

176 St. George Street  
Toronto, Ontario, M5R 2M7

**INFORMATION CIRCULAR  
for the Annual General and Special Meeting of the  
Holders of Common Shares to be held on  
Thursday, September 14, 2017**

THIS INFORMATION CIRCULAR (the “**Circular**”) IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY OR ON BEHALF OF THE MANAGEMENT OF GREENSPACE BRANDS INC. (herein referred to as “**GreenSpace**” or the “**Corporation**”) for use at the annual general and special meeting and all adjournments or postponements thereof (the “**Meeting**”) of the holders (each a “**Shareholder**” and collectively the “**Shareholders**”) of common shares (the “**Common Shares**”) in the capital of the Corporation, to be held at the offices of GreenSpace’s legal counsel, Dentons Canada LLP, Toronto-Dominion Centre, 77 King Street West, Suite 400, Toronto, ON M5K 0A1, at 4:00 p.m. (EST), for the purposes set forth in the accompanying notice of meeting the (“**Notice of Meeting**”).

Unless otherwise specified, the information contained herein is given as at August 11, 2017.

**DESCRIPTION OF GREENSPACE BRANDS INC.**

GreenSpace develops, markets and sells premium natural food products to consumers across Canada. GreenSpace owns the following brands: Life Choices Natural Foods, a product line that features a variety of premium meat products made with grass fed and pasture raised meats without the use of added hormones and antibiotics. Rolling Meadow Dairy, Canada's first grass fed dairy product line. Holistic Choice, a premium natural pet food line. Nudge, a line of family favorite foods made better. Kiwi Pure, an imported grass fed butter product line. Since going public, GreenSpace has acquired Love Child (Brands) Inc., a producer of 100% organic food for infants and toddlers made with the purest, natural and most nutritionally-rich ingredients, Central Roast Inc., a clean snacking brand that has been one of the leading natural food brands in Canada over the last several years, and Nothing But Nature Inc., an organic juice and blended tea brand. All brands are wholly owned and retail in a variety of natural and mass retail grocery locations across Canada. For more information, visit [www.greenspacebrands.com](http://www.greenspacebrands.com)

**SOLICITATION OF PROXIES**

**The solicitation of proxies is made on behalf of the management of the Corporation.** Solicitation of proxies by management will be primarily by mail, but may also be in person or by telephone. The cost of solicitation will be borne by the Corporation.

**RECORD DATE**

The record date for the Meeting is August 14, 2017 (the “**Record Date**”). Any Shareholder of record at the close of business on the Record Date who either personally attends the Meeting or has

completed and delivered a form of proxy in the manner and subject to the provisions described below will be entitled to vote or to have his, her or its Common Shares voted at the Meeting. To the extent that a registered Shareholder has transferred the ownership of any Common Shares subsequent to the Record Date, the transferee of such Common Shares shall not be entitled to vote such Common Shares unless the transferee produces properly endorsed share certificates, or otherwise establishes that they own the Common Shares and requests, not later than 10 days before the Meeting, that their name be included on the shareholder list before the Meeting, in which case the transferee shall be entitled to vote their Common Shares at the Meeting.

### **COMPLETION OF PROXIES**

The form of proxy affords Shareholders or intermediaries an opportunity to specify that the Common Shares registered in their name shall be voted for or against or withheld from voting in respect of authorizing the directors to fix the number of directors from time to time, within the minimum and maximum set out in the articles of the Corporation; the election of directors; the appointment of the auditor of the Corporation (including in the resolution granting the authority for the directors to fix the remuneration of the auditor); the continuance of the Corporation's stock option plan; and on certain other matters as specified in the accompanying Notice of Meeting or any other matter which may properly come before the Meeting.

The persons named in the enclosed form of proxy are the President and Chief Executive Officer and the Chief Operating Officer, respectively, of the Corporation.

**A REGISTERED SHAREHOLDER OR AN INTERMEDIARY HOLDING COMMON SHARES ON BEHALF OF AN UNREGISTERED SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE THE SHAREHOLDER, TO ATTEND AND ACT ON THEIR BEHALF AT THE MEETING, IN THE PLACE OF THE PERSONS DESIGNATED IN THE FORM OF PROXY FURNISHED BY THE CORPORATION. TO EXERCISE THIS RIGHT, THE SHAREHOLDER OR INTERMEDIARY SHOULD STRIKE OUT THE NAMES OF THE PERSONS NAMED IN THE FORM OF PROXY AND INSERT THE NAME OF THEIR NOMINEE IN THE BLANK SPACE PROVIDED, OR SUBMIT ANOTHER APPROPRIATE PROXY.**

A proxy must be dated and signed by the registered Shareholder, or by his or her attorney authorized in writing or by the intermediary. In the case of a Shareholder that is a corporation, the proxy must be executed under its corporate seal or signed by a duly authorized officer or attorney for the corporation with proof of authority accompanying the proxy.

In order to be effective, the proxy, together with the power of attorney or other authority, if any, under which it was signed or a notarially certified copy thereof, must be mailed to the office of the Corporation's transfer agent, **Computershare Trust Company of Canada, at 100 University Avenue, 8th Floor, Toronto, Ontario, Canada, M5J 2Y1, Attention: Proxy Department**, not later than 48 hours preceding the time of the Meeting or deposited with the Chairman of the Meeting on the day of the Meeting prior to the commencement of the Meeting. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. If a proxy is not dated, it will be deemed to bear the date on which it was mailed to Shareholders by management of the Corporation.

### **EXERCISE OF DISCRETION BY PROXIES**

A Shareholder or intermediary may indicate the manner in which the persons named in the enclosed form of proxy are to vote with respect to any matter by checking the appropriate space. On any poll, those persons will vote or withhold from voting the Common Shares in respect of which they are appointed in accordance with the directions, if any, given in the form of proxy. If the Shareholder or intermediary wishes to confer a discretionary authority with respect to any matter, the space should be left blank. IN SUCH INSTANCE, THE PERSONS NAMED IN THE ENCLOSED FORM

OF PROXY INTEND TO VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MOTION.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the time of printing of the Circular, management of the Corporation knows of no such amendment, variation or other matter. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies in favour of management nominees will be voted on such matters in accordance with the best judgment of the management nominees.

### ADVICE TO BENEFICIAL SHAREHOLDERS

**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, CDS & Co., as nominee for CDS Clearing and Depository Services Inc., acts as a 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.

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. Such 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 are to

Shareholders of record unless specifically stated otherwise.

### **NOTE TO NON-OBJECTING BENEFICIAL OWNERS**

The Meeting Materials are being sent to both registered Shareholders and Beneficial Shareholders. If you are a Beneficial Shareholder, and the Corporation or its agent has sent the Meeting Materials directly 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 on your behalf. By choosing to send the Meeting Materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you; and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

### **REVOCATION OF PROXIES**

A Shareholder or intermediary who has submitted a proxy may revoke it by instrument in writing executed by the Shareholder or intermediary or his or her attorney authorized in writing, or, if the Shareholder is a corporation, under its corporate seal and executed by a director, officer or attorney thereof duly authorized, and deposited either with the Corporation at its offices as aforesaid at any time prior to the close of business on the second last business day preceding the day of the Meeting or any adjournment thereof, or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting, and upon such deposit the previous proxy is revoked.

### **INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON**

Except as disclosed in this Circular, management of the Corporation is not aware of any material interest, direct or indirect, of any director or nominee for director, or senior officer or anyone who has held office as such, since the beginning of the Corporation's last financial year or any associates or affiliates of any of the foregoing in any matter to be acted on at the Meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Record Date for the determination of Shareholders to receive notice of the Meeting has been fixed as the close of business on August 14, 2017. As at the Record Date, 63,494,200 Common Shares carrying the right to one vote per Common Share at the Meeting were issued and outstanding.

In accordance with the provisions of the *Business Corporations Act* (Ontario), the Corporation will prepare a list of the holders of Common Shares on the Record Date. Each holder of Common Shares named on the list will be entitled to vote the Common Shares shown opposite, his, her or its name on the list at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the date of this Circular, no person beneficially own, or control or direct, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to the Common Shares<sup>1</sup>.

### **MATTERS TO BE ACTED UPON AT THE MEETING**

#### **1. Election of Directors**

Action is to be taken at the Meeting with respect to the election of directors. The Board of the Corporation presently consists of six members. It is proposed that the under mentioned persons will be nominated at the Meeting.

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<sup>1</sup> These figures are based on information available on the public record.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE ELECTION OF THE FOLLOWING PERSONS TO THE BOARD UNLESS OTHERWISE DIRECTED. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS A DIRECTOR. HOWEVER, IF FOR ANY REASON ANY OF THE PROPOSED NOMINEES DOES NOT STAND FOR ELECTION OR IS UNABLE TO SERVE AS SUCH, **THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, RESERVE THE RIGHT TO VOTE FOR ANY OTHER NOMINEE IN THEIR SOLE DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS OR HER PROXY THAT HIS OR HER COMMON SHARES ARE TO BE WITHHELD FROM VOTING ON THE ELECTION OF DIRECTORS.**

Each director elected will hold office until the next annual meeting of the Corporation or until his or her successor is duly elected or appointed, unless their office is vacated in accordance with the Corporation's By Laws. The following information relating to the nominees as directors is based partly on the Corporation's records and partly on information received by the Corporation from said nominees, and sets forth the name and city of residence of each of the persons proposed to be nominated for election as a director, his or her principal occupation at present, all other positions and offices in the Corporation held by him or her, the year in which he or she was first elected a director, and the number of Common Shares that he or she has advised are beneficially owned by him or her, directly or indirectly, or over which control or direction is exercised by him or her.

<b>Nominees as Directors</b>	<b>Position Presently Held</b>	<b>Director Since</b>	<b>Principal Occupation for Previous Five Years<sup>(7)</sup></b>	<b>Common Shares Beneficially Owned, Controlled or Directed</b>
Matthew von Teichman  Toronto, Ontario, Canada	President, Chief Executive Officer and Chairman	April 30, 2015	President, Chief Executive Officer of Life Choices Natural Foods Corp. (predecessor to the Corporation)	6,064,843
James Haggarty <sup>(2)(3)</sup>  Toronto, Ontario, Canada	Director	April 30, 2015	President & CEO of The SIM Group, Managing Director of Gibraltar & Company, Chief Executive Officer of SHOP.CA, Founder and President of J.E.L.L Advisors, EVP Television Operations at Rogers Broadcasting Ltd.	7,400
Roger Daher <sup>(3)(4)</sup>  Toronto, Ontario, Canada	Director	June 11, 2013	Owner and Pharmacist of Pharmasave pharmacies, member of the Pharmasave Ontario Board of Directors, as well as a member of the audit committee (current treasurer/secretary and also audit committee chair). Director of Xylitol Canada Inc., as well as chairman of the Board.	165,000
Blair Tamblyn <sup>(1)(3)(4)(5)</sup>  Toronto, Ontario, Canada	Director	April 30, 2015	Managing Director and CEO of Timbercreek Asset Management	23,810
Maria	Director	May 25,	Senior Vice-President, Private Equity PenderFund Capital Management Ltd., GM	Nil

Pacella <sup>(3)</sup>  Vancouver, British Columbia, Canada		2017	VP Strategic Initiatives of Terramera, Inc., Vice President of Beedie Capital	
Micheal Lovsin <sup>(4)</sup>  Stouffville, Ontario, Canada	Proposed Director	N/A	General Manager Coles Brand, Senior Vice President Loblaw Companies Limited	Nil

**Notes:**

- (1) Chair of the Human Resources, Governance and Compensation Committee (the "HRGC Committee").
- (2) Chair of the Audit Committee.
- (3) Member of the Audit Committee.
- (4) Member or proposed member of the HRGC Committee.
- (5) Graduate of the Rotman's School of Business Director Education Program.

Particulars of the proposed Directors' principal occupations are set forth in the Directors' Biographies set out in Appendix "A" to this Circular, which includes board positions currently held by each director with other reporting issuers.

*Corporate Cease Trade Orders or Bankruptcies*

To the knowledge of management of the Corporation, there has been no director that is, or within 10 years before the date of this Circular has been, a director or officer of any other issuer that:

- (a) while that person was acting in that capacity was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days; or
- (b) while that person was acting in that capacity was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
- (c) while that person was acting in that capacity or within a year of that person ceasing to act in that 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.

*Penalties or Sanctions*

To the knowledge of management of the Corporation, no director has:

- (a) been subject to 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) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

## *Personal Bankruptcies*

To the knowledge of management of the Corporation, there has been no director or officer, or any shareholder holding sufficient number of securities of the Corporation to affect materially the control of the Corporation, or a personal holding company of any such person that has, within the 10 years before the date of this Circular, become 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 the assets of the director or officer.

## **2. Appointment of Auditor**

MNP LLP, of Mississauga, Ontario, has acted as the Corporation's auditor since completion of its qualifying transaction (as such term is defined by the policies of the TSX Venture Exchange ("TSXV")) on April 30, 2015. It is proposed that MNP LLP be appointed as auditor of the Corporation for the ensuing year, until the next annual meeting of the shareholders at remuneration to be fixed by the Board.

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE APPOINTMENT OF MNP LLP OF MISSISSAUGA, ONTARIO, AS THE AUDITOR OF THE CORPORATION, TO HOLD OFFICE UNTIL THE NEXT ANNUAL MEETING OF THE SHAREHOLDERS, AT A REMUNERATION TO BE FIXED BY THE BOARD OF DIRECTORS, UNLESS OTHERWISE DIRECTED.

## **3. Annual Approval of the Corporation's Stock Option Plan**

On August 27, 2015, the Shareholders approved the Corporation's stock option plan in substantially its current form (the "**Stock Option Plan**"), which is known as a "10% rolling stock option plan". The TSXV, pursuant to Policy 4.4 – "*Incentive Stock Options*", requires all listed companies with a 10% rolling stock option plan to obtain annual shareholder approval of such plan. As a result Shareholders will be asked at the Meeting to vote on the resolution set out below approving, for the ensuing year, the Stock Option Plan.

For a summary of the key terms of the Stock Option Plan see "*Executive Compensation – Stock Option Plan*" section in this Circular.

The full text of the Stock Option Plan is provided in Appendix "B" to this Circular.

It is the position of the Board that the passing of the following resolution is in the best interest of the Corporation and recommends that Shareholders vote in favor of the resolution.

At the Meeting, the Shareholders will be asked to approve the following ordinary resolution:

### **"BE IT RESOLVED THAT:**

1. the Stock Option Plan as set forth in Appendix "B" to this Circular and the grant of stock options pursuant to the Stock Option Plan is hereby authorized; and
2. any director or officer of the Corporation be and is hereby authorized and directed, for and on behalf of the Corporation, to do all such acts and things and to execute and deliver under the corporate seal or otherwise all such deeds, documents, instruments and assurances and take such other actions as such director or officer may determine to be necessary or advisable to implement this resolution and the matters authorized hereby,

such determination to be conclusively evidenced by the execution and delivery of any such documents or instruments and the taking of any such action.”

IT IS THE INTENTION OF THE MANAGEMENT DESIGNEES, IF NAMED AS PROXY, TO VOTE FOR THE APPROVAL OF THE STOCK OPTION PLAN, UNLESS OTHERWISE DIRECTED.

## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

On April 30, 2015, the Corporation completed its qualifying transaction pursuant to the policies of the TSXV. Following completion of the qualifying transaction, the Corporation adopted the year end of the reverse take-over acquirer, changing its year-end from December 31<sup>st</sup> to March 31<sup>st</sup>. At such time the officers of the capital pool company resigned and the following executive officers were appointed: Matthew von Teichman (President and Chief Executive Officer), Mathew Walsh (Chief Financial Officer) and Aaron Skelton (Chief Operating Officer) (collectively, the “**Named Executive Officers**” or “**NEOs**”).

#### Overview

The objectives of the Corporation’s executive compensation policy are to attract and retain individuals of high caliber to serve as officers of the Corporation, to motivate their performance in order to achieve the Corporation’s strategic objectives and to align the interests of executive officers with the long term interests of the Corporation’s shareholders. Short-term compensation, including base salaries and annual performance bonus, is used to attract and retain employees. Long-term compensation, including the Stock Option Plan, is used to reward growth in asset value per share. The Corporation’s compensation policy is reviewed and examined annually by the Human Resources, Governance and Compensation Committee (the “**HRGC Committee**”).

The HRGC Committee considered the implications of the risks associated with the Corporation’s compensation policies and practices and did not identify any risks arising from the Corporation’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation. See “*Executive Compensation – Compensation Governance*” in this Circular.

The Corporation does not have any written policies which prohibit a named executive officer (as defined below) or director from purchasing financial instruments, including, for greater certainty, 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 the named executive officer or director.

Executive officer compensation consists of essentially three components: (i) base salary; (ii) annual performance bonus; and (iii) the Stock Option Plan. Each component of the Corporation’s executive officer compensation arrangements are briefly described below.

#### *Base Salaries*

Salaries for executive officers are determined by evaluating the responsibilities of each executive’s position, as well as the experience and knowledge of the individual, with a view to market competitiveness. GreenSpace benchmarks its executive salaries, by position and responsibility, against other comparable Canadian business enterprises. The base salaries for executive officers will be reviewed in the fourth quarter of each financial year of the Corporation for the ensuing year by the HRGC Committee. Annual salary adjustments take into account the market value of the executive’s role, the executive’s performance throughout the year and the economic factors that affect GreenSpace’s industry and marketplace.



Retention of named executive officers is a risk considered by the HRGC Committee. The HRGC Committee has taken the position that the personal investment of each of these individuals, in the Corporation, provides considerable incentive for them to remain as officers of the Corporation.

#### *Annual Performance Bonus*

Each executive is eligible to receive an annual bonus (the “**Annual Bonus**”) of up to 30% of their annual base salaries, based upon achievement of milestones established by the HRGC Committee. The Annual Bonus is determined, at the discretion of the HRGC Committee, on March 31st of each year and is subsequently paid during the first quarter of the following year. If the executive voluntarily resigns from their employment with the Corporation or if their employment is terminated for cause prior to payment of the Annual Bonus, they shall not be entitled to receive payment of the Annual Bonus, or any portion thereof, whether prorated or otherwise.

The executive shall be eligible to receive an additional bonus (the “**Growth Bonus**”) based upon achievement of milestones established by the Board and HRGC Committee. The Growth Bonus earnings are to be calculated on March 31st of each year, are again at the discretion of the HRGC Committee and are subsequently paid during the first quarter of the following year. If the Executive voluntarily resigns from their employment with the Corporation or if their employment is terminated for cause prior to payment being made of the Growth Bonus, they shall not be entitled to receive payment of the Growth Bonus, or any portion thereof, whether prorated or otherwise.

The “**Annual Bonus**” together with the “**Growth Bonus**” are herein referred to as the “**Annual Performance Bonuses**”.

GreenSpace’s Annual Performance Bonuses provides Named Executive Officers and key employees with the opportunity to earn annual incentive awards in respect of their leadership and contribution towards enhanced levels of operating performance. As such, the Annual Performance Bonuses are designed to increase alignment with GreenSpace’s strategic and operational goals with awards earned based on the achievement of both financial and personal performance goals.

The “financial performance” of each executive is measured and calculated on three pre-established annual financial performance measures (the “**Financial Performance Measures**”). The Financial Performance Measures are designed around five key drivers of profitability and operational cash flow, namely: (i) revenue growth; (ii) gross profit improvement; (iii) SG&A expenses improving as a percentage of net revenue; (iv) EBITDA growth; and (v) effective acquisition integration. For each Financial Performance Measure, there are three performance levels set: threshold, target and maximum.

The “personal performance” of each executive is measured against the extent to which each executive achieves his or her personal strategic objectives (“**Personal Strategic Objectives**”). The Personal Strategic Objectives are set by the executives in conjunction with the CEO at the commencement of each fiscal year and are expressed with reference to specific, measurable targets and given a weighting for each.

#### *Stock Option Plan*

The purpose of the Stock Option Plan is to encourage share ownership by directors, senior officers and employees, together with consultants, who are primarily responsible for the management and growth of the Corporation. The number of Common Shares, the exercise price per Common Share, the vesting period and any other terms and conditions of options granted pursuant to the Stock Option Plan, from time to time, are determined by the HRGC Committee at the time of the grant, subject to the defined parameters of the Stock Option Plan and compliance with the policies of the TSXV.

The maximum number of Common Shares which may be reserved and set aside for issue under the

Stock Option Plan is equal to up to 10% of the issued and outstanding Common Shares.

Participation in the Stock Option Plan is limited to directors, officers, employees and consultants providing services to the Corporation. The number of Common Shares which can be reserved for issuance under the Stock Option Plan in any 12 month period without disinterested shareholder approval: (a) to any individual director or officer shall not exceed 5% of the issued and outstanding Common Shares; and (b) to all consultants shall not exceed 2% of the issued and outstanding Common Shares.

The exercise price of any option cannot be less than the Discounted Market Price of the Common Shares at the time the option is granted. "Discounted Market Price" is a defined term under the policies of the Exchange, but generally means a discount of 20% to the market price of the Common Shares, although this discount can be less depending on a higher trading price of the Common Shares. The exercise period cannot exceed ten years. Options will terminate on the date of expiration specified, generally ninety days after termination of employment or one year after the death of the grantee.

The Stock Option Plan also provides for adjustments to outstanding options in the event of any consolidation, subdivision, conversion or exchange of the Corporation's shares. As of the date of the Circular, an aggregate of 6,349,420 Common Shares (10% of the issued and outstanding Common Shares) were available for issuance under the Stock Option Plan. Of this amount, options in respect of 1,495,343 Common Shares have been issued (representing 2.4% of the issued and outstanding Common Shares).

As of the date of this Circular, there remained options in respect of 4,854,077 Common Shares which are available for future option grants under the Stock Option Plan.

Options are granted by either the Board or the HRGC Committee of the Corporation. In monitoring or adjusting the option allotments, the Board or HRGC Committee, as the case may be, takes into account its own observations on individual performance (where possible) and its assessment of individual contribution to shareholder value, previous option grants and the objectives set for the Named Executive Officers. The scale of options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Board or the HRGC Committee will make these determinations subject to and in accordance with the provisions of the Stock Option Plan. See Appendix "B" for further details regarding the Stock Option Plan.

### ***Named Executive Officers' Compensation Summary***

The following is a description of the management contracts for the Named Executive Officers:

#### ***Matthew von Teichman***

Matthew von Teichman receives a base salary of \$250,000 (\$275,000 effective August 1, 2017) per annum for his services as President & Chief Executive Officer of the Corporation. He has entered into an employment agreement with the Corporation which is for an indefinite term and includes standard provisions relating to, among other things, base salary, paid vacation time, eligibility for benefits and confidentiality and intellectual property rights. Applicable change of control terms and conditions are set out in Appendix "C" attached to this Circular. The change of control terms and conditions have been set in accordance with a Corporation executive policy that combines recommended public company practice together with the individual's years of service.

If the employment agreement with Matthew von Teichman is terminated without cause, or Mr. von Teichman resigns for good cause pursuant to the terms of the employment agreement, the Corporation is required to pay Mr. von Teichman his base salary earned but unpaid, accrued but unused vacation, unreimbursed expenses, and any prorated Annual Performance Bonus owed pursuant to the employment agreement. Mr. von Teichman is also entitled in these circumstances to

a two month notice period and a continuation of payments of his base salary at the rate in effect on the date of termination for a period equal to one month for each completed year of service, subject to a minimum of four months and a maximum of 18 months, at the end of that notice period. Also in these circumstances all Stock Option entitlements shall immediately and automatically become fully vested and shall be exercisable by, or issuable to, Matthew within the time period provided within the Stock Option Plan.

#### *Mathew Walsh*

Mathew Walsh resigned from his position and left the Corporation as of June 21, 2017. Mathew Walsh received \$180,000 per annum for his services as Chief Financial Officer (“CFO”) of the Corporation.

The Corporation was required to pay Mr. Walsh his base salary earned but unpaid, accrued but unused vacation, unreimbursed expenses, and any prorated Annual Performance Bonus owed pursuant to the employment agreement. Mr. Walsh was also entitled in these circumstances to a two month notice period and a continuation of payments of his base salary at the rate in effect on the date of resignation for a period equal to three months. All vested Stock Option shall be exercisable by, or issuable to, Mr. Walsh within the time period provided within the Stock Option Plan.

#### *Aaron Skelton*

Aaron Skelton receives \$180,000 (\$200,000 effective August 1, 2017) per annum for his services as Chief Operating Officer (“COO”) of the Corporation. He has entered into an employment agreement with the Corporation which is for an indefinite term and includes standard provisions relating to, among other things, base salary, paid vacation time, eligibility for benefits and confidentiality and intellectual property rights. Applicable change of control terms and conditions are set out in Appendix “C” attached to this Circular. The change of control terms and conditions have been set in accordance with a Corporation executive policy that combines recommended public company practice together with the individual’s years of service.

If the employment agreement with Aaron Skelton is terminated without cause, or Mr. Skelton resigns for good cause pursuant to the terms of the employment agreement, the Corporation is required to pay Mr. Skelton his base salary earned but unpaid, accrued but unused vacation, unreimbursed expenses, and any prorated Annual Performance Bonus owed pursuant to the employment agreement. Mr. Skelton is also entitled in these circumstances to a two month notice period and a continuation of payments of his base salary at the rate in effect on the date of termination for a period equal to one month for each completed year of service, subject to a minimum of four months and a maximum of 18 months, at the end of that notice period. Also in these circumstances all Stock Option entitlements shall immediately and automatically become fully vested and shall be exercisable by, or issuable to, Aaron within the time period provided within the Stock Option Plan.

#### *Compensation Governance*

The HRGC Committee exercises general responsibility regarding overall employee and executive officer compensation. It determines the total compensation of the Chief Executive Officer, subject to Board approval. The HRGC Committee meets with the Chief Executive Officer to review all other salaries and compensation items. These salaries and compensation items are ultimately approved by the Board annually in the overall general and administrative expense budget.

The HRGC Committee is traditionally comprised of three members. For the next year this is expected to include: Blair Tamblyn (Chairman), Micheal Lovsin (proposed director) and Roger Daher. Each of the members of the HRGC Committee is an independent director and is ineligible to participate in any of the Corporation’s executive officer compensation programs, other than the Stock Option Plan. Each has extensive experience as both a director and officer with various public companies in the design and

implementation of executive and employee compensation plans.

### Summary Compensation Table - NEO

The following table sets forth the compensation earned by the NEOs for the years ended March 31, 2017 and 2016:

Name and principal position	Year Ended March 31	Salary (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Matthew von Teichman, President and CEO	2017	250,000	Nil	246,740 <sup>(1)</sup>	Nil	Nil	Nil	Nil	496,740
	2016	250,000	Nil	221,692	Nil	Nil	Nil	Nil	471,692
Mathew Walsh, CFO <sup>(4)</sup>	2017	180,000	Nil	69,558 <sup>(2)</sup>	Nil	Nil	Nil	Nil	249,558
	2016	180,000	Nil	44,510	Nil	Nil	Nil	Nil	224,510
Aaron Skelton, COO	2017	180,000	Nil	137,215 <sup>(3)</sup>	Nil	Nil	Nil	Nil	317,215
	2016	180,000	Nil	112,167	Nil	Nil	Nil	Nil	292,167

**Notes:**

- (1) The value of the Option-based awards incentive component is determined using the Black-Scholes pricing model at the date of the grant (May 15, 2015) with the following variables: exercise price of \$0.96, expected life of 6 years, risk free rate of 1.25%, expected dividend yield of Nil%, expected volatility of 41.1%. The value of the additional grant on February 8, 2017 is determined using the following variables: exercise price of \$1.34, expected life of 6 years, risk free rate of 1.55%, expected dividend yield of Nil%, expected volatility of 41.0%.
- (2) The value of the Option-based awards incentive component is determined using the Black-Scholes pricing model at the date of the grant (May 15, 2015) with the following variables: exercise price of \$0.96, expected life of 6.5 years, risk free rate of 1.25%, expected dividend yield of Nil%, expected volatility of 42.9%. The value of the additional grant on February 8, 2017 is determined using the following variables: exercise price of \$1.34, expected life of 6 years, risk free rate of 1.55%, expected dividend yield of Nil%, expected volatility of 41.0%.
- (3) The value of the Option-based awards incentive component is determined using the Black-Scholes pricing model at the date of the grant (May 15, 2015) with the following variables: exercise price of \$0.96, expected life of 6.5 years, risk free rate of 1.25%, expected dividend yield of Nil%, expected volatility of 42.9%. The value of the additional grant on February 8, 2017 is determined using the following variables: exercise price of \$1.34, expected life of 6 years, risk free rate of 1.55%, expected dividend yield of Nil%, expected volatility of 41.0%.
- (4) Mathew Walsh resigned from his position and left the Corporation as of June 21, 2017

## Incentive Plan Awards

### *Outstanding share and option based awards*

The following table provides a summary of option based awards outstanding for the NEOs as at the year ended March 31, 2017:

Name and principal position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
Matthew von Teichman, President and CEO	386,765	0.96	May 15, 2025	221,692	Nil	Nil	Nil
Matthew von Teichman, President and CEO	30,000	1.34	February 8, 2027	25,048	Nil	Nil	Nil
Mathew Walsh, CFO <sup>(2)</sup>	73,529	0.96	May 15, 2025 <sup>(3)</sup>	44,510	Nil	Nil	Nil
Mathew Walsh, CFO <sup>(2)</sup>	30,000	1.34	February 8, 2027 <sup>(3)</sup>	25,048	Nil	Nil	Nil
Aaron Skelton, COO	185,294	0.96	May 15, 2025	112,167	Nil	Nil	Nil
Aaron Skelton, COO	30,000	1.34	February 8, 2027	25,048	Nil	Nil	Nil

**Notes:**

- (1) Based on the difference between the trading price of the Common Shares at the market close on the TSXV on March 31, 2017 (\$1.67/share) and the exercise price of the options.
- (2) Mr. Walsh ceased to hold the position of CFO as at June 21, 2017.
- (3) Only the vested option of 29,411 will expire on June 21, 2018. All other unvested options were cancelled as of resignation date.

### Incentive Plan Awards—Value Vested or Earned During the Year

The following table sets forth the value vested of option and share based awards for the NEOs for the year ended March 31, 2017:

Name and principal position	Option based awards – Value vested during the year (\$)	Share based awards – Value vested during the year (\$)	Non-equity incentive plan compensation – Value earned during the year
Matthew von Teichman, President and CEO	44,338	N/A	Nil
Mathew Walsh, CFO <sup>(1)</sup>	8,902	N/A	Nil
Aaron Skelton, COO	22,433	N/A	Nil

**Notes:**

(1) No longer with the Corporation as of June 21, 2017.

### Pension Plan Benefits

The Corporation has no pension or retirement plans for its directors, officers or employees.

### Non-executive Director Compensation

All non-executive directors are entirely compensated through stock options, which align the interests of directors and shareholders over the longer term (intended to reward long-term growth in the Corporation's share value).

## Summary Compensation Table - Directors

The following table describes all compensation provided to the directors of the Corporation for the year ended March 31, 2017:

Name	Fees Earned (\$)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
James Haggarty	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Roger Daher	Nil	Nil	Nil	N/A	N/A	Nil	Nil
Blair Tamblyn	Nil	Nil	Nil	N/A	N/A	Nil	Nil
James M. Brown	Nil	Nil	Nil	N/A	N/A	Nil	Nil

## Incentive Plan Awards

### *Outstanding Share-Based Awards and Option-Based Awards*

The following table sets forth the outstanding option and share based awards of directors of the Corporation as of March 31, 2017.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised In-the-Money Options (\$) <sup>(1)</sup>	Number of Shares or Units of Shares that Have Not Vested (\$)	Market or Payout Value of Share-Based Awards that Have Not Vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
James Haggarty	25,735	0.96	May 15, 2025	2,950	N/A	N/A	N/A
Roger Daher	22,059	0.96	May 15, 2025	2,529	N/A	N/A	N/A
	40,233	1.20	September 18, 2018	23,199	N/A	N/A	N/A
Blair Tamblyn	22,059	0.96	May 15, 2025	2,529	N/A	N/A	N/A
James M. Brown	25,735	0.96	May 15, 2025	2,950	N/A	N/A	N/A

**Note:**

(1) Based on the closing price of the common shares on the TSXV on March 31, 2017 of \$1.67.

**Incentive Plan Awards – Value Vested or Earned During the Year**

The following table sets forth the value vested of option and share based awards of the directors of the Corporation during the year ended March 31, 2017.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
James Haggarty	2,950	N/A	N/A
Roger Daher	2,529	N/A	N/A
Blair Tamblyn	2,529	N/A	N/A
Maria Pacella	Nil	N/A	N/A
James M. Brown	2,529	N/A	N/A

**MANAGEMENT CONTRACTS**

The Corporation has not entered into any significant management contracts. No management functions of any substantial degree are performed by a person other than the directors and senior officers of the Corporation.

**SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table sets forth information with respect to compensation plans under which equity securities are authorized for issuance as at March 31, 2017, aggregated for all compensation plans previously approved by the Shareholders.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Common Shares remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	1,736,317 <sup>(1)</sup>	\$1.01	4,613,103 <sup>(1)</sup>
Equity compensation plans not approved by security holders	N/A	N/A	N/A

Note:



- (1) Subsequent to March 31, 2017, 91,909 options were issued and 262,501 options were exercised, thereby increasing the number of Common Shares remaining available for future issuance to 4,783,695.

## **INDEBTEDNESS OF DIRECTORS AND SENIOR OFFICERS**

As at the date of this Circular, there are no directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Corporation that are indebted to the Corporation

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

There are no material interests, direct or indirect, of directors, executive officers of the Corporation or any known associate or affiliate of such persons, in any transaction since the commencement of the Corporation's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

## **MANDATE OF THE BOARD**

The Board is generally responsible for managing the business and affairs of the Corporation. The primary responsibility of the Board is to promote the best interests of the Corporation and its Shareholders. This responsibility includes: (i) approving annual budgets (ii) outlining key operating parameters including debt levels and ratios; (iii) evaluating the performance of the Corporation and executives; (iv) determining, evaluating and fixing the compensation of executive officers; (v) adopting policies of corporate governance and conduct; (vi) considering risk management matters and hedging policies; (vii) reviewing the process of providing appropriate financial and operational information to Shareholders and the public generally; and (viii) evaluating the overall effectiveness of the Board. The Board explicitly acknowledges its responsibility for the stewardship of the Corporation. The Board reviews with management matters of strategic planning, business risk identification, succession planning, communications policy and integrity of internal control and management information systems. The Board fulfils its responsibilities through regular meetings. It meets a minimum of four times per year. In addition, the Board meets at such other times as may be required if it is not possible to deal with the Corporation's business at a regularly scheduled meeting.

## **COMPOSITION OF THE BOARD OF DIRECTORS**

Based on the definition of "independent" as found in National Instrument 52-110 - *Audit Committees* ("**NI 52-110**"), five of GreenSpace's six existing directors are independent directors. Mr. von Teichman (President and Chief Executive Officer) is the only Board member who is not independent. Mr. von Teichman is not considered independent as he is an executive officer of the Corporation.

## **BOARD COMMITTEES**

The Board has established the Audit Committee and the HRGC Committee as committees of the Board. Terms of reference for each committee, which delineate the mandate of the committee, the composition of the committee, the frequency of committee meetings and other relevant matters, have been approved and adopted by the Board.

### ***Audit Committee***

The Audit Committee, in accordance with its charter attached hereto as Appendix "D", is responsible for reviewing and approving the financial statements and public reports of the Corporation, considering the existence and adequacy of internal and management controls and reviewing and approving material accounting policies and measurements. The Audit Committee is also responsible for reviewing the annual audit and quarterly reviews and communicating directly with the external auditor as to their

findings. The Audit Committee’s mandate provides for regularly scheduled meetings to review and approve annual audited financial statements and quarterly unaudited financial statements and other reports to shareholders. Additional meetings may be held as warranted with respect to public financing initiatives and other material transactions.

The Audit Committee is composed of four directors, James Haggarty (Chairman), Blair Tamblyn, Roger Daher, and Maria Pacella. Each of the members of the Audit Committee is “independent” and “financially literate” within the meaning of NI 52-110.

Mr. Haggarty, from 2005 to 2012, worked at Rogers Communications Inc. in several capacities, culminating as the Executive Vice President of Television Operations for Rogers Broadcasting Ltd., and prior to that he was the Vice President of Financial Operations for Rogers Media Inc. Mr. Haggarty brings considerable acquisition and merger experience gained over 23 years of industry experience, including having served as a CFO for several divisions of publicly listed companies. In addition, he chairs the audit committee for another publicly listed company (Klondex Mines Ltd.). Mr. Haggarty is a CPA and CA.

Mr. Tamblyn is a Co-Founder, Managing Director and CEO of Timbercreek Asset Management, a leading Canadian-based global asset manager. Mr. Tamblyn is also Chairman of the Board for Timbercreek Mortgage Investment Corporation and Timbercreek Senior Mortgage Investment Corporation. Mr. Tamblyn has over 16 years of experience working with the public and private capital markets and has led the origination, structuring, capitalization and execution of all public and private Timbercreek entities.

Mr. Daher has been a licensed pharmacist for 25 years and he is currently a practicing owner/partner in seven Ontario Pharmasave pharmacies. Since 2010, Mr. Daher, has been a member of the Pharmasave Ontario Board of Directors, as well as a member of the audit committee (current treasurer/secretary and also audit committee chair). Mr. Daher also serves as a Director on a number of other public companies, including Xylitol Canada Inc., where he is chair of the audit committee.

Ms. Pacella is currently the Senior Vice-President, Private Equity at PenderFund Capital Management Ltd. She has over 16 years of experience investing in emerging growth companies. Ms. Pacella spent eleven years with one of Canada's largest venture capital firms where she invested in multiple early-stage ventures and served on a number of boards. Ms. Pacella's experience also includes operational roles at early stage companies, facilitating M&A and leading financings. She holds a BBA from Simon Fraser University, and is a CFA charterholder and past President of CFA Society, Vancouver.

The Audit Committee has the authority to pre-approve non-audit services which may be required from time to time.

The following table sets forth the fees paid by the Corporation to its auditor for services rendered during the fiscal years ended March 31, 2017 and 2016.

	2017	2016
Audit Fees <sup>(1)</sup>	\$63,564	\$51,105
Audit-Related Fee <sup>(2)</sup>	\$49,434	\$225,975
Tax Fees	Nil	Nil
All Other Fees <sup>(3)</sup>	Nil	Nil
Total <sup>(4)</sup>	\$112,998	\$277,080

**Notes:**

- (1) Audit fees were for professional services rendered by the auditors for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Audit-related fees are for services related to performance of limited procedures performed by the Corporation's auditors.
- (3) All other fees for services performed by the Corporation's auditors including attendance at due diligence sessions.
- (4) These fees only represent professional services rendered and do not include any out-of-pocket disbursements or fees associated with filings made on the Corporation's behalf. These additional costs are not material as compared to the total professional services fees for each year.

The Corporation is a "venture issuer" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52- 110 relating to Parts 3 (Composition of Audit Committee) and 5 (Reporting Obligations).

***Report of the Audit Committee***

In the performance of its oversight function, the Audit Committee reviewed and discussed the Corporation's audited financial statements as of and for the year ended March 31, 2017 with management and the auditors. The audited financial statements were represented to have been prepared in accordance with International Financial Reporting Standards ("IFRS").

The Audit Committee met at the conclusion of the audit for the purposes of approving the Corporation's annual financial statements. It is satisfied that it appropriately fulfilled its mandate to the best of its ability during and for the year ended March 31, 2017 and up to the date of this Circular.

***HRGC Committee***

The HRGC Committee is generally composed of three directors. Assuming the election of Michael Lovsin, it will be comprised of, Blair Tamblyn (Chairman), Micheal Lovsin (proposed director) and Roger Daher, all of whom are or will be independent directors. The HRGC Committee is responsible for assisting the Board in determining the compensation strategies for the Corporation, recommending the forms and amounts of compensation for directors, officers and other employees and assessing the performance of officers in fulfilling their responsibilities and meeting corporate objectives. The HRGC Committee is also responsible for assessing the performance of the Chief Executive Officer. The HRGC Committee holds meetings as warranted with respect to officer appointments or other compensation related matters.

***Orientation and Continuing Education***

New Board members receive an information package which includes reports on operations and results, the Corporation's policies and committee mandates and public disclosure filings by the Corporation. Board committee meetings are sometimes held at the Corporation's offices and are combined with presentations by the Corporation's management and employees to give the directors additional insight into the Corporation's business. In addition, management of the Corporation makes itself available for discussion with all Board members.

***Ethical Business Conduct***

The Board has found that the fiduciary duties placed on individual directors by the Corporation's governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors' participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Corporation.

### ***Nomination of Directors***

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board's duties effectively and to maintain a diversity of views and experience.

### ***Compensation***

The HRGC Committee determines compensation for the directors and officers of the Corporation.

### ***Other Board Committees***

The Board has no committees other than the Audit Committee and the HRGC Committee.

### ***Assessments***

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

## **OTHER MATTERS COMING BEFORE THE MEETING**

Management knows of no other matters to come before the Meeting other than referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the Common Shares represented by proxy solicited hereby will be voted on such matters in accordance with the best judgment of the person voting such proxy.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on the SEDAR website at [www.sedar.com](http://www.sedar.com), including the Corporation's Management's Discussion & Analysis for the fiscal year ended March 31, 2017. Additional financial information regarding the Corporation is provided in the Corporation's audited consolidated financial statements for the year ended March 31, 2017. Copies of these documents, any interim financial statements for periods subsequent, and additional copies of this Circular are available on SEDAR, the Corporation's website or upon request from the Corporation. Additional information regarding the business of the Corporation can be found on the Corporation's website [www.greenspacebrands.com](http://www.greenspacebrands.com).

## **DIRECTORS' APPROVAL**

The contents and the sending of this Circular has been approved by the Board.

BY ORDER OF THE BOARD OF DIRECTORS  
OF GREENSPACE BRANDS INC.

(signed) *Matthew von Teichman*

Matthew von Teichman  
Chairman of the Board, President and CEO

## **APPENDIX "A"** **DIRECTORS' BIOGRAPHIES**

### **Matthew von Teichman** – *Director, Chief Executive Officer and President*

Matthew von Teichman has been the President and Chief Executive Officer of Life Choices since founding it in 2002. Over the last 13 years he has directed its growth from inception to a multi-million dollar multiple brand natural food business. Prior to founding Life Choices, in 1997, Mr. von Teichman co-founded and was president of JobShark Corporation ("Jobshark"), which grew to become one of the largest online recruitment organizations in North America, boasting over 100 employees in nine countries. Mr. von Teichman sold JobShark in 2002 and remained on its board of directors until 2003. Mr. von Teichman holds a Bachelor of Arts degree from the University of Western Ontario (now Western University), and sits on the board of directors of the Childhood Cancer Canada Foundation and is a member of the Young President's Organization.

### **James Haggarty** – *Director*

Mr. Haggarty is the current President & CEO of The SIM Group. Previously, Mr. Haggarty was a managing director of Gibraltar & Company, CEO of SHOP.CA and worked at Rogers Communications Inc. in several capacities, culminating as the Executive Vice President of Television Operations for Rogers Broadcasting Ltd., and prior to that he was the Vice President of Financial Operations for Rogers Media Inc. Mr. Haggarty brings considerable acquisition and merger experience gained over 23 years of industry experience, including having served as a CFO for several divisions of publicly listed companies. In addition, he chairs the audit committee for another publicly listed company since 2012 and is a member of the Board of Directors and audit committee of Gibraltar Growth Corporation. He has been a member of the Board of Directors for the Toronto Blue Jays Care Foundation since 2011. Mr. Haggarty is a CPA and CA and obtained his Honours Bachelor of Commerce at the Odette School of Business at the University of Windsor.

### **Blair Tamblyn** – *Director*

Blair Tamblyn is a Co-Founder, Managing Director and CEO of Timbercreek Asset Management, a leading Canadian-based global asset manager. Mr. Tamblyn is also Chairman of the Board for Timbercreek Financial. Mr. Tamblyn has over 20 years of experience working with the public and private capital markets and has led the origination, structuring, capitalization and execution of all public and private Timbercreek entities. Prior to founding Timbercreek in 1999, Mr. Tamblyn was employed at Connor, Clark & Company. Mr. Tamblyn is a graduate of the University of Western Ontario, and is a graduate of the Rotman School of Business Director Education Program.

### **Roger Daher** – *Director*

Roger Daher has been a licensed pharmacist for 25+ years and he is currently a practicing owner/partner in seven Ontario Pharmasave pharmacies. Since 2010, Mr. Daher, has been a member of the Pharmasave Ontario Board of Directors, as well as a member of the audit committee (current treasurer/secretary and also audit committee chair). Mr. Daher also serves as a Director on a number of other public companies, including Xylitol Canada Inc., where he is chairman of the Board.

### **Maria Pacella** – *Director*

Maria Pacella is currently the Senior Vice-President, Private Equity at PenderFund Capital Management Ltd. She has over 16 years of experience investing in emerging growth companies. Maria spent eleven years with one of Canada's largest venture capital firms where she invested in multiple early-stage ventures and served on a number of boards. Maria's experience also includes operational roles at early stage companies, facilitating M&A and leading financings. She holds a BBA from Simon Fraser University, and is a CFA charterholder and past President of CFA Society, Vancouver.

### Micheal Lovsin – Proposed Director

Micheal Lovsin is an accomplished retail executive with more than 35 years of experience in the Drugstore, Beauty Indulgence and Supermarkets industry. He is a former member of the Retail Council of Canada's Health and Wellness Committee and the Ontario Governments Healthy Kids panel. Micheal recently led the Brands team for Coles Supermarkets Pty Australia. Micheal's experience includes executive roles at Shoppers Drug Mart as VP Category Management, ULTA as VP Merchandising and Loblaws as SVP Health and Wellness as well as SVP Loblaw Brands.

### Other Reporting Issuer Experience

The following table sets out the proposed directors of the Corporation that are, or have been within the last five years, directors, officers or promoters of other issuers that are or were reporting issuers in any Canadian jurisdiction:

Name	Name of Reporting Issuer	Name of Exchange or Market	Position	From	To
James Haggarty	Klondex Mines Ltd.	TSX and NYSE	Director	June 2012	Present
	Gibraltar Growth Corporation	TSX	Director	October 2015	July 2017
	Rogers Communications Inc.	TSX and NYSE	Executive Vice President of TV Operations and Vice President of Financial Operations	April 2005	February 2012
Blair Tamblyn	Timbercreek Senior Mortgage Investment Corporation	TSX	Director	December 2011	Present
	Timbercreek Mortgage Investment Corporation	TSX	Director	June 2008	Present
	Timbercreek U.S. Multi- Residential Opportunity Fund #1	TSX	Chief Executive Officer	October 2012	Present
	StorageVault Canada Inc.	TSXV	Director	April 2015	Present
Roger Daher	Xylitol Canada Inc.	TSXV	Director	May 2008	Present
	Aumento Capital VI Corporation	TSXV	Director	January 2017	Present
	Aumento Capital V Corporation now WeedMD	TSXV	Director	June 2013	April 2017
	Exo U Inc.	TSXV	Director	August 2011	June 2013
Maria Pacella	PenderFund Capital Management Ltd.	TSXV	Senior Vice-President, Private Equity	January 2017	Present
Micheal Lovsin (Proposed Director)	Loblaw Companies Limited	TSX	Senior Vice President Drugstore, Loblaw Brands & Health and Wellness	October 2006	November 2013

**APPENDIX "B"**  
**COMMON SHARE OPTION PLAN**

**2014 ROLLING SHARE OPTION PLAN**

**Approved by the Board of Directors effective May 1, 2014**

**ARTICLE 1**  
**PURPOSE AND INTERPRETATION**

**Purpose and Entire Plan**

1.1 The purpose of this Plan is to advance the interests of the Company by encouraging equity participation in the Company through the acquisition of Common Shares of the Company. It is the intention of the Company that this Plan will at all times be in compliance with the TSX Venture Policies and any inconsistencies between this Plan and the TSX Venture Policies will be resolved in favour of the latter.

1.2 This Plan supersedes and replaces the Company's previously ratified stock option plan (the "**2013 Stock Option Plan**"), dated as ratified by the Board of the Company on August 29, 2013, except that any "Options" theretofore granted by the Company under its 2013 Stock Option Plan are necessarily brought forward by the Company under this Plan without restriction by the terms and conditions of this Plan going forward.

**Definitions**

1.3 In this Plan:

- (a) "**Affiliate**" means a company that is a parent or subsidiary of the Company, or that is controlled by the  
  
same entity as the Company;
- (b) "**Associate**" has the meaning set out in the Securities Act;
- (c) "**Black-out Period**" means an interval of time during which the Company has determined that one or more Participants may not trade any securities of the Company because they may be in possession of undisclosed material information pertaining to the Company, or when in anticipation of the release of quarterly or annual financials, to avoid potential conflicts associated with a company's insider-trading policy or applicable securities legislation, (which, for greater certainty, does not include the period during which a cease trade order is in effect to which the Company or in respect of an Insider, that Insider, is subject);
- (d) "**Board**" means the board of directors of the Company or any committee thereof duly empowered or authorized to grant Options under this Plan;
- (e) "**Change of Control**" includes situations where after giving effect to the contemplated transaction and  
  
as a result of such transaction:
  - (i) any one Person holds a sufficient number of voting shares of the Company or resulting company to affect materially the control of the Company or resulting company, or,

- (ii) any combination of Persons, acting in concert by virtue of an agreement, arrangement, commitment or understanding, holds in total a sufficient number of voting shares of the Company or its successor to affect materially the control of the Company or its successor,

where such Person or combination of Persons did not previously hold a sufficient number of voting shares to affect materially control of the Company or its successor. In the absence of evidence to the contrary, any Person or combination of Persons acting in concert by virtue of an agreement, arrangement, commitment or understanding, holding more than 20% of the voting shares of the Company or resulting company is deemed to materially affect control of the Company or resulting company;

- (f) **“Common Shares”** means common shares without par value in the capital of the Company providing such class is listed on the TSX Venture;
- (g) **“Company”** means the company named at the top hereof and includes, unless the context otherwise requires, all of its Affiliates and successors according to law;
- (h) **“Consultant”** means an individual or Consultant Company, other than an Employee, or a Director of the Company that:
  - (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Company or an Affiliate of the Company, other than services provided in relation to a Distribution;
  - (ii) provides the services under a written contract between the Company or an Affiliate 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 on the affairs and business of the Company or an Affiliate of the Company; and
  - (iv) has a relationship with the Company or an Affiliate of the Company that enables the individual or Consultant Company to be knowledgeable about the business and affairs of the Company;
- (i) **“Consultant Company”** means for an individual consultant, a company or partnership of which the individual is an employee, shareholder or partner;
- (j) **“Directors”** means the directors of the Company as may be elected from time to time;
- (k) **“Discounted Market Price”** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
- (l) **“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by all the Company’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to Common Shares beneficially owned by Insiders who are Service Providers or their Associates;
- (m) **“Distribution”** has the meaning assigned by the Securities Act, and generally refers to a distribution of securities by the Company from treasury;
- (n) **“Effective Date”** for an Option means the date of grant thereof by the Board;
- (o) **“Employee”** means:



- (i) an individual who is considered an employee of the Company or its subsidiary under the Income Tax Act (i.e. for whom income tax, employment insurance and CPP deductions must be made at source);
  - (ii) an individual who works full-time for the Company or a subsidiary providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions are not made at source; or
  - (iii) an individual who works for the Company or its subsidiary on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Company over the details and methods of work as an employee of the Company, but for whom income tax deductions need not be made at source;
- (p) **“Exercise Price”** means the amount payable per Common Share on the exercise of an Option, as determined in accordance with the terms hereof;
  - (q) **“Expiry Date”** means the day on which an Option lapses as specified in the Option Commitment therefore or in accordance with the terms of this Plan;
  - (r) **“Insider”** means an insider as defined in the TSX Venture Policies or as defined in securities legislation applicable to the Company;
  - (s) **“Investor Relations Activities”** has the meaning assigned by Policy 1.1 of the TSX Venture Policies;
  - (t) **“Management Company Employee”** means an individual employed by a Person providing management services to the Company which are required for the ongoing successful operation of the business enterprise of the Company, but excluding a Person engaged in Investor Relations Activities;
  - (u) **“Officer”** means a Board appointed officer of the Company;
  - (v) **“Option”** means the right to purchase Common Shares granted hereunder to a Service Provider;
  - (w) **“Option Commitment”** means the notice of grant of an Option delivered by the Company hereunder to a Service Provider and substantially in the form of Schedule A attached hereto;
  - (x) **“Optioned Shares”** means Common Shares that may be issued in the future to a Service Provider upon the exercise of an Option;
  - (y) **“Optionee”** means the recipient of an Option hereunder;
  - (z) **“Outstanding Shares”** means at the relevant time, the number of issued and outstanding Common Shares of the Company from time to time;
  - (aa) **“Participant”** means a Service Provider that becomes an Optionee;
  - (bb) **“Person”** includes a company, any unincorporated entity, or an individual;
  - (cc) **“Plan”** means this “2014 Rolling Share Option Plan”, the terms of which are set out herein or as may be amended;
  - (dd) **“Plan Shares”** means the total number of Common Shares which may be reserved for

issuance as Optioned Shares under the Plan as provided in Section 2.2;

- (ee) “**Regulatory Approval**” means the approval of the TSX Venture and any other securities regulatory authority that has lawful jurisdiction over the Plan and any Options issued hereunder;
- (ff) “**Securities Act**” means the *Securities Act*, R.S.O. 1990, c. S.5, or any successor legislation;
- (gg) “**Service Provider**” means a Person who is a bona fide Director, Officer, Employee, Management Company Employee, Consultant or Company Consultant, and also includes a company, 100% of the share capital of which is beneficially owned by one or more Service Providers;
- (hh) “**Share Compensation Arrangement**” means any Option under this Plan but also includes any other stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Common Shares to a Service Provider;
- (ii) “**Shareholder Approval**” means approval by a majority of the votes cast by eligible shareholders of the Company at a duly constituted shareholders’ meeting;
- (jj) “**Take-Over Bid**” means a take-over bid as defined in subsection 89(1) of the Securities Act or the analogous provisions of securities legislation applicable to the Company;
- (kk) “**Termination Date**” has the meaning ascribed thereto in Section 3.10;
- (ll) “**TSX Venture**” means the TSX Venture Exchange and any successor thereto; and
- (mm) “**TSX Venture Policies**” means the rules and policies of the TSX Venture as amended from time to time.

### **Other Words and Phrases**

1.4 Words and phrases used in this Plan but which are not defined in the Plan, but are defined in the TSX Venture Policies, will have the meaning assigned to them in the TSX Venture Policies.

### **Gender**

1.5 Words importing the masculine gender include the feminine or neuter, words in the singular include the plural, words importing a corporate entity include individuals, and vice versa.

## **ARTICLE 2** **SHARE OPTION PLAN**

### **Establishment of the Share Option Plan**

2.1 The Plan is hereby established to recognize contributions made by Service Providers and to create an incentive for their continuing assistance to the Company and its Affiliates.

### **Maximum Plan Shares**

2.2 The maximum aggregate number of Plan Shares that may be reserved for issuance under the Plan at any point in time is 10% of the Outstanding Shares at the time the Plan Shares are reserved for issuance, less any Common Shares reserved for issuance under share options granted under Share Compensation Arrangements other than this Plan, unless this Plan is amended pursuant to the requirements of the TSX Venture Policies.

### **Eligibility**

2.3 Options to purchase Common Shares may be granted hereunder to Service Providers from time to time by the Board. Service Providers that are not individuals will be required to undertake in writing not to effect or permit any transfer of ownership or option of any of its securities, or to issue more of its securities (so as to indirectly transfer the benefits of an Option), as long as such Option remains outstanding, unless the written permission of the TSX Venture and the Company is obtained.

### **Options Granted Under the Plan**

2.4 All Options granted under the Plan will be evidenced by an Option Commitment in the form attached as Schedule A, showing the number of Optioned Shares, the term of the Option, a reference to vesting terms, if any, and the Exercise Price.

2.5 Subject to specific variations approved by the Board, all terms and conditions set out herein will be deemed to be incorporated into and form part of an Option Commitment made hereunder.

### **Limitations on Issue**

2.6 Subject to Section 2.10, the following restrictions on issuances of Options are applicable under the Plan:

- (a) no Service Provider can be granted an Option if that Option would result in the total number of Options, together with all other Share Compensation Arrangements granted to such Service Provider in the previous 12 months, exceeding 5% of the Outstanding Shares unless the Company has obtained Disinterested Shareholder Approval to do so;
- (b) the aggregate number of Options granted to Service Providers conducting Investor Relations Activities in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant; and
- (c) the aggregate number of Options granted to any one Consultant in any 12-month period cannot exceed 2% of the Outstanding Shares, calculated at the time of grant.

### **Options Not Exercised**

2.7 In the event an Option granted under the Plan expires unexercised or is terminated by reason of dismissal of the Optionee for cause or is otherwise lawfully cancelled prior to exercise of the Option, the Optioned Shares that were issuable thereunder will be returned to the Plan and will be eligible for re-issuance. For greater certainty, Options which are exercised thereupon increase the number available to the Plan by the relevant percentage of Outstanding Shares as provided hereunder.

### **Powers of the Board**

2.8 The Board will be responsible for the general administration of the Plan and the proper execution of its provisions, the interpretation of the Plan and the determination of all questions arising

hereunder. Without limiting the generality of the foregoing, the Board has the power to

- (a) allot Common Shares for issuance in connection with the exercise of Options;
- (b) grant Options hereunder;
- (c) subject to any necessary Regulatory Approval, amend, suspend, terminate or discontinue the Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Plan will, without the prior written consent of all Optionees, alter or impair any Option previously granted under the Plan unless the alteration or impairment occurred as a result of a change in the TSX Venture Policies or the Company's tier classification thereunder; and
- (d) delegate all or such portion of its powers hereunder as it may determine to one or more committees of the Board, either indefinitely or for such period of time as it may specify, and thereafter each such committee may exercise the powers and discharge the duties of the Board in respect of the Plan so delegated to the same extent as the Board is hereby authorized so to do.

#### **Amendment of the Plan by the Board of Directors**

2.9 Subject to the requirements of the TSX Venture Policies and the prior receipt of any necessary Regulatory Approval, the Board may in its absolute discretion, amend or modify the Plan or any Option granted as follows:

- (a) it may make amendments which are of a typographical, grammatical or clerical nature only;
- (b) it may change the vesting provisions of an Option granted hereunder;
- (c) it may change the termination provision of an Option granted hereunder which does not entail an extension beyond the original Expiry Date of such Option;
- (d) it may make amendments necessary as a result in changes in securities laws applicable to the Company;
- (e) if the Company becomes listed or quoted on a stock exchange or stock market senior to the TSX Venture, it may make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (f) amend this Plan (except for previously granted and outstanding Options) to reduce the benefits that may be granted to Service Providers (before a particular Option is granted) subject to the other terms hereof.

#### **Terms or Amendments Requiring Disinterested Shareholder Approval**

2.10 The Company shall obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Company's other Share Compensation Arrangements, could result at any time in:
  - (i) the aggregate number of Common Shares reserved for issuance under Options granted to Insiders exceeding 10% of the Outstanding Shares (in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares);

- (ii) the number of Optioned Shares issued to Insiders within a one-year period exceeding 10% of the Outstanding Shares (in the event that this Plan is amended to reserve for issuance more than 10% of the Outstanding Shares); or,
  - (iii) the issuance to any one Optionee, within a 12-month period, of a number of Common Shares exceeding 5% of Outstanding Shares; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

### **Options Granted Under the Company's Previous Share Option Plans**

2.11 Any option granted pursuant to a stock option plan previously adopted by the Board which is outstanding at the time this Plan comes into effect shall be deemed to have been issued under this Plan and shall, as of the date this Plan comes into effect, be governed by the terms hereof.

## **ARTICLE 3 TERMS AND CONDITIONS OF OPTIONS**

### **Exercise Price**

3.1 The Exercise Price of an Option will be set by the Board on the Effective Date of the Option and cannot be less than the Discounted Market Price.

### **Term of Option**

3.2 An Option can be exercisable for a maximum of 10 years from the Effective Date.

### **Option Amendment**

3.3 Subject to Section 2.10(b), the Exercise Price of an Option may be amended only if at least six (6) months have elapsed since the later of the Effective Date, the date the Common Shares commenced trading on the TSX Venture, and the date of the last amendment of the Exercise Price.

3.4 An Option must be outstanding for at least one year before the Company may extend its term, subject to the limits contained in Section 3.2.

3.5 Any proposed amendment to the terms of an Option must be approved by the TSX Venture prior to the exercise of such Option.

### **Vesting of Options**

3.6 Subject to Section 3.7, vesting of Options shall be at the discretion of the Board, and will generally be subject to:

- i. the Service Provider remaining employed by or continuing to provide services to the Company or any of its Affiliates as well as, at the discretion of the Board, achieving certain milestones which may be defined by the Board from time to time or receiving a satisfactory performance review by the Company or any of its Affiliates during the vesting period; or
- ii. the Service Provider remaining as a Director of the Company or any of its Affiliates during the vesting period.

### **Vesting of Options Granted to Consultants Conducting Investor Relations Activities**

3.7 Notwithstanding Section 3.6, Options granted to Consultants conducting Investor Relations Activities will vest:

- i. over a period of not less than 12 months as to 25% on the date that is three months from the date of grant, and a further 25% on each successive date that is three months from the date of the previous vesting; or
- ii. such longer vesting period as the Board may determine.

### **Effect of Take-Over Bid**

3.8 If a Take-Over Bid is made to the shareholders, all options issued to directors, officers, employees and consultants that are not yet fully vested will immediately become fully vested, unless such options are subject to vesting restrictions in accordance with TSX Venture policies.

3.9 If a Take-Over Bid is made to the shareholders generally then the Company shall, immediately upon receipt of notice of the Take-Over Bid, notify each Optionee currently holding an Option of the Take-Over Bid, with full particulars thereof whereupon such Option may, subject to receipt of Regulatory Approval and notwithstanding Section 3.6, Section 3.7 and Section 3.7 be immediately exercised in whole or in part by the Optionee.

### **Extension of Options Expiring During Blackout Period**

3.10 Should the Expiry Date for an Option fall within a Blackout Period, or within nine (9) Business Days following the expiration of a Blackout Period, such Expiry Date shall be automatically extended without any further act or formality to that day which is the tenth (10<sup>th</sup>) Business Day after the end of the Blackout Period, such tenth Business Day to be considered the Expiry Date for such Option for all purposes under the Plan. Notwithstanding Section 2.8, the tenth Business Day period referred to in this Section 3.10 may not be extended by the Board.

### **Optionee Ceasing to be Director, Employee or Service Provider**

3.11 No Option may be exercised after the earlier of the date the Service Provider has left his employ/office and the date that the Service Provider has been advised by the Company that his services are no longer required or his service contract has expired (the "**Termination Date**"), except as follows:

- i. in the case of the death of an Optionee, any vested Option held by him at the date of death will become exercisable by the Optionee's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such Optionee and the date of expiration of the term otherwise applicable to such Option;
- ii. Options granted to a Service Provider conducting Investor Relations Activities will expire 90 days after the Termination Date, but only to the extent that such Option has vested as at the Termination Date;
- iii. any Option granted to an Optionee other than one conducting Investor Relations Activities will expire one year after the Termination Date, but only to the extent that such Option has vested as at the Termination Date; and
- iv. in the case of an Optionee being dismissed from employment or service for cause, such Optionee's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

### **Non Assignable**

3.12 Subject to s.3.11, all Options will be exercisable only by the Optionee to whom they are granted and will not be assignable or transferable.

### **Adjustment of the Number of Optioned Shares**

3.13 The number of Common Shares subject to an Option will be subject to adjustment in the events and in the manner following

- i. in the event of a subdivision of Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a greater number of Common Shares, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder, in addition to the number of Optioned Shares in respect of which the right to purchase is then being exercised, such additional number of Common Shares as result from the subdivision without an Optionee making any additional payment or giving any other consideration therefore;
- ii. in the event of a consolidation of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, into a lesser number of Common Shares, the Company will thereafter deliver and an Optionee will accept, at the time of purchase of Optioned Shares hereunder, in lieu of the number of Optioned Shares in respect of which the right to purchase is then being exercised, the lesser number of Common Shares as result from the consolidation;
- iii. in the event of any change of the Common Shares as constituted on the date hereof, at any time while an Option is in effect, the Company will thereafter deliver at the time of purchase of Optioned Shares hereunder the number of shares of the appropriate class resulting from the said change as an Optionee would have been entitled to receive in respect of the number of Common Shares so purchased had the right to purchase been exercised before such change;
- iv. in the event of a capital reorganization, reclassification or change of outstanding equity shares (other than a change in the par value thereof) of the Company, a consolidation, merger or amalgamation of the Company with or into any other company or a sale of the property of the Company as or substantially as an entirety at any time while an Option is in effect, an Optionee will thereafter have the right to purchase and receive, in lieu of the Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option, the kind and amount of shares and other securities and property receivable upon such capital reorganization, reclassification, change, consolidation, merger, amalgamation or sale which the holder of a number of Common Shares equal to the number of Optioned Shares immediately theretofore purchasable and receivable upon the exercise of the Option would have received as a result thereof. The subdivision or consolidation of Common Shares at any time outstanding (whether with or without par value) will not be deemed to be a capital reorganization or a reclassification of the capital of the Company for the purposes of this Section 3.13;
- v. an adjustment will take effect at the time of the event giving rise to the adjustment, and the adjustments provided for in this section are cumulative;
- vi. the Company will not be required to issue fractional shares in satisfaction of its obligations hereunder. Any fractional interest in a Common Share that would, except for the provisions of this Section 3.13, be deliverable upon the exercise of an Option will be cancelled and not be deliverable by the Company; and

- vii. if any questions arise at any time with respect to the Exercise Price or number of Optioned Shares deliverable upon exercise of an Option in any of the events set out in this Section 3.13, such questions will be conclusively determined by the Company's auditors, or, if they decline to so act, any other firm of Chartered Accountants, in Vancouver, British Columbia (or in the city of the Company's principal executive office) that the Company may designate and who will be granted access to all appropriate records. Such determination will be binding upon the Company and all Optionees.

## **ARTICLE 4**

### **COMMITMENT AND EXERCISE PROCEDURES**

#### **Option Commitment**

4.1 Upon grant of an Option hereunder, an authorized officer of the Company will deliver to the Optionee an Option Commitment detailing the terms of such Options and upon such delivery the Optionee will be subject to the Plan and have the right to purchase the Optioned Shares at the Exercise Price set out therein subject to the terms and conditions hereof.

#### **Manner of Exercise**

4.2 An Optionee who wishes to exercise his Option may do so by delivering

- (a) a written notice to the Company specifying the number of Optioned Shares being acquired pursuant to the Option; and
- (b) a certified cheque, wire transfer or bank draft payable to the Company for the aggregate Exercise Price by the Optioned Shares being acquired.

#### **Tax Withholding and Procedures**

4.3 Notwithstanding anything else contained in this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law, or the funding of related amounts for which liability may arise under such applicable law. Without limiting the generality of the foregoing, an Optionee who wishes to exercise an Option must, in addition to following the procedures set out elsewhere in this Plan, and as a condition of exercise:

- (a) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such taxes or related amounts; or
- (b) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that the amount will be securely funded;

and must in all other respects follow any related procedures and conditions imposed by the Company.

#### **Delivery of Certificate and Hold Periods**

4.4 As soon as practicable after receipt of the notice of exercise described in Section 4.2 and payment in full for the Optioned Shares being acquired, the Company will direct its transfer agent to issue a certificate to the Optionee for the appropriate number of Optioned Shares. Such certificate issued will bear a legend stipulating any resale restrictions required under applicable securities laws. Further, if the Exercise Price is set below than the then current market price of the Common Shares on the TSX Venture, the certificate will also bear a legend stipulating that the Optioned Shares are subject to a four-month TSX Venture hold period commencing the date of the grant of the Option.



**ARTICLE 5**  
**GENERAL**

**Employment and Services**

5.1 Nothing contained in the Plan will confer upon or imply in favour of any Optionee any right with respect to office, employment or provision of services with the Company, or interfere in any way with the right of the Company to lawfully terminate the Optionee's office, employment or service at any time pursuant to the arrangements pertaining to same. Participation in the Plan by an Optionee is voluntary.

**No Representation or Warranty**

5.2 The Company makes no representation or warranty as to the future market value of Common Shares issued in accordance with the provisions of the Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Common Shares issuable thereunder or the tax consequences to a Service Provider. Compliance with applicable securities laws as to the disclosure and resale obligations of each Participant is the responsibility of each Participant and not the Company.

**Interpretation**

5.3 The Plan will be governed and construed in accordance with the laws of the Province of British Columbia.

**Effective Date of Plan**

5.4 The Plan will become effective from and after May 1, 2014.

**APPENDIX “C”**  
**CHANGE OF CONTROL PROVISION IN NEO EMPLOYMENT CONTRACTS**

A “Change of Control” shall have occurred if, during the term of this Agreement, in any of the following cases:

- i. the acceptance by the shareholders of the Corporation (the “Shareholders”), representing in the aggregate more than 50% of all issued and outstanding shares, of any offer, whether by way of a take-over bid or otherwise, for all or any of the shares of the Corporation (the “Shares”);
- ii. the acquisition hereafter, by whatever means (including, without limitation, by way of an arrangement, merger or amalgamation), by any person (or two or more persons acting jointly or in concert), directly or indirectly, of the beneficial ownership of Shares or rights to acquire Shares that, together with such Person’s then owned Shares and rights to acquire Shares, if any, represent in the aggregate more than fifty percent (50%) of all issued and outstanding Shares, excluding any such acquisition occurring in conjunction with the sale of assets to the Corporation in the ordinary course of the Corporation’s business;
- iii. the passing of a resolution by the Board or the Shareholders to substantially liquidate the assets or wind-up or significantly rearrange the affairs of the Corporation in one or more transactions or series of transactions (including by way of an arrangement, merger or amalgamation) or the commencement of proceedings for such a liquidation, winding-up or re-arrangement;
- iv. the sale by the Corporation of all or substantially all of its assets (other than to an affiliate of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly, and where shareholdings of the Corporation remain substantially the same following the sale as existed prior to the sale);
- v. persons who were proposed as nominees (but not including nominees under a Shareholders proposal) to become directors of the Corporation immediately prior to a meeting of the Shareholders involving a contest for, or an item of business relating to the election of directors of the Corporation, not constituting a majority of the directors of the Corporation following such election; or
- vi. any other event which, in the opinion of the Board, reasonably constitutes a change of control of the Corporation.

Chief Executive Officer – Change in Control Provision

- a) In the event that there is a Change of Control (as such term is defined in the executive employment agreement), the Executive, within thirty (30) days thereafter, may give notice to terminate his employment with the Corporation, and as a result, the Executive shall be entitled to the following:
  - i. a lump sum payment equal to
    - A. the Annual Base Salary divided by 12, multiplied by
    - B. the number of completed years of service, plus three, up to a maximum of 18; and
  - ii. all entitlements pursuant to any Compensation Plans shall immediately and automatically become fully vested and shall be exercisable by, or issuable to, the Executive within the time period provided for in the applicable Compensation Plans.
- b) In the event that there is a Change of Control (as such term is defined in the executive employment agreement) and the Executive is terminated by the provision of notice within one (1) year of the Change of Control (as defined below), section (a) shall not apply and the Executive shall be entitled to the following:
  - i. a lump sum payment equal to
    - A. the most recent Annual Bonus divided by 12 plus the Annual Base Salary divided by 12, multiplied by
    - B. the number of completed years of service, plus three, up to a maximum of 22; and
  - ii. all entitlements pursuant to any Compensation Plans shall immediately and automatically become fully vested and shall be exercisable by, or issuable to, the Executive within the time period provided for in the applicable Compensation Plans.

Other Named Executive Officers – Change in Control Provision

- (a) In the event that there is a Change of Control (as such term is defined in the executive employment agreement), the Executive, within thirty (30) days thereafter, may give notice to terminate his employment with the Corporation, and as a result, the Executive shall be entitled to the following:
  - (i) a lump sum payment equal to:
    - (A) the Annual Base Salary divided by 12, multiplied by
    - (B) the greater of:
      - (1) the number of completed years of service, or
      - (2) three,up to a maximum of 18.
  - (b) In the event that there is a Change of Control (as such term is defined in the executive employment agreement) and the Executive is terminated by the provision of notice as set out in section 4.1(a) within one (1) year of the Change of Control (as such term is defined in the executive employment agreement), as a result, the Executive shall be entitled to the following:
    - (i) a lump sum payment equal to:
      - (A) the most recent Annual Bonus divided by 12 plus the Annual Base Salary divided by 12, multiplied by
      - (B) the greater of:
        - (1) the number of completed years of service, or
        - (2) four,up to a maximum of 22.
    - (ii) all entitlements pursuant to any Compensation Plans shall immediately and automatically become fully vested and shall be exercisable by, or issuable to, the Executive within the time period provided for in the applicable Compensation Plans.

**APPENDIX “D”**  
**AUDIT COMMITTEE CHARTER**

(Implemented pursuant to National Instrument 52-110 – *Audit Committees*)

National Instrument 52-110 – *Audit Committees* (the “**Instrument**”) relating to the composition and function of audit committees was implemented for reporting issuers and, accordingly, applies to every TSX Venture Exchange listed company, including the Corporation. The Instrument requires all affected issuers to have a written audit committee charter which must be disclosed, as stipulated by Form 52-110F2, in the management information circular of the Corporation wherein management solicits proxies from the security holders of the Corporation for the purpose of electing directors to the board of directors. The Corporation, as a TSX Venture Exchange-listed company is, however, exempt from certain requirements of the Instrument.

This Charter has been adopted by the board of directors of the Corporation (the “**Board**”) in order to comply with the Instrument and to more properly define the role of the Committee in the oversight of the financial reporting process of the Corporation. Nothing in this Charter is intended to restrict the ability of the board of directors or Committee to alter or vary procedures in order to comply more fully with the Instrument, as amended from time to time.

**PART 1**

**Purpose**

The purpose of the Committee is to:

1. improve the quality of the Corporation’s financial reporting;
2. assist the board of directors to properly and fully discharge its responsibilities;
3. provide an avenue of enhanced communication between the directors and external auditors;
4. enhance the external auditor’s independence;
5. increase the credibility and objectivity of financial reports; and
6. strengthen the role of the directors by facilitating in depth discussions between directors, management and external auditors.

**1.1 Definitions**

“**accounting principles**” has the meaning ascribed to it in National Instrument 52-107 – *Acceptable Accounting Principles, Auditing Standards and Reporting Currency*;

“**Affiliate**” means a Corporation that is a subsidiary of another Corporation or companies that are controlled by the same entity;

“**audit services**” means the professional services rendered by the Corporation’s external auditor for the audit and review of the Corporation’s financial statements or services that are normally provided by the external auditor in connection with statutory and regulatory filings or engagements;

“**Board**” has the meaning set forth above; “**Charter**” means this audit committee charter;

“**Committee**” means the committee established by and among certain members of the Board for

the purpose of overseeing the accounting and financial reporting processes of the Corporation and audits of the financial statements of the Corporation;

“**Control Person**” means any individual or company that holds or is one of a combination of individuals or companies that holds a sufficient number of any of the securities of the Corporation so as to affect materially the control of the Corporation, or that holds more than 20% of the outstanding voting shares of the Corporation except where there is evidence showing that the holder of those securities does not materially affect the control of the Corporation;

“**financially literate**” has the meaning set forth in Section 1.2; “**Instrument**” has the meaning set forth above;

“**MD&A**” has the meaning ascribed to it in National Instrument 51-102;

“**Member**” means a member of the Committee;

“**National Instrument 51-102**” means National Instrument 51-102 - *Continuous Disclosure Obligations*; and

“**Non-audit services**” means services other than auditservices.

## **1.2 Meaning of Financially Literate**

For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

## **PART 2**

### **2.1 Audit Committee**

The Board has hereby established the Committee for, among other purposes, compliance with the Instrument.

### **2.2 Relationship with External Auditors**

The Corporation will require its external auditor to report directly to the Committee and the Members shall ensure that such is the case.

### **2.3 Committee Responsibilities**

1. The Committee shall be responsible for making the following recommendations to the Board:
  - (a) the external auditor to be nominated for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation; and
  - (b) the compensation of the external auditor.
2. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor’s report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditor regarding financial reporting. This responsibility shall include:

- (a) reviewing the audit plan with management and the external auditor;
  - (b) reviewing with management and the external auditor any proposed changes in major accounting policies, the presentation and impact of significant risks and uncertainties, and key estimates and judgements of management that may be material to financial reporting;
  - (c) questioning management and the external auditor regarding significant financial reporting issues discussed during the fiscal period and the method of resolution;
  - (d) reviewing any problems experienced by the external auditor in performing the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
  - (e) reviewing audited annual financial statements, in conjunction with the report of the external auditor, and obtaining an explanation from management of all significant variances between comparative reporting periods;
  - (f) reviewing the post-audit or management letter, containing the recommendations of the external auditor, and management's response and subsequent follow up to any identified weakness;
  - (g) reviewing interim unaudited financial statements before release to the public;
  - (h) reviewing all public disclosure documents containing audited or unaudited financial information before release, including any prospectus, the annual report and management's discussion and analysis;
  - (i) reviewing the evaluation of internal controls by the external auditor, together with management's response;
  - (j) reviewing the terms of reference of the internal auditor, if any;
  - (k) reviewing the reports issued by the internal auditor, if any, and management's response and subsequent follow up to any identified weaknesses; and
  - (l) reviewing the appointments of the chief financial officer and any key financial executives involved in the financial reporting process, as applicable.
3. The Committee shall pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the issuer's external auditor.
  4. The Committee shall review the Corporation's financial statements, MD&A, and annual and interim earnings press releases before the Corporation publicly discloses this information.
  5. The Committee shall ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and shall periodically assess the adequacy of those procedures.
  6. When there is to be a change of auditor, the Committee shall review all issues related to the change, including the information to be included in the notice of change of auditor called for under National Instrument 51-102, and the planned steps for an orderly transition.
  7. The Committee shall review all reportable events, including disagreements, unresolved issues

and consultations, as defined in National Instrument 51-102, on a routine basis, whether or not there is to be a change of auditor.

8. The Committee shall, as applicable, establish procedures for:
  - (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and
  - (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.
9. As applicable, the Committee shall establish, periodically review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer, as applicable.
10. The responsibilities outlined in this Charter are not intended to be exhaustive. Members should consider any additional areas which may require oversight when discharging their responsibilities.

#### **2.4 De Minimis Non-Audit Services**

The Committee shall satisfy the pre-approval requirement in subsection 2.3(3) if:

- (a) the aggregate amount of all the non-audit services that were not pre-approved is reasonably expected to constitute no more than five per cent of the total amount of fees paid by the issuer and its subsidiary entities to the issuer's external auditor during the financial year in which the services are provided;
- (b) the Corporation or the subsidiary of the Corporation, as the case may be, did not recognize the services as non-audit services at the time of the engagement; and
- (c) the services are promptly brought to the attention of the Committee and approved by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee, prior to the completion of the audit.

#### **2.5 Delegation of Pre-Approval Function**

1. The Committee may delegate to one or more independent Members the authority to pre-approve non-audit services in satisfaction of the requirement in subsection 2.3(3).
2. The pre-approval of non-audit services by any Member to whom authority has been delegated pursuant to subsection 2.5(1) must be presented to the Committee at its first scheduled meeting following such pre-approval.

### **PART 3**

#### **3.1 Composition**

1. The Committee shall be composed of a minimum of three Members.
2. Every Member shall be a director of the issuer.
3. The majority of Members shall not be employees, Control Persons or officers of the Corporation.

4. If practicable, given the composition of the directors of the Corporation, each Member shall be financially literate.
5. The Board shall appoint or re-appoint the Members after each annual meeting of shareholders of the Corporation.

#### **PART 4**

##### **4.1 Authority**

Until the replacement of this Charter, the Committee shall have the authority to:

- (a) engage independent counsel and other advisors as it determines necessary to carry out its duties;
- (b) set and pay the compensation for any advisors employed by the Committee;
- (c) communicate directly with the internal and external auditors; and
- (d) recommend the amendment or approval of audited and interim financial statements to the Board.

#### **PART 5**

##### **5.1 Disclosure in Information Circular**

If management of the Corporation solicits proxies from the security holders of the Corporation for the purpose of electing directors to the Board, the Corporation shall include in its management information circular the disclosure required by Form 52-110F2 (Disclosure by Venture Issuers).

#### **PART 6**

##### **6.1 Meetings**

1. Meetings of the Committee shall be scheduled to take place at regular intervals and, in any event, not less frequently than quarterly.
2. Opportunities shall be afforded periodically to the external auditor, the internal auditor and to members of senior management to meet separately with the Members.
3. Minutes shall be kept of all meetings of the Committee.