



**TRUE LEAF BRANDS INC.**

**NOTICE OF MEETING AND INFORMATION CIRCULAR**

**FOR THE ANNUAL GENERAL MEETING OF SHAREHOLDERS  
TO BE HELD ON SEPTEMBER 19, 2019**

Dated August 12, 2019

*This document requires immediate attention. If you are in doubt as to how to deal with the documents or matters referred to in this Information Circular, you should contact your advisor immediately.*



**TRUE LEAF BRANDS INC.**  
100 Kalamalka Lake Road, Unit 32  
Vernon, BC V1T 9G1

### **NOTICE OF MEETING**

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Meeting**”) of the holders of common shares (the “**Shareholders**”) of True Leaf Brands Inc. (the “**Company**”) will be held at Suite 1700, 1055 West Hastings Street, Vancouver, BC, V6E 2E9, on Thursday, September 19, 2019 at 10:00 a.m. (Pacific time), for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended March 31, 2019;
2. to determine the number of directors and elect directors for the ensuing year;
3. to elect the directors of the Company to hold office until the next annual meeting of Shareholders;
4. to appoint Deloitte LLP as the Company’s auditor for the fiscal year ending March 31, 2020 and to authorize the Board of Directors to fix the remuneration to be paid to the auditor; and
5. to transact such other business as may be properly brought before the Meeting or any adjournment thereof.

The accompanying Information Circular provides additional information relating to the matters to be dealt with at the Meeting and is supplemental to, and expressly made a part of, this Notice of Meeting. In particular, disclosure concerning the matters set forth above is included in the “Particulars of Matters to be Acted Upon at the Meeting” section beginning on page 6 of the Information Circular.

The proxy materials for the Meeting, including the Information Circular, are available on the Internet at [www.trueleaf.com](http://www.trueleaf.com) (under the “Investors” tab) or [www.sedar.com](http://www.sedar.com). This Notice of Meeting presents only an overview of the more complete proxy materials that are available on the Internet. The Company reminds you to access and review all of the important information contained in the accompanying Information Circular and other proxy materials before voting.

If you would like to receive a paper copy of the proxy materials by mail, you must request one by calling the Company toll-free at 1.855.787.1902. There is no charge to you for requesting a copy. To ensure you receive the proxy materials in advance of the voting deadline and meeting date, all requests must be received by no later than 10:00 a.m. (Pacific time) on Tuesday, September 17, 2019 to ensure timely receipt. If you do request a paper copy of the materials, please note that another voting instruction form or form of proxy will not be sent and that you should retain your current one for voting purposes.

The Board of Directors has fixed August 7, 2019 as the record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting and at any adjournment or postponement thereof. Each registered Shareholder at the close of business on that date is entitled to receive notice and to vote at the Meeting in the circumstances set out in the accompanying Information Circular.

**YOU CANNOT VOTE BY RETURNING THIS NOTICE OF MEETING.** If you are a registered Shareholder and unable to attend the Meeting in person, please complete, date and sign the accompanying form of proxy and deposit it with the Company’s transfer agent, Computershare Investor Services Inc., at its office located on the 3<sup>rd</sup> Floor, 510 Burrard Street, Vancouver, BC V6C 3B9, by no later than 10:00 a.m. (Pacific time) on Tuesday, September 17, 2019, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting.

If you are a non-registered Shareholder and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the *Income Tax Act* (Canada), or a nominee of any of the foregoing that holds your securities on your behalf (the “**Intermediary**”), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

No annual financial statements are included with the proxy materials for the Meeting.

Dated at Vernon, British Columbia as of August 12, 2019.

BY ORDER OF THE BOARD OF DIRECTORS

*“/s/ Darcy Bomford”*

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**Darcy Bomford**  
President, Chief Executive Officer and Director

**TRUE LEAF BRANDS INC.**  
100 Kalamalka Lake Road, Unit 32  
Vernon, BC V1T 9G1

## **INFORMATION CIRCULAR**

### **INTRODUCTION**

This Information Circular accompanies the notice of annual general meeting (the “**Notice**”) and is being furnished to the holders of common shares of True Leaf Brands Inc. (the “**Company**”) in connection with the solicitation by the management of the Company of proxies to be voted at the annual general meeting (the “**Meeting**”) of shareholders to be held at 10:00 a.m. (Pacific time) on Thursday, September 19, 2019 at Suite 1700, 1055 West Hastings Street, Vancouver, BC, V6E 2E9, or at any adjournment or postponement thereof.

#### **Date and Currency**

The date of this Information Circular is August 12, 2019. Unless otherwise stated, all amounts herein are in Canadian dollars.

### **PROXIES AND VOTING RIGHTS**

#### **Management Solicitation**

The solicitation of proxies by management of the Company will be conducted by mail and may be supplemented by telephone or other personal contact to be made without special compensation by the directors, officers and employees of the Company. The Company does not reimburse shareholders, nominees or agents for costs incurred in obtaining from their principals authorization to execute forms of proxy, except that the Company has requested brokers and nominees who hold stock in their respective names to furnish this proxy material to their customers, and the Company will reimburse such brokers and nominees for their related out of pocket expenses. No solicitation will be made by specifically engaged employees or soliciting agents. The cost of solicitation will be borne by the Company.

No person has been authorized to give any information or to make any representation other than as contained in this Information Circular in connection with the solicitation of proxies. If given or made, such information or representations must not be relied upon as having been authorized by the Company. The delivery of this Information Circular shall not create, under any circumstances, any implication that there has been no change in the information set forth herein since the date of this Information Circular. This Information Circular does not constitute the solicitation of a proxy by anyone in any jurisdiction in which such solicitation is not authorized, or in which the person making such solicitation is not qualified to do so, or to anyone to whom it is unlawful to make such an offer of solicitation.

The Company has arranged for intermediaries to forward the Meeting materials to beneficial owners of common shares of the Company held of record by those intermediaries. The Company has distributed or made available for distribution, copies of the Notice, this Information Circular and form of proxy to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the “**Intermediaries**”) for distribution to holders (the “**Beneficial Shareholders**”) of the Company’s common shares held of record by those Intermediaries. Such Intermediaries are required to forward such documents to the Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of the Intermediaries for reasonable fees and disbursements incurred in connection with the distribution of these materials.

The Company will pay for intermediaries to forward to both non-objecting beneficial owners and objecting beneficial owners under National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) the proxy-related materials and Form 54-101F7 *Request for Voting Instructions Made by Intermediary*.

These materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or its agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

### **Appointment of Proxy**

Registered shareholders are entitled to vote at the Meeting. On a show of hands, every registered shareholder is entitled to one vote for each common share that such registered shareholder holds on the record date of August 7, 2019 on the resolutions to be voted upon at the Meeting, and any other matter to come before the Meeting. The list of registered shareholders is available for inspection during normal business hours at the offices of the Company’s registrar and transfer agent, Computershare Investor Services Inc. (the “**Transfer Agent**”), and will be available at the Meeting.

The persons named as proxyholders (the “**Designated Persons**”) in the enclosed form of proxy are: (1) Darcy Bomford, the President, CEO and a director of the Company; (2) Kevin Bottomley, a director of the Company; and (3) Michael Harcourt, the Chairman and a director of the Company.

**A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER) TO ATTEND AND ACT FOR OR ON BEHALF OF THAT SHAREHOLDER AT THE MEETING, OTHER THAN THE DESIGNATED PERSONS NAMED IN THE ENCLOSED FORM OF PROXY.**

**TO EXERCISE THE RIGHT, THE SHAREHOLDER MAY DO SO BY STRIKING OUT THE PRINTED NAMES AND INSERTING THE NAME OF SUCH OTHER PERSON AND, IF DESIRED, AN ALTERNATE TO SUCH PERSON, IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY. SUCH SHAREHOLDER SHOULD NOTIFY THE NOMINEE OF THE APPOINTMENT, OBTAIN THE NOMINEE’S CONSENT TO ACT AS PROXY AND SHOULD PROVIDE INSTRUCTION TO THE NOMINEE ON HOW THE SHAREHOLDER’S SHARES SHOULD BE VOTED. THE NOMINEE SHOULD BRING PERSONAL IDENTIFICATION TO THE MEETING.**

In order to be voted, the completed form of proxy must be received by the Transfer Agent at its offices located at 3<sup>rd</sup> Floor, 510 Burrard Street Vancouver, BC V6C 3B9, by mail or fax, no later than 10:00 a.m. (Pacific time) on Tuesday, September 17, 2019, or at least 48 hours (excluding Saturdays, Sundays and holidays recognized in the Province of British Columbia) before the time and date of any adjournment or postponement of the Meeting. The Company may extend the deadline to accept proxies in its complete and sole discretion.

A proxy may not be valid unless it is dated and signed by the shareholder who is giving it or by that shareholder’s attorney-in-fact duly authorized by that shareholder in writing or, in the case of a corporation, dated and executed by a duly authorized officer or attorney-in-fact for the corporation. If a form of proxy is executed by an attorney-in-fact for an individual shareholder or joint shareholders, or by an officer or attorney-in-fact for a corporate shareholder, the instrument so empowering the officer or attorney-in-fact, as the case may be, or a notarially-certified copy thereof, must accompany the form of proxy.

### **Revocation of Proxy**

A registered shareholder who has given a proxy may revoke it at any time before it is exercised by an instrument in writing: (a) executed by that shareholder or by that shareholder's attorney-in-fact authorized in writing or, where the shareholder is a corporation, by a duly authorized officer of, or attorney-in-fact for, the corporation; and (b) delivered either: (i) to the Company at the address set forth above, at any time up to and including the last business day preceding the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (ii) to the Chair of the Meeting prior to the vote on matters covered by the proxy on the day of the Meeting or, if adjourned or postponed, any reconvening thereof, or (iii) in any other manner provided by law.

Also, a proxy will automatically be revoked by either: (i) attendance at the Meeting and participation in a poll (ballot) by a registered shareholder, or (ii) submission of a subsequent proxy in accordance with the foregoing procedures. A revocation of a proxy does not affect any matter on which a vote has been taken prior to any such revocation.

### **Voting of Common Shares and Proxies and Exercise of Discretion by Designated Persons**

A shareholder may indicate the manner in which the Designated Persons are to vote with respect to a matter to be voted upon at the Meeting by marking the appropriate space. If the instructions as to voting indicated in the proxy are certain, the common shares represented by the proxy will be voted or withheld from voting in accordance with the instructions given in the proxy. If the shareholder specifies a choice in the proxy with respect to a matter to be acted upon, then the common shares represented will be voted or withheld from the vote on that matter accordingly. **The common shares represented by a proxy will be voted or withheld from voting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the common shares will be voted accordingly.**

**IF NO CHOICE IS SPECIFIED IN THE PROXY WITH RESPECT TO A MATTER TO BE ACTED UPON, THE PROXY CONFERS DISCRETIONARY AUTHORITY WITH RESPECT TO THAT MATTER UPON THE DESIGNATED PERSONS NAMED IN THE FORM OF PROXY. IT IS INTENDED THAT THE DESIGNATED PERSONS WILL VOTE THE COMMON SHARES REPRESENTED BY THE PROXY IN FAVOUR OF EACH MATTER IDENTIFIED IN THE PROXY AND FOR THE NOMINEES OF THE BOARD OF DIRECTORS FOR DIRECTORS AND AUDITOR.**

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to other matters which may properly come before the Meeting, including any amendments or variations to any matters identified in the Notice, and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company is not aware of any such amendments, variations or other matters to come before the Meeting.

In the case of abstentions from, or withholding of, the voting of the common shares on any matter, the common shares that are the subject of the abstention or withholding will be counted for determination of a quorum, but will not be counted as affirmative or negative on the matter to be voted upon.

### **ADVICE TO BENEFICIAL SHAREHOLDERS**

**The information set out in this section is of significant importance to those shareholders who do not hold shares in their own name. Shareholders who do not hold their shares in their own name (referred to in this Information Circular as "Beneficial Shareholders") should note that only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. If common shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those common shares will not be registered in the shareholder's name on the records of the**

Company. Such common shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such common shares are registered under the name of Cede & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada, under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). **Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.**

The Company does not have access to the names of Beneficial Shareholders. Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their common shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is similar to the Form of Proxy provided to registered shareholders by the Company. However, its purpose is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in the United States and in Canada. Broadridge typically prepares a special voting instruction form, mails this form to the Beneficial Shareholders and asks for appropriate instructions regarding the voting of common shares to be voted at the Meeting. Beneficial Shareholders are requested to complete and return the voting instructions to Broadridge by mail or facsimile. Alternatively, Beneficial Shareholders can call a toll-free number and access Broadridge's dedicated voting website (each as noted on the voting instruction form) to deliver their voting instructions and to vote the common shares held by them. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form cannot use that form as a proxy to vote common shares directly at the Meeting. Rather, such a voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the common shares voted at the Meeting.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of his or her broker (or agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend at the Meeting and indirectly vote their common shares as proxyholder for the registered shareholder should enter their own names in the blank space on the instrument of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

Alternatively, a Beneficial Shareholder may request in writing that his or her broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend the Meeting and vote his or her common shares.

All references to shareholders in this Information Circular are to registered shareholders, unless specifically stated otherwise.

#### **NOTICE AND ACCESS**

National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations* allow for the use of the notice and access system for the delivery to shareholders of certain materials, including notice of meeting, management information circular, annual financial statements and management's discussion and analysis (collectively, the "**Meeting Materials**") by reporting issuers.



Under the notice and access system, reporting issuers are permitted to deliver the Meeting Materials by posting them on SEDAR at [www.sedar.com](http://www.sedar.com) as well as a website other than SEDAR and sending a notice package to shareholders that includes: (i) the relevant form of proxy or voting instruction form; (ii) basic information about the meeting and the matters to be voted on; (iii) instructions on how to obtain a paper copy of the Meeting Materials; and (iv) a plain language explanation of how the notice and access system operates and how the Meeting Materials can be accessed online.

As described in the Notice and Access Notification to be mailed to the Shareholders of the Corporation on or about August 14, 2019, the Corporation has elected to deliver its Meeting Materials to Beneficial Holders using the notice and access system. These Beneficial Shareholders will receive a notice and access notification which will contain the prescribed information. Registered Shareholders and those Beneficial Holders with existing instructions on their account to receive printed materials will receive a printed copy of the Meeting Materials with the notice package.

The Corporation intends to pay for proximate intermediaries to deliver Meeting Materials and Form 54-101F7 (the request for voting instructions) to “objecting beneficial owners”, in accordance with National Instrument 54-101 – Communication with Beneficial Owners of Securities of a Reporting Issuer.

### VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The Company is authorized to issue an unlimited number of common shares without par value. As of the date of this Information Circular, a total of 100,412,099 common shares were issued and outstanding. Each common share carries the right to one vote at the Meeting.

Only registered shareholders as of August 7, 2019, being the record date, are entitled to receive notice of, and to attend and vote at, the Meeting or any adjournment or postponement thereof.

As of the date of this Information Circular, to the knowledge of the directors and senior officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, common shares carrying more than 10% of the voting rights attached to the outstanding common shares of the Company, other than as set forth below:

| Name of Shareholder      | Number of Common Shares Owned | Percentage of Outstanding Common Shares <sup>(1)</sup> |
|--------------------------|-------------------------------|--|
| Darcy Bomford            | 23,879,649 <sup>(2)</sup>     | 23.8%  |
| CDS & Co. <sup>(3)</sup> | 67,910,255 <sup>(4)</sup>     | 67.6%  |

<sup>(1)</sup> Based on 100,412,099 common shares issued and outstanding as of the date of this Information Circular.

<sup>(2)</sup> Includes 1,993,243 common shares held by First Pacific Enterprises Inc., a company controlled by Darcy Bomford.

<sup>(3)</sup> Except for shares held by Darcy Bomford, management is unaware of the beneficial holders of the shares registered in the name of CDS & Co.

<sup>(4)</sup> Includes 9,879,649 common shares held by Darcy Bomford.

### PARTICULARS OF MATTERS TO BE ACTED UPON AT THE MEETING

#### Presentation of Financial Statements

The audited financial statements of the Company for the fiscal year ended March 31, 2019, together with the report of the auditor thereon, will be placed before the Meeting. Receipt at the Meeting of those financial statements will not constitute approval or disapproval of any matters referred to therein. No vote will be taken on the financial statements, which are available at [www.sedar.com](http://www.sedar.com).

Pursuant to National Instrument 51-102 *Continuous Disclosure Obligations* (“**NI 51-102**”) and NI 54-101, a person or corporation who in the future wishes to receive annual and interim financial statements from the Company must deliver a written request for such material to the Company. Shareholders who wish to receive annual and interim financial statements are encouraged to complete the appropriate section on the enclosed request form and send it to the Transfer Agent.

### Number of Directors for Ensuing Year

The Business Corporations Acts provides for a board of directors of no fewer than three directors of a public company and no greater than a number as fixed or changed from time to time by majority approval of the shareholders. Management is seeking shareholder approval to determine the number of directors of the Company at six for the ensuing year. The resolution setting the number of directors must be passed by a simple majority of the votes cast with respect to the resolution by the shareholders present in person or by proxy at the Meeting.

The persons designated in the enclosed Proxy, unless instructed otherwise, intend to vote FOR setting the number of directors to be elected at the meeting at six (6).

### Election of Directors

At present, the directors of the Company are elected at each annual meeting of shareholders and hold office until the next annual meeting, or until their successors are duly elected or appointed in accordance with the Company’s Articles or until such director’s earlier resignation, removal or death. In the absence of instructions to the contrary, the enclosed form of proxy will be voted for the nominees listed in the form of proxy, all of whom are presently members of the Board of Directors.

Management of the Company proposes to nominate the persons named in the table below for election by the shareholders as directors of the Company. Information concerning such persons, as furnished by the individual nominees, as of the date of this Information Circular, is as follows:

| Name, Province, Country of Residence and Position(s) with the Company | Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>   | Director Since | Number of Common Shares Owned <sup>(1)</sup> |
|---|---|----------------|--|
| Darcy Bomford<br>Vernon, BC<br><i>President, CEO and Director</i>     | Mr. Bomford is the founder and President of True Leaf Medicine Inc., the Company’s wholly owned subsidiary since June 9, 2014. Prior to this, Mr. Bomford was the founder, President, Chief Executive Officer and director of Darford International Inc., a manufacturer and marketer of branded and private pet food products with three federally inspected production plants in the United States and Canada, whose common shares formerly traded on the TSX Venture Exchange under the symbol “WUF”. Mr. Bomford has extensive expertise with professional manufacturing systems, including comprehensive third-party audited food safety systems, product development, marketing and sales within a highly regulated and competitive industry. | June 9, 2014   | 23,879,649                                   |
| Kevin Bottomley <sup>(2)</sup><br>Vancouver, BC<br><i>Director</i>    | Mr. Bottomley has spent the last nine years working on corporate communications with three publicly traded companies, Zimtu Capital Corp., King’s Bay Resource Corp., and Commerce Resources Corp. He has been involved with successful capital raises in excess of \$70 million.   | June 9, 2014   | 811,700                                      |

| Name, Province, Country of Residence and Position(s) with the Company            | Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>  | Director Since  | Number of Common Shares Owned <sup>(1)</sup> |
|--|--|-----------------|--|
| Michael Harcourt <sup>(2)</sup><br>Vancouver, BC<br><i>Chairman and Director</i> | <p>Mr. Harcourt is the former Premier of British Columbia and former Mayor of Vancouver. He serves as Honorary Chair of the International Centre for Sustainable Cities and is Co-Chair of the International Panel of Advisers. Mr. Harcourt also serves as an advisor to Translink BC and is an Associate Director at the Centre for Sustainability, Continuing Studies at UBC. He is the honorary co-chair at the University of British Columbia's Advisory Council on Sustainability, as well is on the Canadian Electricity Association's Sustainable Electricity Program Advisory Panel.</p> <p>Notably, Mr. Harcourt was awarded: (1) the Woodrow Wilson Award for Public Service in 2005; (2) the Alumni Achievement Award for Distinction for contributions to BC, Canada and the world from the University of British Columbia in 2008; and (3) he was named an Officer of the Order of Canada in 2012. Most recently, Mr. Harcourt received the Freedom of the City Award from the City of Vancouver in February 2017.</p> | June 9, 2014    | 2,128,570                                    |
| Sylvain Toutant <sup>(2)</sup><br>Montreal, QC<br><i>Director</i>                | <p>Mr. Toutant has more than 17 years of experience as an executive in the beverage and consumer packaged goods industries and is a recognized specialist in retailing. He most recently served as the Chief Executive Officer and President of DAVIDsTEA, Canada's largest specialty tea boutique, from May 2014 to January 2017 where he was responsible for the company's growth in Canada, the United States, and around the world. He also led the company's successful IPO on the NASDAQ exchange.</p> <p>Since leaving DAVIDsTEA, Mr. Toutant has served as a director on various boards he continues to serve today including: GelPac, Les Chocolat Favoris Inc., Angelcare, and YUZU Sushi among others.</p> <p>Previously he served as President of Keurig Canada from 2008 to 2014, where he accelerated growth through a strategic alliance with Keurig Green Mountain in the United States. He also headed Keurig's operations in the United Kingdom.</p>   | July 10, 2018   | Nil  |
| Jodi Watson<br>San Diego, CA<br><i>Director and Vice-Chair</i>                   | <p>Ms. Watson is a highly accomplished Senior Executive with more than 20 years of progressive experience in global retail, wholesale, omnichannel and direct-to-consumer. She is a valuable asset for retail, wholesale, digital or eCommerce companies seeking expertise in her area of core skills: growth hacking, business unit (P&amp;L) leadership, marketing, eCommerce, talent development, customer service, organizational restructuring and digital transformation.</p> <p>Throughout her career, Ms. Watson has held global leadership roles with companies such as Petco, Wolverine Worldwide, Williams-Sonoma and Eddie Bauer. She currently works on two boards and as an independent consultant working with private equity, start-ups and publicly traded companies.</p>   | January 7, 2019 | Nil  |

| Name, Province, Country of Residence and Position(s) with the Company | Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>  | Director Since          | Number of Common Shares Owned <sup>(1)</sup> |
|---|--|-------------------------|--|
| <p>Michael Mardy<br/>Princeton, NJ<br/><i>Director Nominee</i></p>    | <p>Michael Mardy was, most recently, the Executive Vice President, Chief Financial Officer and Board Director of Tumi Holdings (NYSE:TUMI), a retailer of prestige luggage and travel accessories. Mr. Mardy had been with Tumi since 2003 and led the IPO process in April of 2012. Tumi was sold to Samsonite in August of 2016. Currently, he is a member of the Board of Directors of Vince Holdings (NYSE:VINCE) and LULUS Fashion Lodge where he serves as Audit Committee Chair and is a member of the Compensation and Governance Committees. Mr. Mardy has held several board positions during his career including DAVIDsTEA (NASDAQ:DTEA) where he served as Audit Committee Chair and Governance Chair. He has also served on the Board of Directors of Green Mountain Coffee Roasters (NASDAQ:GMCR) where he had served as Audit Committee Chair and a member of the Compensation Committee. He had previously served as Interim Chairman of the Board at GMCR. Mr. Mardy has also served on the Board of Directors of Modus Link Global Solutions (November 2003- December 2013 (NASDAQ:MLNK) where he was Audit Committee chair and served on the Compensation and Governance Committees. He has also served as Board member and Audit Committee member for the Eden Institute for Autism based in Princeton, New Jersey. Mr. Mardy has been on the NYSE Advisory Board and is a Trustee of the New Jersey chapter of the Financial Executives Institute.</p> <p>In March of 2016, the sale of GMCR to JAB (a European coffee company) was consummated. Both the Tumi and GMCR transactions amounted to \$16 billion and represented significant premiums over weighted average trading prices for both stocks.</p> <p>Mr. Mardy was named CFO of the Year in 2012 (Best Growth Manager) by NJBIZ Magazine. At Tumi, he served as an operating CFO with responsibilities which included logistics, information technology, consumer affairs, and sales administration, in addition to his financial and investor relations responsibilities.</p> <p>Mr. Mardy was named as one of 2015's top 100 directors by the National Association of Corporate Directors. He has extensive experience in Board governance, regulatory matters, mergers and acquisitions, and audit and compensation issues. During his 25 years of board work, he has developed expertise in a wide range of corporate governance, regulatory, and securities law matters.</p> <p>Mr. Mardy holds a BA from Princeton University and an MBA from Rutgers University. He started his business career with the international CPA firm of Coopers and Lybrand (now PWC). He is a CPA in the state of New Jersey and holds the Certified Global Management Accountant Certification. He is a member of the Financial Executives Institute, the National Association of Corporate</p> | <p>Director Nominee</p> | <p>Nil</p>                                   |

| Name, Province, Country of Residence and Position(s) with the Company | Principal Occupation, Business or Employment for Last Five Years <sup>(1)</sup>  | Director Since | Number of Common Shares Owned <sup>(1)</sup> |
|---|--|----------------|--|
|   | Directors, The American Institute of Certified Public Accountants, and the New Jersey Society of Certified Public Accountants. |                |  |

(1) The number of common shares beneficially owned, or controlled or directed, directly or indirectly, at the date of this Information Circular is based upon information furnished to the Company by the individual directors.

(2) Member of the Audit Committee.

**Management recommends that shareholders approve each of the nominees listed above for election as a director of the Company for the ensuing year.**

Management does not contemplate that any of its nominees will be unable to serve as directors. If any vacancies occur in the slate of nominees listed above before the Meeting, then the Designated Persons intend to exercise discretionary authority to vote the common shares represented by proxy for the election of any other persons as directors.

*Cease Trade Orders*

Darcy Bomford, the President, CEO and a director of the Company, was the CEO and a director of Darford International Inc. (“Darford”), a corporation that was the subject of a cease trade order issued by the British Columbia Securities Commission on December 6, 2012 for failure to file its interim financial statements and management’s discussion and analysis for the period ended September 30, 2012. Mr. Bomford resigned from his position as the CEO of Darford on October 12, 2012.

Darford was also the subject of a cease trade order issued by the Alberta Securities Commission on April 14, 2014 for failure to file its annual financial statements and management’s discussion and analysis for the year ended March 31, 2013, and interim financial statements and management’s discussion and analysis for the periods ended September 30, 2012, December 31, 2012, June 30, 2013, September 30, 2013 and December 31, 2013.

Other than as described above, no proposed director of the Company is, or within the 10 years before the date of this Information Circular has been, a director, chief executive officer or chief financial officer of any company that:

- (a) was subject to an order that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

*Bankruptcies*

On October 22, 2012, The Bowra Group Inc. was appointed as receiver and manager of all assets, undertakings and properties of Darford and its wholly owned subsidiaries Darford USA Inc., Darford Industries Ltd, and Darford USA Holding Co. Darcy Bomford, the President, CEO and a director of the Company, was the CEO and a director of Darford but resigned from his position as the CEO of Darford on October 12, 2012. Following its appointment, the receiver initiated a sale process to sell Darford’s assets on a going-concern basis.

Other than as described above, no proposed director of the Company is, or within 10 years before the date of this Information Circular has been, a director or executive officer of any company that, while the person was acting in that capacity, or within a year of that person ceasing to act in the 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*

No proposed director of the Company has, within 10 years before the date of this Information Circular, 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 the assets of the proposed director.

#### *Securities Related Penalties and Sanctions*

No proposed director has been subject to, or entered into a settlement agreement resulting from:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

#### **Re-Appointment of Auditor**

At the Meeting, shareholders will be asked to pass an ordinary resolution re-appointing Deloitte LLP as the auditor of the Company to hold office until the next annual meeting of the shareholders or until such firm is removed from office or resigns as provided by law and to authorize the Board of Directors to fix the remuneration to be paid to the auditor. Deloitte LLP, of Vancouver, British Columbia, has served as the auditor of the Company since November 2018.

**Management recommends that shareholders approve the re-appointment of Deloitte LLP as the auditor of the Company for the fiscal year ended March 31, 2020, at a remuneration to be fixed by the Board of Directors.**

### **STATEMENT OF EXECUTIVE COMPENSATION**

#### **Definitions**

For the purpose of this Information Circular:

“**company**” includes other types of business organizations such as partnerships, trusts and other unincorporated business entities;

“**compensation securities**” includes stock options, convertible securities, exchangeable securities and similar instruments including stock appreciation rights, deferred share units and restricted stock units granted or issued by the Company or one of its subsidiaries for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries;

“**external management company**” includes a subsidiary, affiliate or associate of the external management company;

“**named executive officer**” or “**NEO**” means each of the following individuals:

- (a) each individual who, in respect of the Company, 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;
- (b) each individual who, in respect of the Company, 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;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102FV6 *Statement of Executive Compensation – Venture Issuers*, for that financial year; and
- (d) each individual who would be an named executive officer under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year;

“**plan**” includes any plan, contract, authorization, or arrangement, whether or not set out in any formal document, where cash, compensation securities or other property may be received, whether for one or more persons; and

“**underlying securities**” means any securities issuable on conversion, exchange or exercise of compensation securities.

**Director and Named Executive Officer Compensation**

The following table summarizes the compensation paid to each NEO for each of the Company’s two most recently completed financial years:

| Table of Compensation Excluding Compensation Securities |                      |   |            |                                |                           |                                      |                         |
|---|----------------------|---|------------|--------------------------------|---------------------------|--------------------------------------|-------------------------|
| Name and Position                                       | Year Ended March 31, | Salary, Consulting Fee, Retainer or Commission (\$) | Bonus (\$) | Committee or Meeting Fees (\$) | Value of Perquisites (\$) | Value of All Other Compensation (\$) | Total Compensation (\$) |
| Darcy Bomford<br><i>President, CEO and Director</i>     | 2019                 | 168,500   | Nil        | Nil                            | Nil                       | 15,734                               | 184,234                 |
|   | 2018                 | 70,000  | Nil        | Nil                            | Nil                       | 151,749                              | 221,749                 |
| Kerry Biggs<br><i>CFO</i>                               | 2019                 | 109,375   | Nil        | Nil                            | Nil                       | 142,500                              | 251,875                 |
|   | 2018                 | Nil   | Nil        | Nil                            | Nil                       | Nil                                  | Nil                     |
| Chuck Austin<br><i>Former CFO</i>                       | 2019                 | 14,000  | Nil        | Nil                            | Nil                       | Nil                                  | 14,000                  |
|   | 2018                 | 24,000  | Nil        | Nil                            | Nil                       | 40,660                               | 64,660                  |

**Stock Options and Other Compensation Securities**

During the Company’s most recently completed financial year, neither the Company nor any of its subsidiaries granted or issued any compensation securities to any director or named executive officer for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries.

On the last day of the Company's most recently completed financial year, the directors and named executive officers held the following compensation securities, all of which vested immediately upon grant unless otherwise noted:

| Name and Position                                   | Type of Compensation Security | Number of Compensation Securities and Number of Underlying Securities | Date of Grant                    | Exercise Price (\$) | Expiry Date                      |
|---|-------------------------------|---|----------------------------------|---------------------|----------------------------------|
| Darcy Bomford<br><i>President, CEO and Director</i> | Options<br>Options            | 300,000 <sup>(1)</sup><br>200,000 <sup>(3)</sup>                      | May 29, 2017<br>February 6, 2018 | \$0.395<br>\$0.94   | May 29, 2019<br>February 6, 2023 |
| Kerry Biggs<br><i>CFO</i>                           | Options                       | 750,000 <sup>(4)</sup>  | September 10, 2018               | \$0.56              | September 10, 2023               |
| Kevin Bottomley<br><i>Director</i>                  | Options<br>Options            | 300,000 <sup>(1)</sup><br>200,000 <sup>(3)</sup>                      | May 29, 2017<br>February 6, 2018 | \$0.395<br>\$0.94   | May 29, 2019<br>February 6, 2023 |
| Michael Harcourt<br><i>Chairman and Director</i>    | Options<br>Options            | 300,000 <sup>(2)</sup><br>200,000 <sup>(3)</sup>                      | May 29, 2017<br>February 6, 2018 | \$0.395<br>\$0.94   | May 29, 2019<br>February 6, 2023 |
| Sylvain Toutant<br><i>Director</i>                  | Options                       | 100,000 <sup>(4)</sup>  | July 31, 2018                    | \$0.50              | July 31, 2023                    |
| Jodi Watson<br><i>Director and Vice-Chair</i>       | Options                       | 100,000 <sup>(4)</sup>  | March 6, 2019                    | \$0.56              | March 6, 2024                    |

<sup>(1)</sup> Expired unexercised on May 29, 2019.

<sup>(2)</sup> Exercised subsequent to the financial year ended March 31, 2019.

<sup>(3)</sup> 100,000 vest immediately, 25,000 vest every 6 months thereafter.

<sup>(4)</sup> 33% vest one year after the date of grant, 33% vest two years after the date of grant, and the remainder vest three years after the date of grant.

### Stock Option Plans and Other Incentive Plans

All of the Company's directors, officers, employees and consultants are eligible to participate in the Company's stock option plan (the "**Stock Option Plan**"). The purpose of the Stock Option Plan is to advance the interests of the Company by encouraging the directors, officers, employees and consultants of the Company to acquire common shares in the Company. This increase in the proprietary interest in the Company encourages the individuals to remain associated with the Company and furnishes them with additional incentive to improve their efforts on behalf of the Company.

Stock options may be granted to the following persons under the Stock Option Plan, as defined therein:

- (a) Eligible Employees, including officers;
- (b) Directors;
- (c) Consultants or Consultant Companies; and
- (d) Management Company Employees.



The decision to grant options is made by the Board of Directors as a whole, and a grant is approved by directors' resolutions or at a meeting of the directors. The Stock Option Plan provides for the issuance of options to acquire up to an unlimited number of the issued and outstanding common shares of the Company as at the date of grant, subject to certain limitations in respect of individual grants in any 12-month period. A copy of the Stock Option Plan is available for review at (a) [www.sedar.com](http://www.sedar.com) as an "other material contract" of the Company that was filed on April 23, 2015; and (b) the registered and records office of the Company at Suite 1700, 1055 West Hastings Street, Vancouver, BC, V6E 2E9 during normal business hours up to and including the date of the Meeting.

The Stock Option Plan has not previously been approved by the Company's shareholders.

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

On June 6, 2018, the Company entered into a director's consulting agreement with Sylvain Toutant pursuant to which Mr. Toutant agreed to be engaged as a member of the Board of the Company and provide services to the Company typically performed by a Board member on an ongoing basis until terminated by the parties in consideration for \$2,000 for every Board meeting Mr. Toutant attends in person or via telephone in addition to reasonable travel, accommodation, and meal expenses as well as 50,000 stock options to be granted in accordance with the Company's Stock Option Plan.

On July 18, 2018, the Company entered into an employment agreement with Kerry Biggs pursuant to which Mr. Biggs agreed to be employed as Chief Financial Officer of the Company and provide services to the Company typically performed by a Chief Financial Officer on an ongoing basis until terminated by the Parties in writing with four (4) weeks' notice or at any time the Company may terminate Mr. Biggs for cause without notice or payment in lieu of notice. Mr. Biggs shall be compensated with an annual salary of \$195,000, four (4) weeks' vacation per annum, entitlement to participate in the employee benefits program, and entitlement to annual bonus if certain milestones are met. In addition to his cash compensation, Mr. Biggs was also to be granted 100,000 common shares in the capital of the Company and 750,000 incentive stock options to be granted in accordance with the Company's Stock Option Plan.

On December 18, 2018, the Company entered into a director's consulting agreement with Jodi Watson pursuant to which Ms. Watson agreed to be engaged as a member of the Board of the Company and provide services to the Company typically performed by a Board member on an ongoing basis until terminated by the parties in consideration for \$2,000 for every Board meeting Ms. Watson attends in person or via telephone in addition to reasonable travel, accommodation, and meal expenses as well as 100,000 stock options to be granted in accordance with the Company's Stock Option Plan.

The consulting agreements do not include any change of control, severance, termination or constructive dismissal provisions, other than a standard termination clause describing reasons for cause and requiring each party to notify the other in writing 30 days in advance of any proposed termination for any other reason.

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

The Board of Directors is responsible for determining, by way of discussions at board meetings, the compensation to be paid to the directors and executive officers of the Company. The Company does not currently have a formal compensation program in place with specific performance goals or similar conditions; however, the performance of each executive officer is considered along with the Company's ability to pay compensation and its results of operation for the period. The Company does not use any benchmarking in determining compensation or any element of compensation.

The Company's compensation program for all of its employees, including its named executive officers, consists of long-term incentive compensation comprised of share options and base salaries. This program is designed to achieve the following key objectives:

- (a) support the Company's overall business strategy and objectives;
- (b) provide market competitive compensation that is substantially performance-based;
- (c) provide incentives that encourage superior corporate performance and retention of highly skilled and talented employees; and
- (d) align executive compensation with corporate performance and therefore shareholders' interests.

The value of this program is used as a basis for assessing the overall competitiveness of the Company's compensation package. The fixed element of compensation provides a competitive base of secure compensation required to attract and retain executive talent. The variable performance-based, or "at risk" compensation, is designed to encourage both short-term and long-term performance by employees of the Company.

The decision to grant options is made by the Board of Directors as a whole, and neither total compensation nor any significant element thereof is tied to specific performance criteria or goals.

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

The following table sets forth details of all compensation plans under which equity securities of the Company were authorized for issuance, as of the end of the Company's most recently completed financial year:

| Plan Category  | Number of Securities to be Issued upon Exercise of Outstanding Options, Warrants and Rights<br>(a) | Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights<br>(b) | Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))<br>(c) |
|--|--|--|--|
| Equity compensation plans approved by security holders     | Nil  | N/A  | N/A  |
| Equity compensation plans not approved by security holders | 7,825,000 options  | 0.57   | Unlimited  |

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

As of August 7, 2019, no director, executive officer or employee of the Company or any of its subsidiaries; former director, executive officer or employee of the Company or any of its subsidiaries; proposed nominee for election as a director of the Company; or any associate of any of the foregoing: (i) is or has been indebted to the Company or any of its subsidiaries at any time since the beginning of the Company's most recently completed financial year, or (ii) is or has been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries at any time since the beginning of the Company's most recently completed financial year.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed in this Information Circular, no: (a) director, proposed director or executive officer of the Company; (b) person or company who beneficially owns, directly or indirectly, common shares or who exercises control or direction of common shares, or a combination of both carrying more than 10% of the voting rights attached to the outstanding common shares (an “**Insider**”); (c) director or executive officer of an Insider; or (d) associate or affiliate of any of the directors, executive officers or Insiders, has had any material interest, direct or indirect, in any transaction since the commencement of the Company’s most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company, except with an interest arising from the ownership of common shares where such person or company will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of the same class of common shares.

## AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 *Audit Committees* (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its Audit Committee and its relationship with its independent auditor.

### Audit Committee Charter

On February 6, 2015, the Company adopted an audit committee charter, the text of which is included as Schedule A to this Information Circular.

### Composition of the Audit Committee

As of the date of this Information Circular, the following are the members of the Audit Committee:

| Name                           | Independence | Financial Literacy   |
|--------------------------------|--------------|----------------------|
| Sylvain Toutant <sup>(1)</sup> | Independent  | Financially literate |
| Kevin Bottomley                | Independent  | Financially literate |
| Michael F. Harcourt            | Independent  | Financially literate |

<sup>(1)</sup> *Chair of the Audit Committee.*

### Relevant Education and Experience

In addition to each member’s general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

**Sylvain Toutant** has more than 17 years of experience as an executive in the beverage and consumer packaged goods industries and is a recognized specialist in retailing. He led DAVIDsTEA’s successful IPO on the NASDAQ exchange. As President of Keurig Canada he accelerated growth through Canada, the United States and the United Kingdom.

**Kevin Bottomley** has spent the last nine years working on corporate communications with two publicly traded companies: Zimtu Capital Corp. and Commerce Resources Corp. He has been involved with successful capital raises totaling over \$70 million and has strong working relationships with contracts in Canada, the United States, Europe and Asia.

**Michael Harcourt** as the former Mayor of Vancouver, and former Premier of the province of British Columbia has had extensive experience reviewing financial statements. Since leaving politics he has

served in a number of different capacities which required he exercise financial judgement and oversight of budgets of various sizes.

### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year did the Board of Directors fail to adopt a recommendation of the Audit Committee to nominate or compensate an auditor.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Company's most recently completed financial year has the Company relied on an exemption in or from NI 52-110, other than the exemption in section 6.1 as described below.

### **Reliance on Section 6.1**

Pursuant to section 6.1 of NI 52-110, as a venture issuer we are relying on the exemption from the audit committee composition requirements and certain reporting obligations found in Parts 3 and 5 of NI 52-110.

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

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee Charter under the heading "External Auditors".

### **External Auditor Service Fees**

In the following table, "audit fees" are fees billed by the Company's auditor for services provided in auditing the Company's annual financial statements for the subject year. "Audit-related fees" are fees not included in audit fees that are billed by the auditor for assurance and related services that are reasonably related to the performance of the audit review of the Company's financial statements. "Tax fees" are fees billed by the auditor for professional services rendered for tax compliance, tax advice and tax planning. "All other fees" are fees billed by the auditor for products and services not included in the foregoing categories.

The aggregate fees billed by the Company's auditor in the last two fiscal years, by category, are as set out in the table below.

|                    | <b>2019<br/>(\$)</b> | <b>2018<br/>(\$)</b> |
|--------------------|----------------------|----------------------|
| Audit fees         | 101,225              | 70,000               |
| Audit-related fees | Nil                  | Nil                  |
| Tax fees           | Nil                  | Nil                  |
| All other fees     | Nil                  | Nil                  |

### **MANAGEMENT CONTRACTS**

There are no management functions of the Company or any of its subsidiaries which are, to any substantial degree, performed by a person other than the directors or executive officers of the Company or subsidiary.

## **CORPORATE GOVERNANCE**

Maintaining a high standard of corporate governance is a priority for the Board of Directors and the Company's management believes that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Company's corporate governance practices, which addresses the matters set out in National Instrument 58-101 *Disclosure of Corporate Governance Practices*, is set out below.

### **Board of Directors**

The Board of Directors facilitates its exercise of independent supervision over the Company's management through frequent meetings of the Board.

### **Independence of Directors**

Kevin Bottomley is not an officer or employee of the Company or of an affiliate of the Company and is, thus, independent. Michael F. Harcourt holds the role of Chairman and is not otherwise an officer or employee of the Company or of an affiliate of the Company and is, thus, independent. Sylvain Toutant is not an officer or employee of the Company or of an affiliate of the Company and is, thus, independent. Jodi Watson holds the role of Vice-Chair and is not otherwise an officer or employee of the Company or of an affiliate of the Company and is, thus, independent. Darcy Bomford is the President and Chief Executive Officer and, thus, is not independent.

### **Directorships**

The current directors of the Company and each of the individuals to be nominated for election as a director of the Company at the Meeting do not serve as directors or officers of any other reporting issuer as at the date of this Information Circular with the exception of Michael Harcourt who is a director of Sharc International Systems Inc. which trades on the CSE.

### **Orientation and Continuing Education**

The Board of Directors briefs all new directors with respect to the policies of the Board and other relevant corporate and business information. The Board of Directors does not provide any continuing education, but does encourage directors to individually and as a group keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors. In addition, the Board undertakes strategic planning sessions with management.

### **Ethical Business Conduct**

The Board of Directors has found that the fiduciary duties placed on individual directors by the Company'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 Company.

### **Nomination of Directors**

The Board of Directors is responsible for identifying individuals qualified to become new Board members and recommending to the Board new director nominees for the next annual meeting of shareholders.

New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the required time, show support for the Company's mission and strategic objectives, and a willingness to serve.

### **Compensation**

The Board of Directors conducts reviews with regard to the compensation of the directors and CEO once a year. To make its recommendations on such compensation, the Board of Directors informally takes into account the types of compensation and the amounts paid to directors and officers of comparable publicly traded Canadian companies.

At present, the Company pays \$2,500 annually to Kevin Bottomley and Michael Harcourt in their capacity as directors. The Company also pays \$2,000 to Sylvain Toutant for each Board meeting he attends in person or via telephone plus all reasonable expenses. Mr. Toutant is not paid an annual fee as a director at this time. The Company also pays \$2,000 to Jodi Watson for each Board meeting she attends in person or via telephone plus all reasonable expenses. Ms. Watson is not paid an annual fee as a director at this time.

### **Other Board Committees**

Other than the Audit Committee, the Board formed the Corporate Governance and Compensation Committee on December 7, 2018 (the "**CGCC Committee**") and adopted the Corporate Governance and Compensation Committee Charter. The members of the CGCC Committee are Kevin Bottomley, Jodi Watson, and Sylvain Toutant.

### **Assessments**

The Board of Directors regularly monitors the adequacy of information given to directors, communications between the board and management and the strategic direction and processes of the Board and its committees. The Board is currently responsible for assessing its own effectiveness, the effectiveness of individual directors and the effectiveness of the Audit Committee.

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

Except as disclosed elsewhere in this Information Circular, no director or executive officer of the Company who has been a director or executive officer at any time since the beginning of the Company's last financial year, each proposed nominee for election as a director of the Company, or any associate or affiliates of any such directors, executive officers or nominees, has any material interest, direct or indirect, by way of beneficial ownership of common shares or other securities in the Company or otherwise, in any matter to be acted upon at the Meeting other than the election of directors.

## **ADDITIONAL INFORMATION**

Additional information relating to the Company is available at [www.sedar.com](http://www.sedar.com).

Shareholders may contact the Company at its head office by mail at 100 Kalamalka Lake Road, Unit 32, Vernon, BC V1T 9G1, to request copies of the Company's financial statements and related management's discussion and analysis (the "**MD&A**"). Financial information is provided in the audited financial statements and MD&A for the Company for its year ended March 31, 2019.

## **OTHER MATTERS**

Management of the Company knows of no other matters to come before the Meeting other than those referred to in the Notice or this Information Circular. However, if any other matters that are not known to

management should properly come before the Meeting, the accompanying form of proxy confers discretionary authority upon the persons named therein to vote on such matters in accordance with their best judgment.

**APPROVAL OF THE BOARD OF DIRECTORS**

The content of this Information Circular has been approved and the delivery of it to each shareholder of the Company entitled thereto and to the appropriate regulatory agencies has been authorized by the Board of Directors.

Dated at Vernon, British Columbia as of August 12, 2019.

ON BEHALF OF THE BOARD

*“/s/ Darcy Bomford”*

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**Darcy Bomford**  
President, Chief Executive Officer and Director

## **SCHEDULE A**

### **AUDIT COMMITTEE CHARTER**

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

#### **1. Composition**

- (a) *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.
- (b) *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- (c) *Financially Literacy.* All members of the audit committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

#### **2. Meetings**

- (a) *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- (b) *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- (c) *Notice to Auditors.* The Company's auditors (the "**Auditors**") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- (d) *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the committee.

#### **3. Roles and Responsibilities**

The roles and responsibilities of the Audit Committee include the following:

##### External Auditor

The Audit Committee will:

- (a) *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.



- (b) Scope of Work. Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- (c) Compensation. Recommend to the Board the compensation to be paid to the external auditors.
- (d) Replacement of Auditor. If necessary, recommend the replacement of the Auditor to the Board of Directors.
- (e) Approve Non-Audit Related Services. Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- (f) Direct Responsibility for Overseeing Work of Auditors. Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- (g) Resolution of Disputes. Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

#### Consolidated Financial Statements and Financial Information

The Audit Committee will:

- (h) *Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- (i) Review of Interim Financial Statements. Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- (j) MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports. Review the Company's management discussion and analysis, interim and annual press releases, and audit committee reports before the Company publicly discloses this information.
- (k) Auditor Reports and Recommendations. Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

#### Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- (l) *Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- (m) Financial Management. Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- (n) *Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

- (o) *Litigation.* Review with the Auditors and legal counsel any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the consolidated financial statements.
- (p) *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

#### Complaints

- (q) Accounting, Auditing and Internal Control Complaints. The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- (r) Employee Complaints. The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

#### **4. Authority**

- (a) *Auditor.* The Auditors, and any internal auditors hired by the company, will report directly to the Audit Committee.
- (b) To Retain Independent Advisors. The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

#### **5. Reporting**

The Audit Committee will report to the Board on:

- (a) the Auditor's independence;
- (b) the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- (c) the reappointment and termination of the Auditor;
- (d) the adequacy of the Company's internal controls and disclosure controls;
- (e) the Audit Committee's review of the annual and interim consolidated financial statements;
- (f) the Audit Committee's review of the annual and interim management discussion and analysis;
- (g) the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and
- (h) all other material matters dealt with by the Audit Committee.

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