



**GREENSPACE BRANDS INC.  
MANAGEMENT INFORMATION CIRCULAR  
November 26, 2020**

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

**This management information circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of GreenSpace Brands Inc. ("GreenSpace" or the "Corporation") for use at the annual and special meeting (the "Meeting") of the shareholders of the Corporation to be held at the offices of Bennett Jones LLP, Suite 3400, One First Canadian Place, Toronto, Ontario and via teleconference at 10:00 a.m. (Toronto time), on Thursday, December 31, 2020 and at all adjournments thereof for the purposes set forth in the accompanying notice of meeting (the "Notice of Meeting").**

The solicitation of proxies will be made primarily by mail and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares in the capital of the Corporation ("**Common Shares**") in their own names, or in the names of nominees, for their reasonable expenses for sending forms of proxy and this Circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of any such solicitation will be borne by the Corporation.

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

Unless otherwise specified, the information contained herein is given as at November 26, 2020.

**Appointment of Proxies**

A registered shareholder of the Corporation may vote in person at the Meeting or may appoint another person to represent such shareholder as proxy and to vote the Common Shares of such shareholder at the

Meeting. In order to appoint another person as proxy, such shareholder must complete, execute and deliver the form of proxy accompanying this Circular, or another proper form of proxy, in the manner specified in the Notice of Meeting.

**The persons named in the form of proxy accompanying this Circular are officers and/or directors of the Corporation. A shareholder of the Corporation has the right to appoint a person or company (who need not be a shareholder of the Corporation), other than the persons designated in the form of proxy, to represent such shareholder at the Meeting and at any adjournment thereof. Such right may be exercised by either striking out the names of the persons designated in the form of proxy and inserting the name of the person to be appointed in the blank space provided in the form of proxy, or by completing another proper form of proxy and, in either case, delivering the completed and executed form of proxy to Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department, no later than 10:00 a.m. (Toronto time) on Tuesday, December 29, 2020 (or no later than 48 hours (excluding Saturdays, Sundays and holidays) prior to any reconvened Meeting in the event of an adjournment of the Meeting) or depositing the completed and executed form of proxy with the Chairman of the Meeting prior to the commencement of the Meeting or any adjournment thereof. Voting instructions may also be provided by internet or telephone by following the instructions on the form of proxy.**

### **Signing of Proxy**

The form of proxy must be signed by the shareholder of the Corporation or the duly appointed attorney thereof authorized in writing or, if the shareholder of the Corporation is a corporation, by an authorized officer of such corporation. A form of proxy signed by the person acting as attorney of the shareholder of the Corporation or in some other representative capacity, including an officer of a corporation which is a shareholder of the Corporation, should indicate the capacity in which such person is signing. A shareholder of the Corporation or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

### **Revocation of Proxies**

A registered shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to use by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered shareholder or by his or her attorney who is authorized by a document that is executed in writing or by electronic signature or, if the registered shareholder is a corporation, by an authorized officer or attorney thereof, or transmitting, by telephonic or electronic means, a revocation signed, subject to the *Business Corporations Act* (Ontario), by electronic signature, to (i) the registered office of the Corporation, located at 176 St. George Street, Toronto, Ontario, M5R 2M7, at any time prior to 5:00 p.m. (Toronto time) on the last business day preceding the day of the Meeting or any adjournment thereof, or (ii) the Chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law.

### **Exercise of Discretion by Proxies**

The Common Shares represented by an appropriate form of proxy will be voted or withheld from voting on any ballot that may be called for at the Meeting, or at any adjournment thereof, in accordance with the instructions of the shareholder of the Corporation contained on the form of proxy and, if the shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted

accordingly. **In the absence of instructions, such Common Shares will be voted in favour of each of the matters described in the Notice of Meeting.**

**The enclosed form of proxy, when properly completed and signed, confers discretionary authority upon the persons named therein to vote on any amendments to or variations of the matters described in the Notice of Meeting and on other matters, if any, which may properly be brought before the Meeting or any adjournment thereof.** At the date hereof, management of the Corporation knows of no such amendments or variations or other matters to be brought before the Meeting. However, if any other matter which is not now known to management of the Corporation should properly be brought before the Meeting, or any adjournment thereof, the Common Shares represented by such proxy will be voted on such matter in accordance with the judgment of the person named as proxy thereon.

### **Non-Registered Shareholders**

Only registered shareholders of the Corporation, or the persons they appoint as their proxy, are entitled to attend and vote at the Meeting. The Common Shares of a non-registered shareholder (a "**Non-Registered Shareholder**") who beneficially owns Common Shares will generally be registered in the name of either:

- (a) an intermediary (an "**Intermediary**") with whom the Non-Registered Shareholder deals in respect of the Common Shares (including, among others, banks, trust companies, securities dealers or brokers, trustees or administrators of a self-administered registered retirement savings plan, registered retirement income fund, registered education savings plan and similar plans); or
- (b) a clearing agency (such as CDS Clearing and Depository Services Inc. or The Depository Trust Company) of which the Intermediary is a participant.

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this Circular and the accompanying form of proxy (collectively, the "**Meeting Materials**") to the Intermediaries for onward distribution to Non-Registered Shareholders. Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless the Non-Registered Shareholders have waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will be given either:

- (a) a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the voting instruction form to validly constitute a form of proxy, the Non-Registered Shareholder must remove the label from the instructions and affix it to the voting instruction form, properly complete and sign the voting instruction form and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or

- (b) a form of proxy **which has already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Trust Company of Canada, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, Attention: Proxy Department.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares they beneficially own. Should a Non-Registered Shareholder who receives either a voting instruction form or a form of proxy wish to attend the Meeting and vote in person (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the names of the persons named in the form of proxy and insert the Non-Registered Shareholder's (or such other person's) name in the blank space provided or, in the case of a voting instruction form, follow the directions indicated on the form. **Non-Registered Shareholders should carefully follow the instructions of their Intermediaries and their service companies, including those instructions regarding when and where the voting instruction form or the form of proxy is to be delivered.**

A Non-Registered Shareholder who has submitted a voting instruction form or form of proxy may revoke it by contacting the Intermediary through which the Common Shares of such Non-Registered Shareholder are held and following the instructions of the Intermediary respecting the revocation of proxies.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The directors of the Corporation have fixed November 26, 2020 as the record date for the determination of the shareholders of the Corporation entitled to receive notice of the Meeting (the "**Record Date**"). Shareholders of record at the close of business on the Record Date will be entitled to vote at the Meeting and at all adjournments thereof.

As at the Record Date, there were 239,666,468 Common Shares outstanding. Each Common Share entitles the holder thereof to one vote at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, as at the Record Date, no person or company beneficially owned, or controlled or directed, directly or indirectly, voting securities of the Corporation carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, other than PenderFund Capital Management Ltd., which owns 63,669,000 Common Shares, or 26.58% of the Common Shares outstanding.

## **BUSINESS OF THE MEETING**

### **1. Receiving the Financial Statements**

The audited consolidated financial statements of the Corporation for the financial year ended March 31, 2020 have been mailed to the Corporation's registered and beneficial shareholders who requested to receive them. The financial statements are also available on the SEDAR website at [www.sedar.com](http://www.sedar.com). At the Meeting, shareholders and proxy holders will be given an opportunity to discuss the financial results with management.

## 2. Election of Directors

The board of directors of the Corporation (the "**Board**") presently consists of four directors, the term for all of whom ends at the close of the Meeting. The Board has fixed the number of directors to be elected at the Meeting at four. Accordingly, at the Meeting, shareholders of the Corporation will be asked to elect four directors for the ensuing year. Each director elected will hold office until the close of the next annual meeting of the shareholders of the Corporation following his or her election unless his or her office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth certain information regarding each person proposed to be nominated for election as a director, including their name, position, province or state and country of residence, the date on which they became a director of the Corporation, their principal occupation, business or employment during the last five years and the approximate number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by them as of November 26, 2020.

<b>Name, Position, Province or State and Country of Residence</b>	<b>Director Since</b>	<b>Principal Occupation, Business or Employment</b>	<b>Common Shares Owned or Controlled or Directed</b>
Paul Henderson <sup>(1)</sup> Ontario, Canada  Executive Chairman and Interim Chief Executive Officer	February 26, 2020	Executive Chairman and Interim Chief Executive Officer of the Corporation; Former consultant, Paul Henderson Consulting	Nil
Michael LeClair <sup>(2)(3)</sup> Ontario, Canada  Director	September 26, 2019	President and Founder of GML Legacy Corp.	Nil
Tracy Tidy <sup>(4)</sup> British Columbia, Canada  Director	February 26, 2020	Equity Analyst, PenderFund Capital Management Ltd.; Equity Analyst, Mackenzie Investments	Nil
Glenn Fagan <sup>(1)(3)</sup> Ontario, Canada  Director	July 28, 2020	Consultant, Glenn Fagan Consulting; Vice President, Canadian Public Accounting Board	Nil

**Notes:**

- (1) Member of the Audit Committee.
- (2) Chair of the Audit Committee.
- (3) Member of the Human Resources, Governance and Compensation Committee (the "**HRGC Committee**").
- (4) Chair of the HRGC Committee. Equity Analyst with PenderFund Capital Management Ltd., an entity that holds 63,699,000 (26.58%) Common Shares of the Corporation.

Biographies for each person proposed to be nominated for election as a director are set forth below:

**Paul Henderson** – *Executive Chairman, Interim Chief Executive Officer*

Paul Henderson is an experienced director and business executive with extensive food industry experience in Chief Executive Officer and other senior executive roles. Paul began his career with six years of public accounting with legacy PwC, then transitioned to industry, spending virtually all of his time in food manufacturing in Chief Financial Officer, Chief Operating Officer, President and/or Chief Executive Officer roles. His career included considerable success in turnaround situations during which he led each organization through troubling times and back to what was often record performance levels for those organizations. Prior to his current role with GreenSpace, Paul had retired and periodically provided consulting services to select clientele. He served as Chief Executive Officer of Golden Boy Foods Ltd. (2014-2015); President of Golden Boy Foods Ltd.'s nut butter division (2012-2014); Chief Executive Officer of Menu Foods Income Fund (2005-2010) having served and President, Chief Operating Officer, Chief Financial Officer of Menu Foods Income Fund (1998-2005); Chief Financial Officer of Cott Corporation (1990-1998). Other employers included Seven-Up Canada Inc. (1987-1990) and Price Waterhouse, now PwC (1981-1987). Paul is a CPA, CA and holds a Bachelor of Commerce degree from the University of Toronto.

**Michael LeClair** – *Director*

Michael LeClair is an experienced director and strategic advisor with an extensive background in corporate finance, mergers and acquisitions and private equity. Mr. LeClair, through his management company, GML Legacy Corp., is Chair of the board of trustees of Centurion Financial Trust and acted as the Chief Investment Officer of Constant Power Inc. (2016 – 2018) prior to arranging its sale on behalf of its sole shareholder. Prior to joining the board of trustees of Centurion Financial Trust, Mr. LeClair acted as Managing Director of Integrated Asset Management – Private Debt Group (2002-2015), an institutional debt fund specializing in providing financing solutions for mid-market Canadian companies including small to medium-sized energy projects in North America. He is currently a member of the Investment Committee of the Toronto Atmospheric Fund and is a strategic advisor to a fast growing, specialty engineering company based in Toronto. Throughout his career, he has served in various executive capacities including President of Westpark Healthcare Foundation, a Toronto based hospital foundation, Vice President, Corporate Development at Chubb Security (1998-2001), a global security company, and as a strategic advisor and director for a number of Canadian and U.S. private companies. Mr. LeClair is a Certified Corporate Director with a degree from the Rotman School of Management at the University of Toronto and holds a Bachelor of Science degree from the University of Western Ontario.

**Tracy Tidy** – *Director*

Tracy Tidy is an experienced Equity Analyst. She has been a member of the investment team at PenderFund Capital Management Ltd. since January 2019. Her focus is predominantly on small cap Canadian equities. Ms. Tidy previously worked as an equity analyst covering large cap global securities for the Cundill team at Mackenzie Investments between 2006-2016. Before moving into research, she held various Institutional Equity Sales Trading roles at Canaccord Capital Corporation, now Canaccord Genuity Inc. and UBS. Ms. Tidy is a CFA Charterholder and has a Bachelor's of Business Administration from Simon Fraser University.

**Glenn Fagan** – *Director*

Glenn Fagan is an experienced financial executive whose career has spanned public accounting, private and public companies and regulation. His 23 years of public accounting, included 13 years as an audit partner with legacy PwC, where he specialized in retail, wholesale, distribution and manufacturing sectors with both private and publicly-listed clients. This was followed by another 12 years as Chief Financial Officer

or VP Finance at a number of private and public companies in retail, construction and manufacturing sectors and another 6 years as an executive with the Canadian Public Accountability Board (CPAB) – Canada's audit regulator. Throughout his career, he has been involved as a director or committee member of numerous not-for-profit entities and is currently a consultant advising audit firms on audit quality matters – particularly to public audits. Glenn is an FCPA, FCA and holds a Bachelor of Commerce degree from Queens University.

### ***Corporate Cease Trade Orders***

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

### ***Corporate Bankruptcies***

None of the persons proposed to be nominated for election as a director of the Corporation is, as at the date hereof, or has been, within the ten years prior to the date hereof, a director or executive officer of any company (including the Corporation) that, while that person was acting in such capacity, or within a year of that person ceasing to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

### ***Personal Bankruptcies***

None of the persons proposed to be nominated for election as a director of the Corporation has, within the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become 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***

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

**The persons named in the form of proxy accompanying this Circular intend to vote FOR the election of each of the nominees whose names are set forth above, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the election of each such nominee.** Management of the Corporation does not contemplate that any of the nominees will be unable to serve as a director of the Corporation for the ensuing year, however, if that should occur for any reason at or prior to the Meeting or any adjournment thereof, the persons named in the form of proxy accompanying this Circular have the right to vote for the election of the remaining nominees and may vote for the election of a substitute nominee in their discretion.

### 3. Appointment of Auditor

It is proposed that MNP LLP be appointed as the auditor of the Corporation to hold office until the close of the next annual meeting of the shareholders of the Corporation and that the Board be authorized to fix the auditor's remuneration. MNP LLP, of Mississauga, Ontario, is currently the auditor of the Corporation and has been the auditor of the Corporation since April 30, 2015.

**The persons named in the form of proxy accompanying this Circular intend to vote FOR the appointment of MNP LLP as the auditor of the Corporation to hold office until the close of the next annual meeting of the shareholders of the Corporation and the authorization of the Board to fix the auditor's remuneration, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the appointment of the auditor of the Corporation.**

### 4. Approval of the Share Option Plan

The shareholders of the Corporation last approved the Corporation's 2014 Rolling Share Option Plan (the "**Share Option Plan**") on September 26, 2019. Pursuant to the policies of the TSX Venture Exchange (the "**TSXV**"), the Corporation is required to obtain shareholder approval of the Share Option Plan each year because the Share Option Plan is a "**rolling**" option plan.

For a summary of the key provisions of the Share Option Plan, please see the information under the heading "*Statement of Executive Compensation – Share Option Plan*" of this Circular, which summary is qualified in all respects by the full text of the Share Option Plan, a copy of which is attached hereto as Appendix "A".

At the Meeting, shareholders of the Corporation will be asked to consider and, if deemed advisable, to pass, with or without variation, a resolution (the "**Share Option Plan Resolution**") confirming and approving the Share Option Plan. The full text of the Share Option Plan Resolution is set out in Appendix "B" attached hereto.

In order to be passed, the Share Option Plan Resolution requires the approval of a majority of the votes cast thereon by shareholders of the Corporation present in person or represented by proxy at the Meeting. The directors of the Corporation unanimously recommend that shareholders vote in favour of the Share Option Plan Resolution. **The persons named in the form of proxy accompanying this Circular intend to vote FOR the Share Option Plan Resolution, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be voted against the Share Option Plan Resolution.**

### OTHER BUSINESS

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



**INTEREST OF CERTAIN PERSONS OR COMPANIES  
IN MATTERS TO BE ACTED UPON**

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

**STATEMENT OF EXECUTIVE COMPENSATION**

The purpose of this section is to describe the compensation of the "Named Executive Officers" of the Corporation and the directors of the Corporation in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* of the Canadian Securities Administrators. "Named Executive Officer" refers to each individual who, during any part of the most recently completed financial year, served as chief executive officer, including an individual performing functions similar to a chief executive officer, each individual who, during any part of the most recently completed financial year, served as chief financial officer, including an individual performing functions similar to a chief financial officer, and the most highly compensated executive officer, other than any chief executive officer and chief financial officer, at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year. The Named Executive Officers of the Corporation for the financial year ended March 31, 2020 were Matthew von Teichman, the Chairman of the Corporation, and President and Chief Executive Officer; Stuart Pasternak, the Corporation's Chief Financial Officer from May 23, 2019 to April 16, 2020; Cindy Leung, the Corporation's Vice-President of Finance and Interim Chief Financial Officer from February 1, 2019 to May 23, 2019; and C. Scott Riddle, Go Veggie Brand President.

**Director and Named Executive Officer Compensation, Excluding Compensation Securities**

The following table sets forth information concerning all compensation paid, payable, awarded, granted, given or otherwise provided, directly or indirectly, by the Corporation, or a subsidiary of the Corporation, to each Named Executive Officer and director, other than stock options and other compensation securities, for each of the two most recently completed financial years.

**Table of compensation excluding compensation securities**

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
Matthew von Teichman Former Chairman, Former President and Former Chief Executive Officer <sup>(1)</sup>	2020	275,000	Nil	Nil	Nil	Nil	275,000
	2019	275,000	32,200	Nil	Nil	Nil	307,200
Paul Henderson Executive Chairman and Interim Chief Executive Officer <sup>(2)</sup>	2020	30,247	Nil	Nil	Nil	Nil	30,247
	2019	N/A	N/A	N/A	N/A	N/A	N/A

<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
Stuart Pasternak Former Chief Financial Officer <sup>(3)</sup>	2020	147,000	Nil	Nil	Nil	Nil	147,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Cindy Leung Former Vice President of Finance and Former Interim Chief Financial Officer <sup>(4)</sup>	2020	57,200	N/A	N/A	N/A	N/A	57,200
	2019	145,000	15,200	Nil	Nil	1,200	161,400
C. Scott Riddle Go Veggie Brand President <sup>(5)</sup>	2020	243,000	Nil	Nil	Nil	Nil	243,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Michael LeClair Director	2020	10,200	Nil	Nil	Nil	Nil	10,200
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Tracy Tidy Director	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Paul Cherrie Former Director <sup>(6)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	Nil	Nil	Nil	Nil	Nil	Nil
Roger Daher Former Director <sup>(7)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A
James Haggarty Former Director <sup>(8)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Michael Lovsin, Former Director <sup>(9)</sup>	2020	Nil	Nil	Nil	Nil	Nil	Nil
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Nick Dean Former Director <sup>(10)</sup>	2020	7,000	Nil	Nil	Nil	Nil	7,000
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Blair Tamblyn Former Director <sup>(11)</sup>	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A
Kelly Edmison Former Director <sup>(12)</sup>	2020	N/A	N/A	N/A	N/A	N/A	N/A
	2019	N/A	N/A	N/A	N/A	N/A	N/A



Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
C. Scott Riddle Go Veggie Brand President <sup>(5)</sup>	Options	62,963	July 11, 2019	0.27	0.27	0.04	N/A
Nick Dean Former Director <sup>(6)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael LeClair Director <sup>(7)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Tracy Tidy Director <sup>(8)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Paul Cherrie Former Director <sup>(9)</sup>	Options	55,556	July 11, 2019	0.27	0.27	0.04	July 11, 2029
Roger Daher Former Director <sup>(10)</sup>	Options	74,074	July 11, 2019	0.27	0.27	0.04	July 11, 2029
James Haggarty Former Director <sup>(11)</sup>	Options	111,111	July 11, 2019	0.27	0.27	0.04	July 11, 2029
Micheal Lovsin Former Director <sup>(12)</sup>	Options	55,556	July 11, 2019	0.27	0.27	0.04	July 11, 2029
Blair Tamblyn Former Director <sup>(13)</sup>	Options	55,556	July 11, 2019	0.27	0.27	0.04	July 11, 2029
Kelly Edmison Former Director <sup>(14)</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes:**

- (1) As at March 31, 2020, Mr. Henderson held nil Options, exercisable for nil Common Shares, of which nil Options were vested.
- (2) As at March 31, 2020, Mr. von Teichman held 580,654 Options, exercisable for 580,654 Common Shares, of which 449,543 Options were vested. Mr. von Teichman resigned from the Corporation on July 17, 2020, at which time his unvested options expired and the expiration date of his vested options changed to July 17, 2021.
- (3) As at March 31, 2020, Mr. Pasternak held nil Options, exercisable for nil Common Shares, of which nil were vested.
- (4) As at March 31, 2020, Ms. Leung held 16,704 Options, exercisable for 16,704 Common Shares, of which 16,704 Options were vested. Upon termination of Ms. Leung's employment agreement on June 1, 2019, the expiration date for her vested options changed to June 1, 2020 and are now expired.
- (5) As at March 31, 2020, Mr. Riddle held 62,963 Options, exercisable for 62,963 Common Shares, of which nil Options were vested.
- (6) As at March 31, 2020, Mr. Dean held nil Options, exercisable for nil Common Shares, of which nil Options were vested.
- (7) As at March 31, 2020, Mr. LeClair held nil Options, exercisable for nil Common Shares, of which nil Options were vested.
- (8) As at March 31, 2020, Ms. Tidy held nil Options, exercisable for nil Common Shares, of which nil Options were vested.
- (9) As at March 31, 2020, Mr. Cherrie held 2,400 Options, exercisable for 2,400 Common Shares, of which 2,400 Options were vested. Mr. Cherrie resigned as a director on February 26, 2020, at which time the expiration date of his vested options changed to February 26, 2021.
- (10) As at March 31, 2020, Mr. Daher held 26,859 Options, exercisable for 26,859 Common Shares, of which 26,859 Options were vested. Mr. Daher resigned as a director on February 26, 2020, at which time the expiration date of his vested options changed to February 26, 2021.

- (11) As at March 31, 2020, Mr. Haggarty held 41,735 Options, exercisable for 41,735 Common Shares, of which 41,735 Options were vested. Mr. Haggarty resigned as a director on February 26, 2020, at which time the expiration date of his vested options changed to February 26, 2021.
- (12) As at March 31, 2020, Mr. Lovsin held 4,800 Options, exercisable for 4,800 Common Shares, of which 4,800 Options were vested. Mr. Lovsin resigned as a director on March 30, 2020, at which time the expiration date of his vested options changed to March 31, 2021.
- (13) As at March 31, 2020, Mr. Tamblyn held 25,059 Options, exercisable for 25,059 Common Shares, of which 25,059 Options were vested. Mr. Tamblyn ceased to be a director as of September 26, 2019, at which time the expiration date of his vested options changed to September 26, 2020, and are now expired.
- (14) As at March 31, 2020, Mr. Edmison held nil Options, exercisable for nil Common Shares, of which nil Options were vested.

No Named Executive Officer or director exercised any compensation securities during the financial year of the Corporation ended March 31, 2020.

### Share Option Plan

The following is a summary of the key provisions of the Share Option Plan. The following summary is qualified in all respects by the full text of the Share Option Plan, a copy of which is attached hereto as Appendix "A".

The Share Option Plan was established to recognize contributions made by directors, officers, employees, management company employees and consultants of the Corporation and its affiliates and to advance the interests of the Corporation and its affiliates by encouraging equity participation in the Corporation.

The Share Option Plan provides for the grant of non-assignable options to purchase Common Shares ("**Options**") to service providers of the Corporation. Under the Share Option Plan, service providers includes the directors, officers, employees and management company employees of the Corporation or an affiliate of the Corporation, and any individual or company engaged to provide ongoing consulting, technical, management or other services to the Corporation or an affiliate of the Corporation, pursuant to a written contract between the Corporation or an affiliate of the Corporation and the individual or company and who, in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an affiliate of the Corporation.

The maximum aggregate number of Common Shares that may be reserved for issuance under the Share Option Plan at any point in time is 10% of the number of issued and outstanding Common Shares at the time the Common Shares are reserved for issuance, less any Common Shares reserved for issuance pursuant to share compensation arrangements of the Corporation other than the Share Option Plan. The Share Option Plan is a "**rolling**" maximum share option plan and any increase in the number of the issued and outstanding Common Shares will result in an increase in the number of Common Shares that are available to be issued under the Share Option Plan. Any exercise of an Option issued under the Share Option Plan will increase the number of Common Shares available to be issued under the Share Option Plan by the relevant percentage of the issued and outstanding Common Shares.

Unless the Corporation has obtained disinterested shareholder approval, no service provider may be granted an Option under the Share Option Plan if the grant of that Option would result in the total number of Options granted to such service provider in the previous 12 months, together with grants under share compensation arrangements of the Corporation other than the Share Option Plan, exceeding 5% of the issued and outstanding Common Shares, calculated at the time of grant. The aggregate number of Options granted to service providers conducting Investor Relations Activities (as defined in section 1.2 of Policy 1.1 – *Interpretation* in the Corporate Finance Manual of the TSXV) in any 12-month period must not exceed 2% of the issued and outstanding Common Shares, calculated at the time of grant. The aggregate number of Options granted to any one consultant in any 12-month period must not exceed 2% of the issued and

outstanding Common Shares, calculated at the time of grant. The aggregate number of Common Shares reserved for issuance under Options granted to Insiders (as defined in section 1.2 of Policy 1.1 – *Interpretation* in the Corporate Finance Manual of the TSXV) must not exceed 10% of the issued and outstanding Common Shares. The number of Common Shares issued to Insiders within any 12-month period must not exceed 10% of the issued and outstanding Common Shares.

The exercise price of an Option is set by the Board on the date of grant thereof and must not be less than the Discounted Market Price (as defined in section 1.2 of Policy 1.1 – *Interpretation* in the Corporate Finance Manual of the TSXV). The expiry date of an Option is set by the Board on the date of grant thereof, which date cannot be later than 10 years from the date of grant thereof. However, if the expiry date of an Option falls within a blackout period or within nine business days after the end of a blackout period, such expiry date will be automatically extended without any further act or formality to the date which is the tenth 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 Share Option Plan.

Vesting of Options is at the discretion of the Board, and is generally subject to: (a) the service provider remaining employed by or continuing to provide services to the Corporation 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 Corporation or any of its affiliates during the vesting period; or (b) the service provider remaining as a director of the Corporation or any of its affiliates during the vesting period. Notwithstanding the foregoing, Options granted to service providers conducting Investor Relations Activities will vest 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 such longer vesting period as the Board may determine. If the Board does not determine a vesting schedule at the time of the grant of an Option, such Option will be exercisable in whole at any time, or in part from time to time, during the term of the Option.

If a take-over bid (within the meaning of the *Securities Act* (Ontario) is made to the shareholders of the Corporation, all Options that are not yet fully vested will immediately become fully vested, unless such Options are subject to vesting restrictions in accordance with the policies of the TSXV, and may, subject to receipt of any required regulatory approvals, be immediately exercised in whole or in part by the optionee in order to permit the Common Shares issuable upon the exercise of such Options to be tendered to such take-over bid..

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 Corporation that his or her services are no longer required or his or her service contract has expired (the "**Termination Date**") except as follows: (a) in the case of the death of a service provider, any vested Option held by him or her at the date of death will become exercisable by the service provider's lawful personal representatives, heirs or executors until the earlier of one year after the date of death of such service provider and the date of expiration of the term otherwise applicable to such Option; (ii) any Option 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 a service provider 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 a service provider being dismissed from employment or service for cause, such service provider's Options, whether or not vested at the date of dismissal will immediately terminate without right to exercise same.

In the event that an Option granted under the Share Option Plan expires unexercised, is terminated or is otherwise lawfully cancelled prior to exercise of the Option, the Common Shares that were issuable thereunder will be returned to the Share Option Plan and will be eligible for re-issuance.

Subject to receipt of any required regulatory approvals, the Board has the power to amend, suspend, terminate or discontinue the Share Option Plan, or revoke or alter any action taken in connection therewith, except that no general amendment or suspension of the Share Option Plan will, without the prior written consent of all optionees, alter or impair any Option previously granted under the Share Option Plan unless the alteration or impairment occurred as a result of a change in the policies of the TSXV or the Corporation's tier classification thereunder.

As of the date of this Circular, an aggregate of 23,966,646 Options (10% of the issued and outstanding Common Shares less awards outstanding under the Amended and Restated Equity Incentive Plan) were available for issuance under the Share Option Plan, of which 921,680 Options were issued and outstanding under the Share Option Plan (representing 0.38% of the issued and outstanding Common Shares) and 23,044,966 Options remained available for future grants under the Share Option Plan (representing 9.62% of the issued and outstanding Common Shares).

### **Equity Incentive Plan**

The Board adopted the Corporation's Equity Incentive Plan (the "**Equity Incentive Plan**") in August 2018 and the Equity Incentive Plan was subsequently approved by disinterested shareholders of the Corporation at the Corporation's annual meeting of shareholders held on September 12, 2018. In February 2019, the Board adopted certain amendments to the Corporation's Equity Incentive Plan (as amended, the "**Amended and Restated Equity Incentive Plan**") in order to incorporate provisions setting out grant and settlement mechanics with respect to the grant of deferred share units and the Amended and Restated Equity Incentive Plan was subsequently approved by disinterested shareholders of the Corporation at the Corporation's annual general meeting of shareholders held on September 26, 2019.

The following is a summary of the key provisions of the Amended and Restated Equity Incentive Plan. The following summary is qualified in all respects by the full text of the Amended and Restated Equity Incentive Plan, a copy of which is contained in the Corporation's management information circular dated August 22, 2019 (the "**2019 Information Circular**"), which is available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com) on pages C-1 through C-5 of the 2019 Information Circular. All capitalized terms used but not defined in this section shall have the meanings ascribed thereto in the Amended and Restated Equity Incentive Plan.

The purpose of the Amended and Restated Equity Incentive Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate qualified directors, employees and consultants of the Corporation and its subsidiaries, to reward such of those directors, employees and consultants as may be granted awards under the Amended and Restated Equity Incentive Plan by the Board from time to time (collectively, the "**Participants**") for their contributions toward the long term goals and success of the Corporation and to enable and encourage such Participants to acquire Common Shares as long term investments and proprietary interests in the Corporation.

The Amended and Restated Equity Incentive Plan is administered by the Board, or if the administration of the Amended and Restated Equity Incentive Plan has been delegated by the Board to the Human Resources, Governance and Compensation ("**HRGC**") Committee of the Corporation, if any, the HRGC Committee (the "**Plan Administrator**").

The Amended and Restated Equity Incentive Plan provides for the grant of restricted share units ("**RSUs**"), deferred share units ("**DSUs**") and named executive officer restricted share units ("**NEO RSUs**" and together with the RSUs and DSUS, collectively the "**Awards**").

RSUs shall, unless otherwise determined by the Plan Administrator, vest as to 1/3 on each of the first, second and third anniversaries of the date of grant. Subject to Section 7.2 and Article 8 of the Amended and Restated Equity Incentive Plan, on or within 60 days following the vesting date of a RSU, and in any event no later than December 15th of the third year following the year in respect of which the RSU is granted (the "**RSU Settlement Date**"), unless otherwise determined by the Plan Administrator, the Corporation shall settle each vested RSU by any of the following methods or by a combination of such methods as determined by the Plan Administrator in its sole and absolute discretion (subject to any necessary stock exchange approvals): (i) issuing the Participant one fully paid and non-assessable Common Share issued from treasury to the Participant; (ii) elect to purchase on the open market for the Participant, through a broker designated by the Plan Administrator who is independent from the Corporation and any affiliate of the Corporation, the number of whole Common Shares that is equal to the number of whole vested RSUs recorded in the Participant's account on the RSU Settlement Date; or (iii) making a cash payment to the Participant.

DSUs granted under the Amended and Restated Equity Incentive Plan shall, unless otherwise determined by the Plan Administrator, vest as to 1/3 on each of the first, second and third anniversaries of the date of grant. Subject to Section 7.2 and Article 8 of the Amended and Restated Equity Incentive Plan, DSUs shall be settled on the date established in the award agreement; provided, however that in no event shall a DSU be settled: (i) prior to the date of the applicable Participant's separation from service; or (ii) subject to the discretion of the Plan Administrator, later than one (1) year following the date of the applicable Participant's separation from service. If the award agreement does not establish a date for the settlement of the DSUs, then the settlement date shall be the date of separation from service (collectively, the "**DSU Settlement Date**"). On the DSU Settlement Date for any DSU, the Corporation shall settle each vested DSU by any of the following methods or by a combination of such methods as determined by the Plan Administrator in its sole and absolute discretion (subject to any necessary stock exchange approvals): (i) issuing to the Participant one fully paid and non-assessable Common Share issued from treasury to the Participant; or (ii) subject to the approval of the Plan Administrator, making a cash payment to the Participant.

NEO RSUs granted under the Amended and Restated Equity Incentive Plan shall, unless otherwise determined by the Plan Administrator, vest as to 100% on the third anniversary of the date of grant. The Corporation shall pay and settle each vested NEO RSU by any of the following methods or by a combination of such methods (subject to any necessary stock exchange approvals): (i) issuing the Named Executive Officer one (1) fully paid and non-assessable Common Share issued from treasury to the Named Executive Officer; or (ii) subject to the approval of the Plan Administrator, making a cash payment to the Named Executive Officer.

The aggregate number of Awards that may be issued to Participants under the Amended and Restated Equity Incentive Plan may not exceed 7,200,000 Awards. The maximum number of Common Shares which may be reserved for issuance under the Amended and Restated Equity Incentive Plan, together with any of the Corporation's other security-based compensation arrangements, may not exceed 10% of the issued Common Shares at the time of the grant. To the extent any Awards under the Amended and Restated Equity Incentive Plan terminate or are cancelled for any reason prior to exercise in full and the issuance of Common Shares, or are surrendered to the Corporation by the Participant prior to exercise in full and the issuance of Common Shares, except surrenders relating to the payment of the purchase price of any such Award or the satisfaction of the tax withholding obligations related to any such Award, such Awards shall be added back to the amount of Awards reserved for issuance under the Amended and Restated Equity Incentive Plan and will again become available for issuance as Awards to be granted under the Amended and Restated Equity Incentive Plan. However, when Common Shares have been issued pursuant to an Award, such "**issued**" Awards will not be added back to the amount of Awards issuable under the Amended and Restated Equity Incentive Plan. Any Common Shares issued by the Corporation through the assumption or substitution of equity-based awards from an acquired company shall not reduce the number of Common Shares available



for issuance pursuant to the exercise of Awards granted under the Amended and Restated Equity Incentive Plan.

Unless the Corporation has obtained disinterested shareholder approval, (i) the maximum number of Awards that may be granted to any one Participant under the Amended and Restated Equity Incentive Plan, together with any other security based compensation arrangements of the Corporation, within a 12-month period, may not exceed 5% of the issued Common Shares calculated on the date of grant; and the maximum number of Awards that may be granted to any one consultant under the Amended and Restated Equity Incentive Plan, together with any other security based compensation arrangements of the Corporation, within a 12-month period, may not exceed 2% of the issued Common Shares calculated on the date of grant.

Except as permitted by the Plan Administrator and to the extent that certain rights may pass to a beneficiary or legal representative upon death of a Participant, by will or as required by law, no assignment or transfer of Awards, whether voluntary, involuntary, by operation of law or otherwise, vests any interest or right in such Awards whatsoever in any assignee or transferee.

Except as otherwise provided in an employment agreement, or other written agreement between the Corporation or an affiliate of the Corporation and a Participant, if within 12 months following the completion of a transaction resulting in a Change in Control (as defined in the Amended and Restated Equity Incentive Plan), a Participant's employment or directorship is terminated by the Corporation or an affiliate of the Corporation without cause, without any action by the Plan Administrator, the vesting of all Awards held by such Participant shall immediately accelerate.

Subject to certain exceptions, the Awards granted under the Amended and Restated Equity Incentive Plan will terminate on (a) the date designated by the Participant and the Corporation in a written employment agreement, or other written agreement, or (b) if no written agreement exists, the date designated by the Corporation on which a Participant ceases to be an employee of the Corporation or ceases to provide services to the Corporation.

The Plan Administrator may from time to time, without notice and without approval of the holders of voting shares of the Corporation, amend, modify, change, suspend or terminate the Amended and Restated Equity Incentive Plan or any Awards granted pursuant to the Amended and Restated Equity Incentive Plan as it, in its discretion determines appropriate, provided, however, that, no such amendment, modification, change, suspension or termination of the Amended and Restated Equity Incentive Plan or any Awards granted under the Amended and Restated Equity Incentive Plan may materially impair any rights of a Participant or materially increase any obligations of a Participant under the Amended and Restated Equity Incentive Plan without the consent of the Participant, unless the Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or exchange requirements.

As of the date of this Circular, there were nil Common Shares issuable in connection with outstanding Awards under the Amended and Restated Equity Incentive Plan and 7,200,000 Common Shares available for issuance in connection with the grant of Awards under the Amended and Restated Equity Incentive Plan.

### **Employment, Consulting and Management Agreements**

The following is a description of the material terms of the employment agreements for each of the Named Executive Officers:

***Matthew von Teichman***

Matthew von Teichman received a base salary of \$275,000 per annum for his services as the President and Chief Executive Officer of the Corporation, however, the Board previously approved a base salary of \$295,000 per annum with no set effective date. He had entered into an employment agreement with the Corporation which was for an indefinite term and included standard provisions relating to, among other things, base salary, paid vacation time, eligibility for benefits and confidentiality and intellectual property rights.

On April 30, 2020, Mr. von Teichman resigned and contemporaneously entered into a separation agreement with the Corporation (the "**Separation Agreement**"). Under the terms of the Separation Agreement, Mr. von Teichman shall receive severance in the amount of \$412,500, payable in equal instalments over 22 months, beginning the day after his effective date of resignation, 2020.

***Cindy Leung***

Cindy Leung was the Vice President of Finance of the Corporation until her resignation on June 1, 2019 and was also the interim Chief Financial Officer of the Corporation from May 26, 2018 until June 17, 2018 and from February 1, 2019 until May 23, 2019. Ms. Leung received a base salary of \$115,000 per annum for her services as the Vice President of Finance of the Corporation and an annualized base salary of \$160,000 per annum for her services as the Interim Chief Financial Officer of the Corporation. Ms. Leung was subject to an employment agreement with the Corporation which included standard provisions relating to, among other things, base salary, paid vacation time, eligibility for benefits and confidentiality and intellectual property rights.

The total incremental payments, payables and benefits to Ms. Leung in connection with the termination of her employment agreement was nil.

***Stuart Pasternak***

On May 17, 2019 the Corporation entered into a service agreement with Part Time CFO Services Inc, whereby part-time CFO services were to be performed by Stuart Pasternak as of May 22, 2019. A monthly fee was agreed depending on the number of days worked by Mr. Pasternak. The aggregate value of these services from May 22, 2019 to March 31, 2020 amounted to \$147,000.

***C. Scott Riddle***

C. Scott Riddle was employed on September 4, 2018 as Vice President of Sales and Marketing of the Corporation's US subsidiary, Galaxy Nutritional Foods, Inc. reporting to the Chief Operating Officer of the Corporation. On May 29, 2019 he was appointed President of Galaxy Nutritional Foods, Inc. and was subject to an employment agreement which included standard provisions relating to, among other things, a base salary of USD 180,000 (CAD 243,000) paid vacation, eligibility for benefits and participation in the Share Option Plan and Equity Incentive Plan.

**Oversight and Description of Named Executive Officer and Director Compensation**

The HRGC Committee exercises general responsibility regarding overall executive officer and employee 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 current members of the HRGC Committee are Tracy Tidy, Michael LeClair, and Glenn Fagan. Messrs. LeClair and Fagan of the HRGC Committee are independent directors and are ineligible to participate in any of the Corporation's executive officer compensation programs, other than the Share Option Plan and the Amended and Restated Equity Incentive Plan. The members have extensive experience as both a director and officer with various public companies in the design and implementation of executive and employee compensation plans. 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 salary and annual performance bonus, is used to attract and retain employees. Long-term compensation, including the Share Option Plan and the Amended and Restated Equity Incentive Plan, is used to reward growth in asset value per share. The Corporation's compensation policy is reviewed and examined annually by the HRGC Committee.

The HRGC Committee has 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.

The Corporation does not have any written policies which prohibit a Named Executive Officer 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 and other bonuses; and (iii) the Share Option Plan and Amended and/or the Restated Equity Incentive Plan. Each component of the Corporation's executive officer compensation arrangements is 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. The Corporation benchmarks its executive salaries, by position and responsibility, against other comparable Canadian business enterprises. The HRGC Committee reviews the base salaries for executive officers in the fourth quarter of each financial year of the Corporation for the ensuing year. 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 the Corporation'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 35% of their annual base salary, 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 Corporation's Annual Bonus provide 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 Bonus is designed to increase alignment with the Corporation'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 pre-established annual financial performance measures (the "**Financial Performance Measures**").

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 Chief Executive Officer at the commencement of each fiscal year and are expressed with reference to specific, measurable targets and given a weighting for each.

The Board reserves the right to modify this program at any time, in its sole discretion.

#### ***Brand-level Profit Sharing Bonus for Brand Presidents and the CEO***

On July 10, 2019, the Board approved the creation of a profit-sharing plan tied to individual brand performance. Under this program brand Presidents had the potential to earn a bonus equal to 1% of the earnings before interest taxes depreciation and amortization ("**EBITDA**") generated by their brand after allocation of any shared services. A minimum level of brand EBITDA (as determined by the board in its sole discretion) must be met or exceeded for any brand President to earn a profit-sharing bonus under this program.

On July 10, 2019, the Board approved a similar profit-sharing bonus for the CEO for 0.25% of the Corporation's EBITDA, on the same terms as set out above.

#### ***Brand-level Change of Control Bonus***

In the event of a sale of a brand at any time (a defined term within the bonus program approved by the Board), brand Presidents in-role at the time this bonus was approved by the Board on July 10, 2019, will be awarded 1% of the incremental value over and above a baseline value of the brand, which will be determined as 1x trailing 12 months net sales as of April 1st 2019.

For greater clarity, if Brand A was valued at \$10 million due to the April 1st 2019 trailing 12 month net revenues being \$10 million, and 2 years later the brand was sold for \$20 million, then the eligible brand President, who must still be the active President in that brand at the time of sale, would be entitled to a bonus of \$100,000 (1% of the delta between the original value and the realized value in a sale). In the instance of the Love Child Organics brand President, the relevant change of control bonus is 2%. The Corporation's CEO in-role at July 11, 2019, would get 0.25% under the same conditions as above.

A Corporation-level Change of Control would not have an effect on this brand-level Change of Control bonus.

### ***Share Option Plan and Equity Incentive Plan***

Options and Awards are granted by either the Board or the HRGC Committee. In monitoring or adjusting the Option and Award allotments, the Board or the 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 and Award grants and the objectives set for the Named Executive Officers. The scale of Options and Awards 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 Share Option Plan and the Amended and Restated Equity Incentive Plan. See Appendix "A" for further details regarding the Share Option Plan. For further details regarding the Amended and Restated Equity Incentive Plan, see the 2019 Information Circular, which is available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

All independent, non-executive directors are entirely compensated through director fees and the grant of Options under the Share Option Plan and/or the Awards under the Amended and Restated Equity Incentive Plan, which align the interests of directors and shareholders over the longer term (intended to reward long-term growth in the Corporation's share value).

### **Pension Disclosure**

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

## **MANAGEMENT CONTRACTS**

### ***Stuart Pasternak***

On May 17, 2019 the Corporation entered into a service agreement with Part Time CFO Services Inc, whereby part-time CFO services were to be performed by Stuart Pasternak as of May 22, 2019. A monthly fee was agreed depending on the number of days worked by Mr. Pasternak. The aggregate value of these services from May 22, 2019 to March 31, 2020 amounted to \$147,000.

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

The following table sets forth, as of March 31, 2020, information with respect to compensation plans under which equity securities of the Corporation are authorized for issuance.

Plan Category	Number of Common Shares to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of Common Shares remaining available for future issuance under equity compensation plans
<b>Equity compensation plans approved by security holders</b>	1,029,376 <sup>(1)</sup>	\$0.73	22,103,937 <sup>(2)</sup>
<b>Equity compensation plans not approved by security holders</b>	N/A	N/A	N/A
<b>Total</b>	1,029,376	\$0.73	22,103,937

**Notes:**

- (1) Comprised of 1,029,376 Common Shares issuable upon the exercise of outstanding Options under the Share Option Plan as of March 31, 2020.
- (2) The aggregate maximum number of Common Shares which may be reserved for issuance under the Share Option Plan and the Amended and Restated Equity Incentive Plan may not exceed 10% of the issued and outstanding Common Shares at any given time. Reflects the number of Common Shares remaining available for future issuance under the Share Option Plan as of March 31, 2020 after taking into consideration the number of Common Shares issuable in connection with outstanding Awards under the Amended and Restated Equity Incentive Plan as of March 31, 2020. As of March 31, 2020, there were nil Common Shares issuable in connection with outstanding Awards under the Amended and Restated Equity Incentive Plan and 22,103,937 Common Shares available for issuance in connection with the grant of Awards under the Amended and Restated Equity Incentive Plan.

## **AUDIT COMMITTEE DISCLOSURE**

### **Audit Committee**

The Audit Committee 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.

### **Audit Committee Charter**

The text of the Audit Committee Charter is attached as Appendix "C" to this Circular.

### **Composition, Education and Experience**

The current members of the Audit Committee are Mike LeClair (Chair), Glenn Fagan, and Paul Henderson. Both Mr. LeClair and Mr. Fagan are "independent" while each member of the Audit Committee "financially literate" within the meaning of National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("**NI 52-110**").

As further described below, each member of the Audit Committee has adequate education and experience that is relevant to the performance of such member's responsibilities as an audit committee member and that has provided such member with: (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and provisions; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements or experience actively supervising individuals engaged in such activities; and (d) an understanding of internal controls and procedures for financial reporting.

Mr. Henderson has experience in acting as a director and business executive. Trained as a public accountant, Mr. Henderson spent six years with legacy PwC before transitioning to leadership positions in the food industry, including acting as the Chief Financial Officer, Chief Operating Officer, President and Chief Executive Officer. Mr. Henderson brings considerable food business experience, having served as: Chief Executive Officer of Golden Boy Foods Ltd. (2014-2015); President of Golden Boy Foods Ltd.'s nut butter

division (2012-2014); Chief Executive Officer of Menu Foods Income Fund (2005-2010); President, Chief Operating Officer, Chief Financial Officer of Menu Foods Income Fund (1998-2005); and Chief Financial Officer of Cott Corporation (1990-1998).

Mr. LeClair has worked extensively in corporate finance, mergers and acquisitions and private equity. Mr. LeClair has experience as the Chair of the board of trustees of Centurion Financial Trust and acted as the Chief Investment Officer of Constant Power from 2016 to 2018 before coordinating its sale on behalf of its sole shareholder. Mr. LeClair also acted as Managing Director of Integrated Asset Management – Private Debt Group from 2002 to 2005. Throughout his career, Mr. LeClair has gained experience as various executive capacities, and has acted as a strategic advisor to several Canadian and U.S. private companies.

As a trained public accountant, Mr. Fagan has wide-ranging experience regarding public accounting, regulation and private and public companies. Mr. Fagan spent 23 years in public accounting, spending 13 years with legacy PWC where he worked with both publicly-listed and private clients. Following this, Mr. LeClair spent more than a decade as Chief Financial Officer or Vice President of Finance at a number of private and public corporations. Mr. Fagan also has six years as an executive with the Canadian Public Accountability Board.

### **Audit Committee Oversight**

At no time since the commencement of the most recently completed financial year of the Corporation was a recommendation of the audit committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the most recently completed financial year of the Corporation has the Corporation relied on the exemption in section 2.4 of NI 52-110 (*De Minimis Non-Audit Services*), subsection 6.1.1(4) (*Circumstances Affecting the Business or Operations of the Venture Issuer*), subsection 6.1.1(5) (*Events Outside Control of Member*), subsection 6.1.1(6) (*Death, Incapacity or Resignation*), or an exemption from the application of NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

### **Pre-Approval Policies and Procedures**

The Audit Committee is authorized by the Board to review the performance of the Corporation's external auditors and approve in advance the provision of non-audit services and to consider the independence of the external auditors, including a review of the range of services provided in the context of all consulting services bought by the Corporation. The Audit Committee is authorized to approve in writing any non-audit services or additional work which the Chair of the Audit Committee deems is necessary, and the Chair will notify the other members of the Audit Committee of such non-audit or additional work and the reasons for such non-audit work for the Committee's consideration, and, if thought fit, approval in writing.

### **External Auditor Service Fees (By Category)**

The aggregate fees billed by the external auditor of the Corporation in each of the last two financial years of the Corporation are as follows:

<b>Year Ending</b>	<b>Audit Fees<sup>(1)</sup></b>	<b>Audit Related Fees<sup>(2)</sup></b>	<b>Tax Fees<sup>(3)</sup></b>	<b>All Other Fees<sup>(4)</sup></b>
March 31, 2020	\$145,000	Nil	Nil	Nil
March 31, 2019	\$106,000	Nil	Nil	\$18,000

**Notes:**

- (1) Represents aggregate fees billed by the Corporation's external auditor for audit fees, being fees for professional services rendered by the external auditor for the audit of the Corporation's annual consolidated financial statements as well as services provided in connection with statutory and regulatory filings.
- (2) Represents aggregate fees billed for assurance and related services by the Corporation's external auditor that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not reported under "Audit Fees".
- (3) Represents aggregate fees billed for professional services rendered by the Corporation's external auditor for tax compliance, tax advice and tax planning.
- (4) Represents aggregate fees billed for products and services provided by the Corporation's external auditor, other than the services reported under "Audit Fees", "Audit Related Fees" and "Tax Fees", including fees for attendance at due diligence sessions.

**Exemption**

Pursuant to section 6.1 of NI 52-110, the Corporation is exempt from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110 by virtue of it being a venture issuer.

**CORPORATE GOVERNANCE DISCLOSURE**

**Board of Directors**

The Corporation currently has four directors: Paul Henderson, Tracy Tidy, Michael LeClair, and Glenn Fagan. Messrs. LeClair and Fagan are considered to be independent of the Corporation for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators ("**NI 58-101**"). Mr. Henderson, the Executive Chairman and Interim Chief Executive Officer of the Corporation, is an executive officer of the Corporation, and, accordingly, is not considered to be independent of the Corporation for the purposes of NI 58-101. Ms. Tidy, a director, is an employee of an affiliated entity, and, accordingly, is not considered to be independent of the Corporation for the purposes of NI 58-101.

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 its executive officers; (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.

### **Directorships**

None of the directors of the Corporation are presently directors of other reporting issuers (or the equivalent in a foreign jurisdiction).

### **Orientation and Continuing Education**

New directors receive an information package which includes, among other things, the Corporation's policies and committee mandates, public disclosure filings, and reports on operations and results. Board committee meetings are sometimes held at the Corporation's offices and on occasion 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 directors.

### **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 director's 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 is responsible for identifying new candidates for board nomination. The Board considers its size each year when it considers the number of directors to nominate for election at the annual meeting of shareholders, taking into account the number required to carry out the duties of the Board effectively and to maintain a diversity of views and experience. The Board may consider candidates proposed by directors, management or shareholders, taking into consideration the skills, attributes and experience of potential candidates.

### **Compensation**

The current members of the HRGC Committee are Tracy Tidy (Chair), Michael LeClair, and Glenn Fagan. Messrs. LeClair and Fagan of the HRGC Committee are independent of the Corporation.

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, executive officers and other employees and assessing the performance of executive 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 executive officer appointments or other compensation related matters.

See the discussion under the heading "*Statement of Executive Compensation – Oversight and Description of Named Executive Officer and Director Compensation*" above for further information on compensation made to certain executive officers and to directors of the Corporation.

### **Other Board Committees**

The Board has no regular standing committees other than the Audit Committee and the HRGC Committee. Subsequent to the financial year ended March 31, 2019, the Board established a special committee (the "**Special Committee**") to review strategic options for the Corporation. The members of the Special Committee were Roger Daher (Chair), James Haggarty and Blair Tamblyn. This Special Committee was disbanded prior to March 31, 2020.

### **Assessments**

The directors of the Corporation facilitate assessments of the performance of the Board, its committees and individual directors. An annual evaluation is done to review board structure and processes, and the effectiveness of board leadership.

### **INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

No person who is, or at any time during the most recently completed financial year was, a director or executive officer of the Corporation, no person proposed to be nominated for election as a director of the Corporation, nor any associate of any such director, executive officer or proposed nominee, is, or at any time since April 1, 2019 has been, indebted to the Corporation or any of its subsidiaries, or indebted to another entity, where such indebtedness is, or at any time since April 1, 2019 has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries, pursuant to a security purchase program of the Corporation or otherwise.

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

Except as otherwise disclosed herein, no informed person (as that term is defined in NI 51-102) of the Corporation, no person proposed to be nominated for election as a director of the Corporation, nor any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction since April 1, 2018 or in any proposed transaction which has materially affected or is reasonably expected to materially affect the Corporation or any of its subsidiaries.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Further financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year ended March 31, 2020. Copies of these documents are available on the SEDAR website, the Corporation's website or upon request from the Corporation. Additional information regarding the business of the Corporation is available on the Corporation's website at [www.greenspacebrands.com](http://www.greenspacebrands.com).

**APPROVAL**

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

**DATED** at Toronto, Ontario as of this 2nd day of December, 2020.

BY ORDER OF THE BOARD

(signed) *Paul Henderson*  
Interim CEO

APPENDIX "A"  
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 GreenSpace Brands Inc. (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" to Appendix "A";
- (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 (10th) 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 Section 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.

## SCHEDULE A – OPTION COMMITMENT

### OPTION COMMITMENT

Notice is hereby given that, effective this 3rd day of May 2019 (the "**Effective Date**"), GREENSPACE BRANDS INC. (the "**Company**") has granted to \_\_\_\_\_ (the "**Optionee**") an Option to acquire \_\_\_\_\_ Common Shares (collectively, the "**Optioned Shares**") up to 5:00 p.m. Toronto Time on the \_\_\_rd day of \_\_\_ 20\_\_ (the "**Expiry Date**") at an Exercise Price of CDN \$ \_\_\_ per Optioned Share.

At the date of grant of the Option the Company is classified as a Tier 1 Issuer under TSX Venture Policies.

Optioned Shares will vest evenly over a five year period.

The grant of the Option evidenced hereby is made subject to the terms and conditions of the Company's Plan dated 1st day of May, 2014 (the "**Plan**"), which are hereby incorporated herein and forms part hereof.

To exercise your Option, deliver a written notice specifying the number of Optioned Shares you wish to acquire, together with a certified cheque, wire transfer or bank draft payable to the Company for the Exercise Price multiplied by the number of Option Shares being acquired. A certificate for the Optioned Shares so acquired will be issued by the transfer agent as soon as practicable thereafter. .



The Company and the Optionee represent that the Optionee under the terms and conditions of the Plan is a bona fide Employee, entitled to receive Options under TSX Venture Policies.

The Optionee also acknowledges and consents to the collection and use of Personal Information (as defined in the Policies of the TSX Venture Exchange) by both the Company and the TSX Venture as more particularly set out in the Acknowledgement – Personal Information in use by the TSX Venture on the date of the Plan.

**GREENSPACE BRANDS INC.**

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Authorized Signatory

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**(SIGNATURE OF OPTIONEE)**

**APPENDIX "B"**  
**SHARE OPTION PLAN RESOLUTION**

**"BE IT RESOLVED THAT:**

1. the share option plan of the Corporation attached as Appendix "A" to the management information circular of the Corporation dated November 26, 2020 be, and the same hereby is, confirmed and approved as the share option plan of the Corporation; 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 of the Corporation 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."

**APPENDIX "C"**  
**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 audit services.

## **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.

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