

## INFORMATION CIRCULAR

### FOR THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

(this information is given as of April 5, 2019)

#### SOLICITATION OF PROXIES

Bee Vectoring Technologies International Inc. (the "Company") is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the Annual and Special Meeting of the Shareholders of the Company (the "Meeting"), to be held on May 10, 2019, at the place and time and for the purposes set forth in the Notice of Annual and Special Meeting (the "Notice of Meeting") and at any adjournments thereof. This solicitation is being made primarily by mail, but proxies may also be solicited by directors, officers or employees of the Company. The cost of the solicitation of proxies will be borne by the Company.

#### APPOINTMENT OF PROXYHOLDERS

The persons named in the enclosed form of proxy are directors and officers of the Company. **A shareholder has the right to appoint a person other than the persons named in the enclosed forms of proxy to attend and vote for him or her at the Meeting.** In order to do so, the shareholder may cross out the names printed in these forms of proxy and insert such person's name in the blank space provided thereon or complete another form of proxy. In either case, the duly completed forms of proxy must be delivered to the Company, c/o TSX Trust, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, facsimile: (416) 595-9593, not later than 48 hours (excluding Saturdays, Sundays and statutory holidays) prior to the commencement of the Meeting or any adjournment thereof or the Secretary of the Meeting, on the day of the Meeting or any adjournment thereof. It is not necessary to be a shareholder in order to act as a proxy.

#### REVOCACTION OF PROXIES

A shareholder may revoke his proxy at any time, relating to any question for which the voting right granted by the proxy has not yet been exercised, by instrument in writing executed by the shareholder or by his attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Such revocation must be deposited with the Company, c/o TSX Trust, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1, facsimile: (416) 595-9593, at any time up to and including the day preceding the day of the Meeting, or with the Chairman or Secretary of the Meeting on the day of the Meeting, or in any other manner permitted by law.

#### EXERCISE OF PROXY

The voting rights attached to the common shares in the capital of the Company (the "Common Shares") represented by proxies will be voted or withheld from voting in accordance with the instructions indicated therein. **If no instructions are given, the voting rights attached to said shares will be exercised by those persons designated in the form of proxy and will be voted IN FAVOUR of all the matters described therein.**

The enclosed form of proxy confers discretionary voting authority upon the persons named therein with respect to amendments to matters identified in the Notice of Meeting, and with respect to such matters as may properly come before the Meeting. As of the date hereof, management of the Company knows of no such amendments or other matters to come before the Meeting.

#### NON-REGISTERED HOLDERS

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Shareholders who do not hold their shares in their own name (the "Non-Registered Shareholders") are advised that only proxies from shareholders of record can be recognized and voted at the Meeting.**

Most shareholders are Non-Registered Shareholders because the Common Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank or trust company through which they purchased the shares. Common Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary (an "Intermediary") that the Non-Registered Shareholder deals with in respect of the shares (Intermediaries include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered RRSPs, RRIFs, RESPs and

similar plans); or (ii) in the name of a clearing agency (such as The CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

There are two kinds of Non-Registered Shareholders - those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for Objecting Beneficial Owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for Non-Objecting Beneficial Owners).

The Notice of Meeting, this Information Circular and the instrument of proxy or a voting instruction form and the request form (collectively, the "**Meeting Materials**") are being sent to both registered shareholders and Non-Registered Shareholders. If you are a Non-Registered Shareholder, and the Company 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. By choosing to send these materials to you directly, the Company (and not the Intermediary holding securities on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### Non-Objecting Beneficial Owners

If you are a NOBO, the Company is sending the Meeting Materials to you directly. Please complete the voting instruction form and carefully follow the instructions therein for return of the executed form or other method of response. If you wish to vote in person at the Meeting (or to have another person attend and vote on your behalf), you must insert your own name (or such other person's name) in the space provided for the appointment of a proxyholder on the voting instruction form and carefully follow the instructions therein for return of the executed form or other method of response.

#### Objecting Beneficial Owners

In accordance with applicable securities law requirements, the Company will have distributed copies of the Meeting Materials to the clearing agencies and Intermediaries for distribution to OBOs.

Intermediaries are required to forward the Meeting Materials to OBOs unless an OBO has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to OBOs.

OBOs are not permitted to vote at the Meeting. Generally, OBOs who have not waived the right to receive Meeting Materials will either:

- (a) be given a voting instruction form **which is not signed by the Intermediary** and which, when properly completed and signed by the OBO and **returned to the Intermediary or its service company**, will constitute voting instructions (often called a "**voting instruction form**") which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of a 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 form of proxy to validly constitute a voting instruction form, the OBO must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company; or
- (b) be given 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 shares beneficially owned by the OBO 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 OBO when submitting the proxy. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and **deposit it with the Company, c/o TSX Trust, Attention: Proxy Department, 301 – 100 Adelaide Street West, Toronto, Ontario M5H 4H1.**

In either case, the purpose of these procedures is to permit OBOs to direct the voting of the shares they beneficially own. Should an OBO who receives one of the above forms wish to vote at the Meeting in person (or have another person attend and vote on behalf of the OBO), the OBO should strike out the persons named in the instrument of proxy and insert the OBO or such other person's name in the blank space provided. **In either case, OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the Instrument of Proxy or voting instruction form is to be delivered.**

An OBO may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a

revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote which is not received by the Intermediary at least seven (7) days prior to the Meeting.

**Unless otherwise indicated in this Information Circular and in the form of proxy and Notice of Meeting attached hereto, shareholders shall mean registered shareholders.**

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

As at the date hereof, the Company had 77,599,271 Common Shares outstanding, representing the Company's only securities with respect to which a voting right may be exercised at the Meeting. Each Common Share carries the right to one vote at the Meeting. Two persons present in person or by proxy and each entitled to vote thereat shall constitute a quorum for the transaction of business at the Meeting.

The record date to determine a shareholders eligibility to receive the Notice of Meeting and vote at the Meeting was fixed at March 25, 2019 (the "**Record Date**").

To the knowledge of the directors and senior officers of the Company as at the date hereof, based on information provided on the System for Disclosure by Insiders (SEDI) and on information filed by third parties on the System for Electronic Document Analysis and Retrieval (SEDAR), no person beneficially owns, as of the date hereof, directly or indirectly, or exercises control or direction over, more than 10% of the Company's Common Shares.

## **FINANCIAL STATEMENTS**

Pursuant to the *Business Corporations Act* (Ontario) (the "**OBCA**"), the directors of the Company will place before the shareholders at the Meeting the audited financial statements of the Company for the years ended September 30, 2018 and 2017 and the auditors' report thereon, and the financial statements of the Company for the three months ended December 31, 2018 and 2017. Shareholder approval is not required in relation to the financial statements.

## **ELECTION OF DIRECTORS**

The board of directors of the Company (the "**Board**") presently consists of four directors. All of the current directors have been directors since the dates indicated below and all will be standing for re-election. The Board recommends that shareholders vote **FOR** the election of the four nominees of management listed in the following table.

Each director will hold office until his re-election or replacement at the next annual meeting of the shareholders unless he resigns his duties or his office becomes vacant following his death, dismissal or any other cause prior to such meeting.

The Board has an Audit Committee and a Compensation Committee, the members of each of which are set out below.

Unless otherwise instructed, proxies and voting instructions given pursuant to this solicitation by the management of the Company will be voted for the election of the proposed nominees. **If any proposed nominee is unable to serve as a director, the individuals named in the enclosed form of proxy reserve the right to nominate and vote for another nominee in their discretion.**

### *Advance Notice Provisions*

The Company's By-Law No. 1 provides for advance notice of nominations of directors of the Company which require that advance notice be provided to the Company in circumstances where nominations of persons for election to the Board are made by shareholders of the Company other than pursuant to: (i) a requisition of a meeting of shareholders made pursuant to the provisions of the OBCA; or (ii) a shareholder proposal made pursuant to the provisions of the OBCA. A copy of By-Law No. 1 is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

### *Nominees to the Board of Directors*

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province and Country of Residence, and Position with the Company	Principal Occupation or Employment	Served as Director Since	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
<b>Michael Collinson</b> <sup>(1)</sup> Ontario, Canada <i>Chairman and Director</i>	Chairman and Director of the Company. Director of Chelsian Sales & Marketing Inc.	June 30, 2015	2,858,359 <sup>(4)</sup>
<b>Jim Molyneux</b> <sup>(1)(2)(3)</sup> Ontario, Canada <i>Director</i>	Chartered Accountant and Regional Managing Partner for GTA West of MNP LLP (Toronto)	June 30, 2015	1,742,659 <sup>(5)</sup>
<b>Claude Flueckiger</b> <sup>(1)(3)</sup> Basel, Switzerland <i>Director</i>	Consultant at Flueckiger Consulting	June 30, 2015	Nil <sup>(6)</sup>
<b>Brandon Boddy</b> British Columbia, Canada <i>Director</i>	Principal at Boddy and Co. Investments <sup>(7)</sup>	April 25, 2018	500,000 <sup>(8)</sup>

**Notes:**

- (1) Member of the Audit Committee.
- (2) Chair of the Audit Committee.
- (3) Member of the Compensation Committee.
- (4) Of these shares, 1,224,230 are held through Chelsian Sales & Marketing Inc., a company controlled by Mr. Collinson. Mr. Collinson also holds options exercisable for 800,000 Common Shares.
- (5) Of these shares, 112,500 are held through Pengally Bay Investments Inc., a company controlled by Mr. Molyneux. Mr. Molyneux also holds options exercisable for 520,000 Common Shares.
- (6) Mr. Flueckiger holds options exercisable for 720,000 Common Shares.
- (7) During the past five (5) years, Mr. Boddy, a current and prospective member of the Board, who has not previously been elected by a vote of shareholders, carried on the principal occupation noted above, and no other.
- (8) Mr. Boddy also holds options exercisable for 200,000 Common Shares and warrants exercisable for 500,000 Common Shares.

*Corporate Cease Trade Orders or Bankruptcies*

None of the proposed directors of the Company is, as at the date hereof, or has been, within the previous 10 years, a director, chief executive officer or chief financial officer of any company (including the Company) that, (i) 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 (ii) 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.

None of the proposed directors of the Company is, as at the date hereof, or has been, within the previous 10 years, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

*Penalties or Sanctions*

None of the proposed directors of the Company 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 proposed director.

*Personal Bankruptcies*

None of the proposed directors of the Company has, within the 10 years before 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 the assets of the proposed director.

**Management of the Company recommends that shareholders vote in favour of the recommended directors. You can vote for all of these directors, vote for some of them and withhold for others, or withhold for all of them. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the proposed nominees set forth above as directors of the Company.**

## EXECUTIVE COMPENSATION

### Named Executive Officers

Securities legislation requires the disclosure of the compensation received by each "Named Executive Officer" ("**Named Executive Officer**" or "**NEO**") of the Company for the most recently completed financial year. "Named Executive Officer" is defined by the legislation to mean: (i) the Chief Executive Officer of the Company; (ii) the Chief Financial Officer of the Company; (iii) each of the Company's three most highly compensated executive officers or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 for that financial year; and (iv) each individual who would be a "Named Executive Officer" under paragraph (iii) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity, at the end of the most recently completed financial year.

### Compensation Discussion and Analysis

The objective of the Company's compensation program is to compensate the directors and NEOs for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development, although no formal benchmark group of companies is established.

Pursuant to the Company's Compensation Committee Charter, the Compensation Committee determines the director and NEO compensation and reviews such compensation annually. The primary objectives of the Company's executive compensation program are to attract, motivate and retain highly qualified management and employees and align the compensation of executive office and other employees with the interests of the Company's Shareholders.

When determining executive compensation, the Compensation Committee will review the compensation policies of companies engaged in the industry and of a similar size and development stage. Although the Company has not obtained any industry reports regarding compensation, at the appropriate time the Board will review publicly available information with respect to compensation paid to the executives of similar size and stage companies.

Compensation for the NEOs is comprised of three components: base salary, long-term incentives in the form of option based awards and cash bonuses. Fees paid to Kyle Appleby as CFO, Ashish Malik and Michael Collinson's salary and bonus amounts are all as described in the section "*Employment, Consulting and Management Agreements*" herein. These components support the Company's growth strategy and compensation objectives.

In setting the base compensation levels for NEOs, consideration is given to objective factors such as the level of responsibility, experience and expertise, as well as subjective factors such as leadership and contribution to corporate performance. Compensation is reviewed annually and adjustments may be made based upon corporate and personal performance, market conditions and the level of responsibility attributed to specific executives.

#### *Base Salary*

Salaries provide a fixed level of regularly paid cash compensation for performing day-to-day responsibilities. Base salaries are reviewed annually and take into account the market value of the role and the NEOs demonstration of capability. In reviewing base salaries factors such as the individual's experience and contribution, general market conditions and competition for qualified personnel are taken into account.

#### *Bonuses*

From time to time the Company may award cash bonuses to reward exceptional service. Except for bonuses payable under the Executive Agreement, bonuses are paid at the discretion of the Compensation Committee based upon the achievement of individual and corporate performance, with those two criteria being weighted equally for the purpose of the assessment.

#### *Perquisites and Personal Benefits*

While the Company reimburses its Named Executive Officers for expenses incurred in the course of performing their duties as executive officers of the Company, the Company did not provide any compensation that would be considered a perquisite or personal benefit to its Named Executive Officers.

#### *Group Benefits*

The Company does not offer a group benefits plan of any kind.

### **Option-Based Awards**

Option-based awards provide incentive compensation that rewards long term performance by allowing option holders to participate in the long term market appreciation of the Common Shares.

The allocation of options has been, and continues to be, a key component of the compensation for the Company's NEOs, other executive team members and employees. The Company believes that the Option grants motivate achievement of the Company's long term strategic objectives while aligning the interests of management with those of Shareholders.

Participation is granted at levels which the Board believes are reasonable in light of performance of the Company under the leadership of the executive officers. The Company does not have a program or regular annual grant of options. When determining options to be allocated, a number of factors are considered, including the number of outstanding options held by an individual, the value of such options, and the total number of options available for granting. The Company also uses the grant of Options in recruiting new employees.

The Board implemented and adopted a stock option plan (the "**2011 Option Plan**") effective November 17, 2011, which was subsequently approved by the TSX Venture Exchange (the "**TSXV**") and annually by the Company's shareholders. The number of common shares which may be issued pursuant to options previously granted and those granted under the 2011 Option Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. Under TSXV policy, all such "rolling" stock option plans must be approved and ratified by shareholders on an annual basis.

The purpose of the 2011 Option Plan is to attract and motivate directors, senior officers, employees, management company employees and consultants and to give such persons, as additional compensation, the opportunity to participate in the success of the Company. Under the 2011 Option Plan, options are exercisable over periods of up to 10 years as determined by the Board and are required to have an exercise price no less than the closing market price of the Company's common shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the TSXV and approved by the Board. The number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis (without shareholder approval) or 2% if the optionee is engaged in investor relations activities or is a consultant. The 2011 Option Plan contains no vesting requirements, but permits the Board to specify a vesting schedule in its discretion, subject to the minimum vesting requirements of the TSXV, if any.

The 2011 Option Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of: (i) the expiry date of such options, and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.

The 2011 Option Plan has been used to provide share purchase options which are granted in consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Compensation Committee with consultation of the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSXV and closely align the interests of the executive officers with the interests of shareholders.

The Compensation Committee with consultation of the Board has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

At the Meeting, shareholders are being asked to approve the 2019 Option Plan (defined below) and the 2019 RSU Plan (defined below). See "APPROVAL AND RATIFICATION OF STOCK OPTION PLAN" and "APPROVAL AND RATIFICATION OF RESTRICTED SHARE UNIT PLAN".

### **Summary Compensation Table for Named Executive Officers**

The following table sets forth information concerning the total compensation paid to the Named Executive Officers of the Company for the financial years ended September 30, 2018, 2017 and 2016:

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based Awards (\$)	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long term incentive plans			
Michael Collinson <sup>(1)</sup> <i>Chairman, Director and former President and CEO</i>	2018	56,000	N/A	49,800 <sup>(6)</sup>	N/A	N/A	N/A	N/A	105,800
	2017	83,875	N/A	N/A	N/A	N/A	N/A	N/A	83,875
	2016	135,000	N/A	N/A	N/A	N/A	N/A	N/A	135,000
Ashish Malik <sup>(2)</sup> <i>CEO</i>	2018	352,990	N/A	N/A	N/A	N/A	N/A	N/A	352,990
	2017	362,136	N/A	N/A	N/A	N/A	N/A	N/A	362,136
	2016	28,345	N/A	310,000 <sup>(4)</sup>	N/A	N/A	N/A	N/A	338,345
Kyle Appleby <sup>(3)</sup> <i>CFO</i>	2018	30,000	N/A	N/A	N/A	N/A	N/A	N/A	30,000
	2017	30,000	N/A	N/A	N/A	N/A	N/A	N/A	30,000
	2016	30,000	N/A	24,825 <sup>(5)</sup>	N/A	N/A	N/A	N/A	54,825

**Notes:**

- (1) Mr. Collinson was appointed President and CEO on June 30, 2015 and resigned on September 1, 2016. This amount was paid to Mr. Collinson in respect of Mr. Collinson's role as CEO and he received no fees in respect of his role as a director. Subsequent to his resignation, Mr. Collinson received consulting fees through Chelsian Sales & Service, a company he controls.
- (2) Mr. Malik was appointed President and CEO of the Company effective September 1, 2016.
- (3) Mr. Appleby was appointed CFO on June 30, 2015. Fees for Mr. Appleby's services as CFO are paid to him through CFO Advantage Inc., a company he controls.
- (4) On August 30, 2016, Mr. Malik was granted 1,000,000 stock options, vesting 250,000 on the first anniversary of the grant date and then approx. 20,833 per month for 36 months following thereafter. The fair value of the award on the grant date was calculated using the Black-Scholes options pricing model with the following assumptions: Risk free interest rates of 1.02%; Dividend yield of NIL; Expected stock price volatility of 96.53%; Option life of 5 years; Forfeiture rate of nil; Stock price of \$0.35.
- (5) On November 16, 2015, Mr. Appleby was granted 75,000 stock options, vesting on the grant date. The fair value of stock options granted was based on the Black-Scholes valuation model on the grant date. The fair value of the award on the grant date was calculated using the Black-Scholes options pricing model with the following assumptions: Risk free interest rates of 0.94%; Dividend yield of NIL; Expected stock price volatility of 106.06%; Option life of 5 years; Forfeiture rate of nil; Stock price of \$0.43.
- (6) On March 28, 2018, Mr. Collinson was granted 200,000 stock options, vesting on the grant date, for his services as a director of the Company. The fair value of stock options granted was based on the Black-Scholes valuation model on the grant date. The fair value of the award on the grant date was calculated using the Black-Scholes options pricing model with the following assumptions: Risk free interest rates of 2.00%; Dividend yield of NIL; Expected stock price volatility of 115.34%; Option life of 5 years; Forfeiture rate of nil; Stock price of \$0.30.

**Incentive Plan Awards**

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

The following table sets forth information concerning all awards outstanding under incentive plans of the Company granted during the Company's most recently completed financial year, to each of the NEOs of the Company:

	Option-Based Awards	Share-Based Awards
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Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$ <sup>(1)</sup> )	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Michael Collinson	600,000	\$0.25	July 6, 2020	Nil	N/A	N/A
	200,000	\$0.25	March 28, 2023			
Ashish Malik	1,000,000	\$0.32	August 30, 2026	Nil	N/A	N/A
Kyle Appleby	75,000	\$0.43	November 16, 2020	Nil	N/A	N/A

**Note:**

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the TSXV during the Company's most recently completed financial year, namely, \$0.20 on September 28, 2018.

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

The following table sets forth the value of all incentive plan awards vested or earned for the Named Executive Officers during the year ended September 30, 2018:

Name	Option-based awards - Value vested during the year <sup>(1)</sup> (\$)	Share-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Michael Collinson	Nil	N/A	N/A
Ashish Malik	Nil	N/A	N/A
Kyle Appleby	Nil	N/A	N/A

**Note:**

- (1) Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the TSXV on the date the options vested.

**Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

**Termination and Change of Control Benefits**

Except as disclosed herein, as at the end of the Company's most recently completed financial year (September 30, 2018), the Company had not entered into any contract, agreement, plan or arrangement that provides for payments to an Named Executive Officer at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Company or a change in an NEO's responsibilities.

Effective September 1, 2016, the Company entered into an executive employment agreement with Ashish Malik for his services as President and Chief Executive Officer of the Company (the "**Executive Agreement**"). Pursuant to the Executive Agreement, Mr. Malik is entitled to a base salary of US\$250,000 per year which shall increase to US\$275,000 on the first anniversary of the Executive Agreement (the "**Base Salary**"). For each complete fiscal year of employment, Mr. Malik shall be eligible to receive an annual bonus (the "**Annual Bonus**"). As of the date of the Executive Agreement, Mr. Malik's annual target bonus opportunity shall be equal to 40% of his Base Salary (the "**Target Bonus**"), which shall be payable in common shares of the Company issued at the market price (based on the volume weighted average price of the common shares on the TSX Venture Exchange for the 20 days immediately prior to the grant.). The Target Bonus shall be based on the achievement of both Mr. Malik and the Company with the actual amount of the Annual Bonus paid to Mr. Malik to be based on the percentage of the performance goals met for the year as determined by the Board. Mr. Malik is also entitled to receive one-time bonuses based on net revenues of the Company. Mr. Malik shall receive a bonus equal to C\$100,000 paid through the issuance of common shares of the Company at market price should the Company obtain net revenues of C\$1,000,000 within a 6 month period from the date of the Executive Agreement. Mr. Malik shall receive a bonus equal to C\$600,000 paid through the issuance of common shares of the Company at market price should the Company obtain net revenues equal to or greater than C\$8,000,000 in a full year from the date of the Executive Agreement. Mr. Malik shall receive a bonus equal to C\$1,500,000 paid through the issuance of common shares of the Company at market price should the Company receive a formal valuation from a recognized merchant bank or valuator at or above C\$250 million and for each business variation with an incremental increase of C\$50 million or more an additional bonus of C\$500,000 shall be paid through the issuance of common shares at the market price up to a maximum valuation of C\$400 million. The Executive Agreement also entitles Mr. Malik to receive a payment equal to 18 months of his Base Salary upon termination of his position due to: a change of control of the Company and all accrued but unpaid Annual Bonuses or milestone bonuses.

In addition, as at September 30, 2018, pursuant to the 2011 Option Plan, all unvested options held by any optionee (including a Named Executive Officer) will automatically vest, upon the occurrence of a Change of Control (as such term is defined in the 2011 Option Plan). As at September 30, 2018, the Named Executive Officers did not hold any unvested in-the-money options.

### Risk of Compensation Practices and Disclosure

The Board has not proceeded to a formal evaluation of the implications of the risks associated with the Company's compensation policies and practices. Risk management is a consideration of the Board when implementing its compensation program, and the Board does not believe that the Company's compensation program results in unnecessary or inappropriate risk taking, including risks that are likely to have a material adverse effect on the Company.

### Hedging Policy

Neither the Named Executive Officers nor the directors of the Company are permitted to purchase financial instruments 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 Officers or directors of the Company, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds.

### Director Compensation

#### *Director Compensation Table for Directors (other than the Named Executive Officers)*

The following table sets forth all compensation provided to each of the directors of the Company (other than the Named Executive Officers, whose disclosure with respect to compensation is set out above) for the financial year ended September 30, 2018:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Jim Molyneux	N/A	N/A	49,800	N/A	N/A	Nil	49,800
Claude Flueckiger	N/A	N/A	49,800	N/A	N/A	Nil	49,800
Brandon Boddy	N/A	N/A	52,600	N/A	N/A	Nil	52,600

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

The following table sets forth all awards outstanding for each of the directors of the Company (other than the Named Executive Officers, whose disclosure with respect to incentive plan awards is set out above) as of September 30, 2018:

Name	Option-Based Awards				Share-Based Awards	
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$ <sup>(1)</sup> )	Number of shares or units of shares that have not vested (#)	Market or payout value of share based awards that have not vested (\$)
Jim Molyneux	320,000	\$0.25	July 6, 2020	Nil	N/A	N/A
	200,000	\$0.25	March 28, 2023	Nil		
Claude Flueckiger	320,000	\$0.25	July 6, 2020	Nil	N/A	N/A
	200,000	\$0.43	November 16, 2020	Nil		
	200,000	\$0.25	March 28, 2023	Nil		
Brandon Boddy	200,000	\$0.25	April 25, 2023	Nil	N/A	N/A

**Note:**

(1) Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the TSXV during the Company's most recently completed financial year, namely, \$0.20 on September 28, 2018.

#### *Incentive Plan Awards - Value Vested or Earned During the Year*

The following table sets forth the value of all incentive plan awards vested or earned for the directors of the Company (other than the Named Executive Officers, whose disclosure with respect to compensation is set out above) during the year ended September 30, 2018:

Name	Option-based awards - Value vested during the year	Share-based awards - Value vested during the year	Non-equity incentive plan compensation - Value earned
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	(\$)	(\$)	during the year (\$)
Jim Molyneux	Nil	N/A	N/A
Claude Flueckiger	Nil	N/A	N/A
Brandon Boddy	Nil	N/A	N/A

**Notes:**

Aggregate value is calculated based on the difference between the exercise price of the options and the last closing price of the Common Shares on the TSXV on the date the options vested.

**Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

Plan Category	Number of Securities to be issued upon Exercise of Outstanding Options, Warrants and Rights (a)	Weight-average exercise price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
<i>Equity Compensation Plans Approved by Securityholders</i>	5,056,600	\$0.29	2,703,327
<i>Equity Compensation Plans not Approved by Securityholders</i>			
<b>Total</b>	<b>5,056,600</b>	<b>\$0.29</b>	<b>2,703,327</b>

The securities referred to in the table above were granted under the 2011 Option Plan (or its predecessors plans).

At the Meeting, shareholders are being asked to approve the 2019 Option Plan and the 2019 RSU Plan. See “APPROVAL AND RATIFICATION OF STOCK OPTION PLAN” and “APPROVAL AND RATIFICATION OF RESTRICTED SHARE UNIT PLAN”.

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

As at the date hereof, there was no indebtedness outstanding of any current or former director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity and is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, whether entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a director or executive officer of the Company, no proposed nominee for election as a director of the Company and no associate of such persons (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries, or (ii) is indebted to another entity, whose indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company, and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

**DIRECTOR AND OFFICER INSURANCE**

The Company maintains an executive and organization liability insurance policy that covers directors and officers for costs incurred to defend and settle claims against directors and officers of the Company to an annual limit of \$2,000,000 with retention of \$15,000 on securities and oppressive conduct claims and \$15,000 on all other claims. The cost of coverage for 2018 was approximately \$8,700. Directors and officers do not pay any portion of the premiums and no indemnity claims were made or became payable during 2018.

## INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

None of the informed persons (as such term is defined in NI 51-102) of the Company, any proposed director of the Company, or any associate or affiliate of any informed person or proposed director, has had any material interest, direct or indirect, in any transaction of the Company 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 or any of its subsidiaries.

## MANAGEMENT CONTRACTS

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

## APPOINTMENT OF AUDITORS

Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of RSM Canada LLP, 11 King St. W., Suite 700, Box 27, Toronto, Ontario, M5H 4C7, as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

**Management of the Company recommends that shareholders vote in favor of re-appointing RSM Canada LLP as auditors of the Company and to authorize the directors to fix their remuneration. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the resolution to re-appoint RSM Canada LLP and to authorize the directors to fix their remuneration.**

## AUDIT COMMITTEE

### The Audit Committee's Charter

The Company's Audit Committee is governed by an audit committee charter, a copy of which is attached hereto as Schedule "A".

### Composition of the Audit Committee

Michael Collinson	Not Independent <sup>(1)(2)</sup>	Financially literate <sup>(1)</sup>
Jim Molyneux	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Claude Flueckiger	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

#### Notes:

(1) As defined by National Instrument 52-110 ("**NI 52-110**").

(2) Mr. Collinson is not independent because he has been, within the last three years, an executive officer (as such term is defined in NI 52-110) of the Company.

### Relevant Education and Experience of Audit Committee

#### *Michael Collinson*

Mr. Collinson has over 35 years of experience managing companies in Canada, USA, and Europe and has extensive experience in manufacturing processes, marketing, design, engineering and development. As an experienced business person Mr. Collinson has the ability to read and understand financial statements and provide guidance on same.

#### *Jim Molyneux*

Mr. Molyneux has been a Chartered Accountant since 1983 and is currently the Regional managing Partner for GTA West or MNP LLP (Toronto), an accounting firm advising on mergers and acquisitions, corporate finance, taxation and related matters.

#### *Claude Flueckiger*

Claude Flueckiger has extensive experience in the agricultural industry where he has held global and technical leadership roles. He is an experienced business person who has developed and implemented innovative go-to market strategies for products and solutions in large scale crop management systems. Mr. Flueckiger obtained a Ph.D. in Entomology from the Swiss Federal Institute

of Technology (ETH) in 1982, and a diploma in Agronomy in 1977. Mr. Flueckiger is financially literate and familiar with public company financial statements and the accounting principles used in reading and preparing financial statements.

#### **Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

#### **Reliance on Certain Exemptions**

The Company is a "venture issuer" as defined in NI 52-110 and is relying on the exemption contained in Section 6.1 of NI 52-110, which exempts the Company from the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.

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

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

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

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
September 30, 2018	\$40,000	\$2,000	Nil	Nil
September 30, 2017	\$36,000	\$1,520	\$5,000	Nil

#### **Exemption in Section 6.1 of NI 52-110**

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

### **CORPORATE GOVERNANCE DISCLOSURE**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below.

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

#### **Independence of Members of Board**

The Board consists of three directors, two of whom are independent based upon the tests for independence set forth in NI 52-110. Claude Flueckiger and Jim Molyneux are independent Michael Collinson is not independent as he has been, within the last three years, an executive officer (as such term is defined in NI 52-110) of the Company.

#### **Management Supervision by Board**

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are however able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the Audit Committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance. The independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board.

## Participation of Directors in Other Reporting Issuers

The following directors and prospective directors of the Company are presently directors of other issuers that are reporting issuers (or the equivalent):

Name of Director	Name of Other Reporting Issuers
Brandon Boddy	Auxly Cannabis Group Inc. Moovly Media Inc.

## Orientation and Continuing Education

While the Company does not have formal orientation and training programs, new members of the Board are provided with (i) information respecting the functioning of the Board, committees and copies of the Company's corporate governance policies, (ii) access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information, (iii) access to management and technical experts and consultants, and (iv) a summary of significant corporate and securities responsibilities.

Members of the Board are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with management's assistance; and to attend related industry seminars and visit the Company's operations. Members of the board have full access to the Company's records.

## Ethical Business Conduct

The Board views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The Board has adopted a Code of Conduct that is provided to all directors and officers and the Board has instructed its management and employees to abide by the Code of Conduct. The Code of Conduct is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## Nomination of Directors

The Board has responsibility for identifying potential board candidates. The Board assesses potential candidates to fill perceived needs on the Board for required skills, expertise, independence and other factors.

## Compensation

The Company has created the Compensation Committee and they are responsible for determining compensation including for the individual directors and officers of the Company, including the Chief Executive Officer. Given the stage of development of the Company, it does not currently pay director's fees. Directors have been granted options to help ensure their continued interest in the ongoing business and affairs of the Company. The Compensation Committee determines compensation for the officers of the Company, and any consulting or other agreements, to which the Company is a party, will be reviewed by the Compensation Committee on an annual basis.

## Board Committees

At this time, the Board does not have any standing committees other than the Audit Committee, described above, and the Compensation Committee.

### *Compensation Committee Composition and Relevant Experience*

The Company's Compensation Committee is comprised of two (2) directors, Jim Molyneux and Claude Flueckiger. Both members of the Compensation Committee are independent, as such term is defined in NI 52-110 and in the OBCA. Both members of the Compensation Committee have direct experience that is relevant to their responsibilities as Compensation Committee members. All members are or have held senior executive roles within companies, and therefore have a good understanding of compensation programmes. They also have good financial understanding that allows them to assess the costs versus benefits of compensation plans. The members combined experience provides them with the understanding of the Company's success factors and risks, which is very important when determining metrics for measuring success.

## Assessments

The Board, annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the Board, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the Board conducts informal surveys of its directors, and reports from the audit committee respecting its own effectiveness. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

The Board does not consider that formal assessments would be useful at this stage of the Company's development. The Board conducts informal annual assessments of the Board's effectiveness, the individual directors and each of its committees. As part of the assessments, the Board or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

## Nomination and Assessment

The Board determines new nominees to the Board, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the Board members, including both formal and informal discussions among Board members and the President and Chief Executive Officer. The Board monitors but does not formally assess the performance of individual Board members or committee members or their contributions.

## Expectations of Management

The Board expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## APPROVAL AND RATIFICATION OF STOCK OPTION PLAN

Pursuant to Policy 4.4 – *Incentive Stock Options* (“**Policy 4.4**”) of the TSXV, listed issuers must implement either (i) a “rolling” stock option plan reserving a maximum of 10% of the issued shares of the issuer at the time of the stock option grant, or (ii) a fixed number stock option plan reserving a specified number of shares, up to a maximum of 20% of the issuer’s issued shares as at the date of shareholder approval of said fixed number stock option plan.

As announced by the Company on March 22, 2019, the Board implemented and adopted a new fixed number stock option plan (the “**2019 Option Plan**”) on March 22, 2019, reserving for issuance, combined with any equity securities granted under all other compensation arrangements adopted by the Company, including the 2019 RSU Plan, a maximum of 15,519,854 Common Shares (equal to 20% of the issued and outstanding share capital of Company as of March 22, 2019), to replace the 2011 Option Plan (the “rolling” stock option plan of the Company).

At the Meeting, shareholders will be asked to pass a resolution approving the 2019 Option Plan, a copy of which is attached hereto as Schedule “B”. The 2019 Option Plan is also subject to approval by the TSXV. The material difference between the 2011 Option Plan and the 2019 Option Plan is the increase in the number of Common Shares reserved for issuance to 20% of the Company’s issued and outstanding Common Shares.

In the light of the fact the Company is not consistently completing additional equity financings which would increase the number of Common Shares issuable under a “rolling” stock option plan, such as the 2011 Option Plan, management believes the new 2019 Option Plan will provide the Company with a sufficient number of Common Shares issuable under the 2019 Option Plan to fulfill the purpose of the 2011 Option Plan, namely, to secure for the Company and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and consultants of the Company who, in the judgment of the Board, will be largely responsible for its future growth and success.

Accordingly, at the Meeting, shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

### “BE IT RESOLVED THAT:

- (1) the 2019 fixed number stock option plan of the Company, approved by the directors of the Company on March 22, 2019, substantially in the form attached at Schedule “B” to the Information Circular of the Company dated April 5, 2019, be and the same is hereby ratified, confirmed and approved;

- (2) any director or officer be and is hereby authorized to amend the stock option plan of the Company should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and
- (3) any one director or officer of the Company be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the 2019 Option Plan. The directors of the Company recommend that shareholders vote in favour of the approval of the 2019 Option Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast at the Meeting.

#### **APPROVAL AND RATIFICATION OF RESTRICTED SHARE UNIT PLAN**

As announced by the Company on March 22, 2019, the Board implemented and adopted a new restricted share unit plan (the “**2019 RSU Plan**”) on March 22, 2019, reserving for issuance, combined with any equity securities granted under all other compensation arrangements adopted by the Company, including the 2019 Option Plan, a maximum of 15,519,854 Common Shares (equal to 20% of the issued and outstanding share capital of Company as of March 22, 2019).

The 2019 RSU Plan must be approved by a majority of the votes cast by the shareholders of the Company who are not current or proposed directors or officers of the Company (the “**Disinterested Shareholders**”) voting in person or by proxy at the Meeting. At the date hereof, the votes attaching to 5,851,718 Common Shares held by shareholders who are not Disinterested Shareholders will be excluded for the purpose of determining whether approval of the 2019 RSU Plan has been obtained.

At the Meeting, Disinterested Shareholders will be asked to pass a resolution approving the 2019 RSU Plan, a copy of which is attached hereto as Schedule “C”. The 2019 RSU Plan is also subject to approval by the TSXV.

Accordingly, at the Meeting, Disinterested Shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

**“BE IT RESOLVED THAT:**

- (1) the restricted share unit plan of the Company, approved by the directors of the Company on March 22, 2019, substantially in the form attached at Schedule “C” to the Information Circular of the Company dated April 5, 2019, be and the same is hereby ratified, confirmed and approved;
- (2) any director or officer be and is hereby authorized to amend the stock option plan of the Company should such amendments be required by applicable regulatory authorities including, but not limited to, the TSX Venture Exchange; and
- (3) any one director or officer of the Company be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the 2019 RSU Plan. The directors of the Company recommend that shareholders vote in favour of the approval of the 2019 RSU Plan. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast by Disinterested Shareholders at the Meeting.

#### **APPROVAL AND RATIFICATION OF COMPENSATION AWARDS**

Pursuant to Policy 4.4, options granted under a new stock option plan, such as the 2019 Option Plan, are subject to, and are not exercisable until, shareholders have approved of the specific grants. In addition, pursuant to the TSXV, awards granted under the 2019 RSU Plan, are subject to shareholder approval of the specific grants.

As announced by the Company on March 22, 2019, the following incentive stock options and restricted share units were issued by the Company on March 22, 2019 under the 2019 Option Plan and the 2019 RSU Plan:

Optionee/Participant	Position	No. of Options	No. of RSUs
Claude Fleuckiger	Director	250,000 <sup>(1)</sup> 33,031 <sup>(2)(3)</sup>	110,102 <sup>(2)(4)</sup>
Jim Molyneux	Director	250,000 <sup>(1)</sup>	0
Brandon Boddy	Director	250,000 <sup>(1)</sup>	0
Michael Collinson	Director	250,000 <sup>(1)</sup> 30,769 <sup>(2)(3)</sup>	102,564 <sup>(2)(4)</sup>
Ashish Malik	Officer	250,000 <sup>(1)</sup> 82,577 <sup>(2)(3)</sup>	275,255 <sup>(2)(4)</sup>
Gerardo Suazo	Consultant	30,000 <sup>(1)</sup> 8,258 <sup>(2)(3)</sup>	27,526 <sup>(2)(4)</sup>
Christoph Lehnen	Consultant	30,000 <sup>(1)</sup> 20,644 <sup>(2)(3)</sup>	68,814 <sup>(2)(4)</sup>
Greg Faust	Consultant	30,000 <sup>(1)</sup>	0
Sherri Tedford	Employee	30,000 <sup>(1)</sup> 2,308 <sup>(2)(3)</sup>	7,692 <sup>(2)(4)</sup>
Ian Collinson	Employee	30,000 <sup>(1)</sup> 3,077 <sup>(2)(3)</sup>	10,256 <sup>(2)(4)</sup>
Slawomir Bialoskorski	Employee	30,000 <sup>(1)</sup> 1,538 <sup>(2)(3)</sup>	5,128 <sup>(2)(4)</sup>
Danica Topolewski	Consultant	30,000 <sup>(1)</sup>	0
Everett Hendrixon	Consultant	50,000 <sup>(1)</sup> 4,129 <sup>(2)(3)</sup>	13,763 <sup>(2)(4)</sup>
Jake Mortensen	Consultant	20,000 <sup>(1)</sup> 5,367 <sup>(2)(3)</sup>	17,892 <sup>(2)(4)</sup>
James Bunting	Consultant	20,000 <sup>(1)</sup> 1,538 <sup>(2)(3)</sup>	5,128 <sup>(2)(4)</sup>
Kyle Appleby	Officer	30,000 <sup>(1)</sup>	0
Babak Pedram	Consultant	30,000 <sup>(1)</sup>	0
Henrique Reis	Consultant	14,105 <sup>(2)(3)</sup>	47,015 <sup>(2)(4)</sup>
Chelsea Collinson	Consultant	1,846 <sup>(2)(3)</sup>	6,154 <sup>(2)(4)</sup>
Brian Bapty	Consultant	9,231 <sup>(2)(3)</sup>	30,769 <sup>(2)(4)</sup>

**Notes:**

- (1) Vesting 100% on June 22, 2019 and exercisable at \$0.195 per share until March 22, 2024.
- (2) Issued in accordance with agreements with the Company in respect of forgoing salary in consideration for options and restricted share units.
- (3) Vesting 50% on March 22, 2019 and 50% upon US Environmental Protection Agency's (EPA) approval of the Company's VECTORITE with CR-7TM (delivered by bees) product, and exercisable at \$0.195 per share until March 22, 2024.
- (4) Vesting upon US Environmental Protection Agency's (EPA) approval of the Company's VECTORITE with CR-7TM (delivered by bees) product, and issuable upon request by the participant until the earlier of (i) March 22, 2029, and (ii) five years from the date of vesting.

The foregoing grants (the “**March Grants**”) must be approved by a majority of the votes cast by the shareholders of the Company (the “**Disinterested Compensation Shareholders**”) voting in person or by proxy at the Meeting excluding votes attaching to Common Shares beneficially owned by (i) the recipients of the foregoing grants, and (ii) Associates (as such term is defined in Policy 1.1 – *Interpretation* of the TSXV) of the recipients of the foregoing grants. At the date hereof, management estimates that the votes attaching to approximately 5,851,718 Common Shares held by shareholders who are not Disinterested Shareholders will be excluded for the purpose of determining whether approval of the 2019 RSU Plan has been obtained.

At the Meeting, Disinterested Compensation Shareholders will be asked to pass a resolution approving the March Grants.

Accordingly, at the Meeting, Disinterested Compensation Shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

**“BE IT RESOLVED THAT:**

- (1) the specific grants of incentive stock options and restricted share units detailed on page 16 and 17 of the Information Circular of the Company dated April 5, 2019, be and the same are hereby ratified, confirmed and approved; and
- (2) any one director or officer of the Company be and is hereby authorized and directed to do all such things and to execute and deliver all documents and instruments as may be necessary or desirable to carry out the terms of this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the March Grants. The directors of the Company recommend that shareholders vote in favour of the approval of the March Grants. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast by Disinterested Compensation Shareholders at the Meeting.

#### **CONFIRMATION OF AMENDMENT TO BY-LAW NO. 1**

On March 22, 2019, the Board amended Section 52 of By-Law No. 1 of the Company to clarify and confirm the potentially ambiguous language in the By-Law regarding quorum for the transaction of business at any meeting of shareholders of the Company. Accordingly, Section 52 of By-Law No. 1 was amended by replacing “Two persons present and each entitled to vote thereat shall constitute a quorum for the transaction of business at any meeting of shareholders.” with “Any two shareholders holding 5% of the shares of the Corporation entitled to vote at a meeting of the shareholders of the Corporation, whether present in person or represented by proxy, constitute a quorum. If a quorum is present at the opening of a meeting of the shareholders of the Corporation, the shareholders present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for a meeting of shareholders, or within such reasonable time thereafter as the shareholders present may determine, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.”.

The full text of the amended and restated By-Law No. 1 is set out in Schedule “D” to this Information Circular, and it must be approved by shareholders in order to become effective.

Accordingly, at the Meeting, shareholders are being asked to consider and, if thought advisable, approve an ordinary resolution in the following form:

**“BE IT RESOLVED THAT:**

- (1) the amended and restated By-Law No. 1 of the Company, as set out in Schedule “D” to the Information Circular of the Company dated April 5, 2019, be and is hereby confirmed without amendment; and
- (2) any director or officer of the Company be and is hereby authorized to execute and deliver all such documents and to do all such other acts as may be necessary or desirable to give effect to this resolution.”

Unless otherwise instructed, the persons named in the enclosed proxy or voting instruction form intend to vote such proxy or voting instruction form in favour of the approval of the confirmation and ratification of the amended and restated By-Law No. 1. The directors of the Company recommend that shareholders vote in favour of the approval of the amended and restated By-Law No. 1. To be adopted, this resolution is required to be passed by the affirmative vote of a majority of the votes cast by shareholders at the Meeting.

#### **ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, which have been provided to shareholders and are available on SEDAR.

#### **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

Management of the Company is not aware of any other matter to come before the Meeting other than as 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 enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 5<sup>th</sup> day of April, 2019.

APPROVED BY THE BOARD OF DIRECTORS

“Ashish Malik”  
Ashish Malik, Chief Executive  
Officer

## SCHEDULE "A"

### AUDIT COMMITTEE CHARTER

#### *General*

The Audit Committee is a committee of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of internal controls and management information systems that management has established under supervision of the Audit Committee, the Company's internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to attempt to maintain an open communication between the Company's external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

#### *Membership*

The Audit Committee consists of at least three directors who shall serve on behalf of the Board. The members are appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSXV and other regulatory agencies as required.

#### *Procedural Matters*

The Audit Committee shall be governed by the Committee Terms of Reference adopted by the Board, save as modified by the following procedural requirements and powers. The Audit Committee:

- (c) Shall meet at least four times per year, either by telephone conference or in person.
- (d) May invite the Company's external auditors, the Chief Financial Officer, and such other persons are deemed appropriate by the Audit Committee to attend meetings of the Audit Committee.
- (e) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Committee may deem appropriate, at the next Board meeting.
- (f) Shall review the performance of the Audit Committee on an annual basis and report to the Board.
- (g) Shall review and assess the Mandate for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.
- (h) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. It has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee.
- (i) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("internal audit management"), if applicable, and external auditors.
- (j) Has the right to pre-approve non-audit services (subject to ratification by the Board at its next meeting) to be performed by the external auditors. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee

shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.

The Audit Committee shall have the authority to engage independent counsel and other advisors as the Audit Committee may deem appropriate in its sole discretion and to set and pay the compensation for any advisors employed by the Audit Committee. The Audit Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

The Audit Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or CFO such records and other matters considered appropriate.

#### *Responsibilities*

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the Audit Committee may consult with management.

#### External Auditors

The responsibilities of the Audit Committee are to:

- (a) Recommend to the Board:
  - (i) whether the current external auditor should be reappointed for the ensuing year and the amount of compensation payable; and
  - (ii) if the current external auditor is not to be reappointed, select and recommend a suitable alternative.
- (b) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company.
- (c) Resolve disagreements, if any, between management and the external auditors regarding financial reporting. It accomplishes this by querying management and the external auditors. The Audit Committee provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non-audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditors, and in accordance with any applicable regulatory requirements, including the requirements of TSXV with respect to approval of non-audit related services performed by the external auditors.
- (e) Obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 (Auditor Oversight) and are in compliance with governing regulations.
- (f) Review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's external auditors.

#### Internal Auditors

- (h) The Audit Committee is to assist Board oversight of the performance of the Company's internal audit function, if any. In connection with the Company's internal audit function, if any, the Audit Committee shall:
  - (i) review the terms of reference of the internal auditor, if any, and meet with the internal auditor as the Audit Committee may consider appropriate to discuss any concerns or issues;

- (j) in consultation with the external auditor and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with laws and regulations and any special audit steps adopted in light of material deficiencies and controls;
- (k) review the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; and
- (l) periodically review with the internal auditor, if any, any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

#### Audit and Review Process and Results

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee is required to:

- (a) Review annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits.
- (b) Prior to the annual audit by external auditors, consider the scope and general extent of the external auditors' review, including their engagement letter.
- (c) Ensure the external auditors have full, unrestricted access to required information and have the cooperation of management.
- (d) Review with the external auditors, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (e) Review with the external auditors and, if necessary, 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 financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of related-party transactions.
- (f) Receive and review with the external auditors, the external auditors' audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (g) Meet with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the
- (h) external auditors. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.
- (i) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings.

#### Interim Financial Statements and MD&A

The Board has delegated to the Audit Committee the power to approve the Company's interim financial statements and management's discussion and analysis. The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors.
- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.

- (c) Review and, if appropriate approve the interim financial statements and management's discussion and analysis.
- (d) Review the interim financial statements with the external auditors if the external auditors conduct a review of the interim financial statements.

#### Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

- (a) Shall review all public disclosure of financial information extracted from the Company's financial statements prior to such information being made public by the Company and for such purpose, the CEO assumes responsibility for providing the information to the Audit Committee for their review.
- (b) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks and the success of management in following the plan.
- (c) Consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable.
- (e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.
- (f) Review as required with management annual financial statements, quarterly financial statements, management's discussion & analysis, Annual Information Forms, future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents.
- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the Audit Committee Mandate in the Company's Annual Information Form, Information Circular and on the Company's website.

#### *Complaints*

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Audit Committee, attention: The Chair. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of three years.

#### *Reporting*

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.

**SCHEDULE "B"**  
**2019 OPTION PLAN**

(see attached)

**STOCK OPTION PLAN OF  
BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.  
(effective as of March 22, 2019)**

**PART 1 - INTRODUCTION**

**1.01 Purpose**

The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by the directors, officers, key employees and, subject to the terms and conditions herein, consultants of the Corporation and its Affiliates who, in the judgment of the Board, will be largely responsible for its future growth and success.

**1.02 Definitions**

- (a) "Affiliate" has the meaning ascribed thereto in the *Business Corporations Act* (Ontario) as amended from time to time.
- (b) "Associate" has the meaning ascribed to such term in the *Securities Act* (Ontario).
- (c) "Blackout Period" means a period during which the Corporation prohibits Optionees from exercising their Options.
- (d) "Board" means the board of directors of the Corporation.
- (e) "Code" means the U.S. Internal Revenue Code of 1986, as amended.
- (f) "Consultant" has the meaning ascribed to such term in Policy 4.4.
- (g) "Corporation" means BEE Vectoring Technologies International Inc., a corporation duly continued under the laws of the Province of Ontario, and its Affiliates, if any, and includes any successor or assignee entity or entities into which the Corporation may be merged, changed, or consolidated; any entity for whose securities the securities of the Corporation shall be exchanged; and any assignee of or successor to substantially all of the assets of the Corporation.
- (h) "Market Price" has the meaning ascribed to such term in Policy 1.1.
- (i) "Disability" or "Disabled" means permanent and total disability as defined in Section 22(e)(3) of the Code.
- (j) "Eligible Person" shall mean an officer or director of the Corporation ("**Executive**") or an employee of the Corporation ("**Employee**") or a Management Company Employee or a Consultant.
- (k) "Exchange" means the TSX Venture Exchange.
- (l) "Exercise Notice" means the U.S. Optionee Exercise Notice or the Non-U.S. Optionee Exercise Notice, as applicable.
- (m) "Exercise Price" means the price at which an Option may be exercised as determined in accordance with section 2.03.
- (n) "Fair Market Value" means, if the Shares are listed on any national securities exchange within the meaning of Section 409A of the Code, the closing sales price, if any, on the largest such exchange on the valuation date, or, if none, on the most recent trade date immediately prior to the valuation date provided such trade date is no more than thirty (30) days prior to the valuation date. If the Shares are not then listed on any such exchange, or there has been no trade date within such thirty

(30) day period, the fair market value shall be determined in good faith by the Board.

- (o) "Section 422 Stock Option" means an Option which is intended to qualify as an incentive stock option under Section 422 of the Code.
- (p) "Insider" has the meaning ascribed to that term in Policy 1.1.
- (q) "Investor Relations Activities" has the meaning ascribed to such term in Policy 1.1.
- (r) "Management Company Employee" has the meaning ascribed to such term in Policy 4.4.
- (s) "Material Information" has the meaning ascribed to such term in Policy 1.1.
- (t) "Non-U.S. Optionee Exercise Notice" means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate as Appendix I, duly executed by the Optionee.
- (u) "Option" shall mean an option granted under the terms of the Plan.
- (v) "Option Certificate" means the certificate, substantially in the form set out as Schedule "A" hereto, evidencing an Option.
- (w) "Option Period" shall mean the period during which an option may be exercised.
- (x) "Optionee" shall mean an Eligible Person to whom an Option has been granted under the terms of the Plan.
- (y) "Outstanding Issue" means the number of Shares outstanding on a non-diluted basis.
- (z) "Plan" means the stock option plan established and operated pursuant to Part 2 hereof.
- (aa) "Policy 1.1" means the Exchange's Policy 1.1 entitled "Interpretation" as amended from time to time.
- (bb) "Policy 4.4" means the Exchange's Policy 4.4 entitled "Incentive Stock Options" as amended from time to time.
- (cc) "Shares" shall mean the common shares of the Corporation.
- (dd) "U.S. Optionee Exercise Notice" means the notice respecting the exercise of an Option, substantially in the form attached to the Option Certificate as Appendix II, duly executed by the Optionee.

## **PART 2 - SHARE OPTION PLAN**

### **2.01 Participation**

Options shall be granted only to Eligible Persons.

### **2.02 Determination of Option Recipients**

The Board shall make all necessary or desirable determinations regarding the granting of Options to Eligible Persons and may take into consideration the present and potential contributions of a particular Eligible Person to the success of the Corporation and any other factors which it may deem proper and relevant.

### **2.03 Price**

The price at which an Optionee may purchase a Share upon the exercise of an Option shall be determined from time to time by the Board and shall be as set forth in the Option Certificate issued in respect of such Option but, in any event, shall not be less than the Market Price, and in the case of an Eligible Person employed or performing services in the United States or otherwise subject to Section 409A of the Code, shall not be less than Fair Market Value on the date of grant. If the Optionee owns directly or by reason of the applicable attribution rules more than 10% of the total combined voting power of all classes of stock of the Corporation, the Option price per share of the Shares covered by each Option which is intended to be a Section 422 Stock Option shall be not less than one hundred ten percent (110%) of the Fair Market Value on the date of the grant.

### **2.04 Grant of Options**

The Board may at any time authorize the granting of Options to such Eligible Persons as it may select for the number of Shares that it shall designate, subject to the provisions of the Plan. The date of each grant of Options shall be determined by the Board when the grant is authorized. Except for the setting of the Option price hereunder, no Option shall be granted and no purported grant of any Option shall be effective until such Option Certificate shall have been duly executed on behalf of the Corporation.

In the event that Options are granted to Employees, Management Company Employees or Consultants, the Corporation represents that such Optionees shall be bona fide Employees, Management Company Employees or Consultants, as the case may be.

The Corporation may at the time of granting options hereunder provide for additional terms and conditions which are not inconsistent with Part 2 hereof including, without limitation, terms and conditions deferring or delaying the date at which an Option may be exercised in whole or in part. Such additional terms and conditions shall be as set forth in the Option Certificate issued in respect of such Option.

The Option Certificate of any Option which is intended to qualify as an Section 422 Stock Option shall contain such limitations and restrictions upon the exercise of the Option as shall be necessary in order that such Option qualifies as an "incentive stock option" within the meaning of Section 422 of the Code. Further, the Option Certificate authorized under the Plan shall be subject to such other terms and conditions including, without limitation, restrictions upon the exercise of the Option, as the Board shall deem advisable and which are not inconsistent with the requirements of Section 422 of the Code.

Notwithstanding any of the foregoing provisions, the Board may authorize the grant of an Option to a person not then in the employ of the Corporation or of an Affiliate, conditioned upon such person becoming eligible to become an Eligible Person at or prior to the execution of the Option Certificate evidencing the actual grant of such Option.

### **2.05 Term of Options**

Unless otherwise expired pursuant to the terms of the Plan, all Options granted to an Optionee pursuant to this Plan shall expire at the close of business ten (10) years from the date of grant or such earlier date as the Board shall decide when the Option is granted, subject to earlier termination as herein provided; provided, however, that if the Option price is required under section 2.03 to be at least 110% of Fair Market Value, each such Option shall terminate not more than five (5) years from the date of the grant thereof, and shall be subject to earlier termination as herein provided.

Upon the expiration of the Option Period, the Options granted shall forthwith expire and terminate and be of no further force or effect whatsoever as to such of the Shares in respect of which the Option hereby granted has not then been exercised.

Notwithstanding the foregoing, if the expiration of the Option Period falls within a Blackout Period the expiration of the Option Period shall be automatically extended for ten (10) business days after the expiry of the Blackout Period on the condition that (i) the Blackout Period was formally imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed Material Information, (ii) the Blackout Period must be deemed to have expired upon the general disclosure of the undisclosed Material Information, and (iii) the automatic extension of an

Optionee's options will not be permitted where the Optionee or the Corporation is subject to a cease trade order (or similar order under applicable securities laws) in respect of the Corporation's securities.

No Optionee or his or her legal representative, legatees or distributees will be, or will be deemed to be, a holder of any Shares subject to an Option, unless and until certificates for such Shares are issued to him, her or them or a securities intermediary with whom the Optionee (or his or her legal representative, legatees or distributees) has an account, is recorded as the owner of such Shares in a book-entry system under the terms of the Plan.

## **2.06 Exercise of Options**

Except as set forth in section 2.10, no Option may be exercised unless the Optionee is at the time of such exercise;

- (a) in the case of an Employee, in the employ of the Corporation or any Affiliate and shall have been continuously so employed since the grant of his or her Option, or have been a Consultant of the Corporation during such time thereafter, but absence on leave, having the approval of the Corporation or such Affiliate, shall not be considered an interruption of employment for any purpose of the Plan;
- (b) in the case of a Consultant, under contract with the Corporation or any Affiliate and shall have been continuously so contracted since the grant of the Option; or
- (c) in the case of an Executive, a director or officer of the Corporation or any Affiliate and shall have been such a director or officer continuously since the grant of his or her Option.

No Option may be exercised by an Optionee until the Plan has been approved by the shareholders of the Corporation.

The exercise of any Option will be contingent upon receipt by the Corporation of cash payment of the full Exercise Price of the Shares being purchased by 5:00 p.m. (EST) on the last day of the Option Period by delivering to the Corporation the applicable form of Exercise Notice, the applicable Option Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the Shares to be purchased pursuant to the exercise of the Option.

## **2.07 Vesting of Options**

### Executives, Employees, Management Company Employees and Consultants

All Options granted to an Eligible Person, other than Optionees performing Investor Relations Activities, pursuant to this Plan shall vest and become fully exercisable as determined by the Board when the Option is granted.

### Optionees performing Investor Relations Activities

All Options granted to Optionees performing Investor Relations Activities, pursuant to this Plan shall vest and become full exercisable as follows or as determined by the Board when the Option is granted, but in any event such Options shall not vest any sooner:

- (a) one quarter (1/4) of the Options on the date which is three (3) months from the date said Options are granted;
- (b) one quarter (1/4) of the Options on the date which is six (6) months from the date said Options are granted;
- (c) one quarter (1/4) of the Options on the date which is nine (9) months from the date said Options are granted; and

- (d) the final one quarter (1/4) of the Options on the date which is twelve (12) months from the date said Options are granted.

## **2.08 Restrictions on Grant of Options**

The granting of Options shall be subject to the following conditions:

- (a) not more than two (2%) percent of the Outstanding Issue may be granted to any one Consultant in any 12 month period, calculated at the date an Option is granted;
- (b) not more than an aggregate of two (2%) percent of the Outstanding Issue may be granted in aggregate to Eligible Persons conducting Investor Relations Activities in any 12 month period, calculated at the date an Option is granted;
- (c) unless the Corporation has obtained disinterested shareholder approval, not more than five (5%) percent of the Outstanding Issue may be issued to any one individual in any 12 month period, calculated at the date an Option is granted;
- (d) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issued to Insiders in any 12 month period, calculated at the date an Option is granted;
- (e) unless the Corporation has obtained disinterested shareholder approval, not more than an aggregate of ten (10%) percent of the Outstanding Issue may be issuable to Insiders at any time; and
- (f) unless the Corporation has obtained disinterested shareholder approval, the Corporation shall not decrease the Exercise Price of Options previously granted to Insiders.

No Options shall be granted after the expiration of ten (10) years from the earlier of the date of the adoption of the Plan by the Corporation or the approval of the Plan by the stockholders of the Corporation, and provided further, that the fair market value of the Shares (determined at the time the Option is granted) as to which Options designated as Section 422 Stock Options are exercisable for the first time by any Eligible Person during any single calendar year (under the Plan and under any other incentive stock option plan of the Corporation or an Affiliate) shall not exceed US\$100,000.

If disinterested shareholder approval is required, the proposed grant(s) or plan must be approved by a majority of the votes cast by all shareholders at the shareholders' meeting excluding votes attaching to shares beneficially owned by (i) Insiders to whom options may be granted under the stock option plan; and (ii) Associates of such Insiders. Holders of non-voting and subordinate voting shares must be given full voting rights on a resolution that requires disinterested shareholder approval.

## **2.09 Lapsed Options**

If Options are surrendered, terminated or expire without being exercised in whole or in part, new Options may be granted covering the Shares not purchased under such lapsed Options.

## **2.10 Effect of Termination of Employment, Death or Disability**

- (a) If an Optionee shall die while employed or retained by the Corporation, or while an Executive, any Options held by the Optionee at the date of death, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part, but only by the persons or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution (the "**Successor Optionee**"). All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her death and only for one (1) year after the date of death or prior to the expiration of the Option Period in respect thereof, whichever is sooner, except that in the event the expiration of the Option Period is earlier than one (1) year after the date

of death, with the consent of the Exchange, the Options shall be exercisable for up to one (1) year after the date of death of the Optionee as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee at the date of death which have not yet vested shall vest immediately upon death.

- (b) If the employment or engagement of an Optionee shall terminate with the Corporation due to Disability while the Optionee is employed or retained by the Corporation, any Option held by the Optionee on the date the employment or engagement of the Optionee is terminated due to Disability, which have vested pursuant to section 2.07, shall become exercisable, in whole or in part. All such Options shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date of his or her termination due to Disability and only for one (1) year after the date of termination or prior to the expiration of the Option Period in respect thereof, whichever is sooner, provided that Options that become exercisable due to Disability shall only be exercisable by the person or persons who have the legal authority to act on behalf of the Optionee in connection with the rights of the Optionee to the Options. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the employment or engagement of the Optionee is terminated due to Disability which have not yet vested shall vest immediately upon such date.
- (c) Subject to section 2.10 (d), if an Optionee ceases to be an Eligible Person (other than as provided in section 2.10 (a) or (b)), any Options held by the Optionee on the date such Optionee ceased to be an Eligible Person, which have vested pursuant to section 2.07, shall be exercisable only to the extent that the Optionee was entitled to exercise the Option at the date such Optionee ceased to be an Eligible Person and only for [ninety (90)] days after the date such Optionee ceased to be an Eligible Person, subject to the Board's discretion to extend such period for up to one (1) year, or prior to the expiration of the Option Period in respect thereof, whichever is sooner. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Options held by an Optionee on the date the Optionee ceased to be an Eligible Person which have not yet vested shall vest immediately upon such date.
- (d) If the employment of an Employee or Consultant is terminated for cause (as determined by the Board) no Option held by such Optionee may be exercised following the date upon which Termination occurred.

To the extent required by law, the Company shall make adjustments to, and interpret, the Options as required by the U.S. Uniformed Services Employment and Reemployment Rights Act.

## **2.11 Effect of Offer or Sale**

If at any time when the Option hereby granted remains unexercised with respect to any Shares, (a) a general offer to purchase all of the issued shares of the Corporation is made by a third party or (b) the Corporation proposes to sell all or substantially all of its assets and undertaking or to merge, amalgamate or be absorbed by or into any other company (save and except for a subsidiary or subsidiaries of the Corporation) under any circumstances which involve or may involve or require the liquidation of the Corporation, a distribution of its assets among its shareholders, or the termination of its corporate existence, the Corporation shall use its reasonable best efforts to provide notice of such offer or proposal to the Optionee as soon as practicable and (i) the Corporation may, at its option, permit the Option hereby granted to be exercised, as to all or any of the Optioned Shares in respect of which such Option has not previously been exercised by the Optionee at any time up to and including (but not after) a date twenty (20) days following the date of notice of such offer, sale or other similar transaction or prior to the close of business on the expiration date of the Option Period, whichever is the later; and (ii) the Corporation may, at its option, determine that upon the expiration of such twenty (20) day period, all rights to exercise the Option shall terminate and cease to have any further force or effect.

The Corporation may, in its sole discretion and without the consent of Optionees, provide for one or more of the following: (i) the assumption of the Plan and outstanding Options by the surviving entity or its parent; (ii) the substitution by the surviving entity or its parent of Options with substantially the same terms for such outstanding Options; (iii) immediate exercisability of such outstanding Options followed by cancellation of such Options; and (iv) settlement of the

intrinsic value of the outstanding vested Options in cash or cash equivalents or equity followed by the cancellation of all Options (whether or not then vested or exercisable).

## **2.12 Effect of Amalgamation, Consolidation or Merger**

If the Corporation amalgamates, consolidates with or merges with or into another corporation, upon the exercise of an Option following such amalgamation, consolidation or merger, the Optionee shall be entitled to receive, and shall accept, in lieu of Shares, the securities, property or cash which the Optionee would have received upon such amalgamation, consolidation or merger if the Optionee had exercised his Option and held Shares immediately prior to the effective date of such amalgamation, consolidation or merger, and the number of Shares and the option price shall be adjusted appropriately by the directors of the Corporation and such adjustment shall be binding for all purposes herein.

## **2.13 Adjustment in Shares Subject to the Plan**

If there is any change in the Shares through or by means of a declaration of stock dividends of Shares or consolidations, subdivisions or reclassification of Shares, or otherwise, the number of Shares available under the Plan, the Shares subject to any Option, and the Exercise Price thereof shall be adjusted appropriately by the Board and such adjustment shall be effective and binding for all purposes of the Plan. No such adjustment shall be made under the Plan which shall, within the meaning of Sections 424 and 409A of the Code, constitute such a modification, extension, or renewal of an Option as to cause the adjustment to be considered as the grant of a new Option.

## **2.14 Hold Period**

All Options and any Shares issued on the exercise of Options may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. Any Shares issued on the exercise of Options may be subject resale restrictions contained in National Instrument 45-102 – *Resale of Securities* which would apply to the first trade of the Shares.

## **2.15 Notification of Grant of Option**

Following the granting of an Option by the Board, the Corporation shall notify the Optionee in writing of the Option and shall enclose with such notice the Option Certificate representing the Option so granted. Each Optionee, concurrently with the notice of the grant of an Option, shall be provided with a copy of the Plan.

## **2.16 Options Granted To Corporations**

Except in relation to a Consultant that is a corporation, Options may only be granted to an individual or a corporation that is wholly-owned by an Eligible Person. If a corporation is an Optionee, it must provide the Exchange with a completed Form 4F – *Certification and Undertaking Required from a Corporation Granted an Incentive Stock Option*. The corporation must agree not to effect or permit any transfer of ownership or option of shares of the corporation nor to issue further shares of any class in the corporation to any other individual or entity as long as the Option remains outstanding, except with the written consent of the Exchange.

## **PART 3 - GENERAL**

### **3.01 Number of Shares**

The aggregate number of Shares that may be reserved for issuance, at any time, under the Plan and under any other share compensation arrangement adopted by the Corporation, including the Corporation's Restricted Share Unit Plan, shall not exceed 15,519,854 Shares, being 20% of the total Outstanding Issue as at the date hereof.

### **3.02 Transferability**

All benefits, rights and options accruing to any Optionee in accordance with the terms and conditions of the Plan shall not be transferable or assignable unless specifically provided herein. During the lifetime of an Optionee, all benefits, rights and options may only be exercised by the Optionee.

### **3.03 Employment**

Nothing contained in any Plan shall confer upon any Optionee any right with respect to employment or continuance of employment with the Corporation or any Affiliate, or interfere in any way with the right of the Corporation or any Affiliate to terminate the Optionee's employment at any time. Participation in any Plan by an Optionee is voluntary.

### **3.04 Approval of Plan**

Options issued under the Plan shall only become exercisable after the Plan has been approved by the shareholders of the Corporation; provided, however:

- (a) unless consistent with the terms contained herein and approved by the Board, nothing contained herein shall in any way affect Options previously granted by the Corporation and currently outstanding;
- (b) the Plan must receive shareholder approval yearly, at the Corporation's annual general meeting.

The obligation of the Corporation to sell and deliver Shares in accordance with the Plan is subject to the approval of any governmental authority having jurisdiction or any stock exchanges on which the Shares are listed for trading which may be required in connection with the authorization, issuance or sale of such Shares by the Corporation. If any Shares cannot be issued to any Optionee for any reason including, without limitation, the failure to obtain such approval, then the obligation of the Corporation to issue such Shares shall terminate and any Optionee's option price paid to the Corporation shall be returned to the Optionee.

### **3.05 Administration of the Plan**

The Board is authorized to interpret the Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

### **3.06 Income Taxes**

As a condition of and prior to participation in the Plan, if requested by the Board, a Optionee shall authorize the Corporation in written form to withhold from any remuneration otherwise payable to such Optionee any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of such participation in the Plan.

In addition, if the Corporation is required under the *Income Tax Act* (Canada) or any other applicable law to make source deductions in respect of employee stock option benefits to the Optionee and to remit to the applicable governmental authority an amount on account of tax on the value of the taxable benefit associated with the issuance of Shares on exercise of Options, then the Optionee shall (i) pay to the Corporation, in addition to the Exercise Price for the Options, sufficient cash as is reasonably determined by the Corporation to be the amount necessary to permit the required tax remittance, (ii) authorize the Corporation, on behalf of the Optionee, to sell in the market on such terms and at such time or times as the Corporation determines a portion of the Shares being issued upon exercise of the Options to realize cash proceeds to be used to satisfy the required tax remittance, or (iii) make other arrangements acceptable to the Corporation to fund the required tax remittance.

### **3.07 Amendments to the Plan**

The Board reserves the right to amend, modify or terminate the Plan at any time if and when it is advisable in the absolute discretion of the Board. However, any amendments of the Plan which could result, at any time, in:

- (a) a material increase in the benefits under the Plan; or

- (b) an increase in the number of Shares which would be issued under the Plan (except any increase resulting automatically from an increase in the total Outstanding Issue); or
- (c) a material modification in the requirement as to eligibility for participation in the Plan;

shall be effective only upon the approval of the shareholders of the Corporation. Any amendment to any provision of the Plan shall be subject to approval, if required, by any regulatory body having jurisdiction over the securities of the Corporation.

### **3.08 No Representation or Warranty**

The Corporation makes no representation or warranty as the future market value of any Shares issued in accordance with the provisions of the Plan.

### **3.09 Interpretation**

The Plan will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

### **3.10 Savings Clause**

This Plan is intended to comply in all respects with applicable law and regulations, including Section 409A of the Code. In case any one or more provisions of this Plan shall be held invalid, illegal, or unenforceable in any respect under applicable law and regulation (including Section 409A of the Code), the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby and the invalid, illegal, or unenforceable provision shall be deemed null and void; however, to the extent permitted by law, any provision that could be deemed null and void shall first be construed, interpreted, or revised retroactively to permit this Plan to be construed in compliance with all applicable law (including Section 409A of the Code) so as to foster the intent of this Plan.

### **3.11 Compliance with Applicable Law, etc.**

If any provision of the Plan or of any Option Certificate delivered pursuant to the Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body or stock exchange having authority over the Corporation or the Plan then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

SCHEDULE "A"

**If issued to officers or directors or at a discount to the Market Price - WITHOUT PRIOR WRITTEN APPROVAL OF TSX VENTURE EXCHANGE AND COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF TSX VENTURE EXCHANGE OR OTHERWISE IN CANADA OR TO OR FOR THE BENEFIT OF A CANADIAN RESIDENT UNTIL [INSERT DATE THAT IS FOUR MONTHS AND A DAY FROM THE GRANT DATE].**

**Insert the following U.S. legend if the Option is being issued to an Optionee who is in the United States or who is a U.S. person:**

[THE OPTION REPRESENTED BY THIS CERTIFICATE AND THE COMMON SHARES ISSUABLE UPON EXERCISE THEREOF HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY ACQUIRING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION, (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATIONS UNDER THE U.S. SECURITIES ACT AND IN COMPLIANCE WITH APPLICABLE LOCAL LAWS AND REGULATIONS, (C) PURSUANT TO THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS, OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT OR ANY APPLICABLE STATE LAWS AND REGULATIONS GOVERNING THE OFFER AND SALE OF SECURITIES, AND IT HAS, IN THE CASE OF EACH OF (C) AND (D), PRIOR TO SUCH TRANSFER FURNISHED TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT.]

BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.

**STOCK OPTION PLAN**  
**OPTION CERTIFICATE**

This Certificate is issued pursuant to the provisions of the BEE Vectoring Technologies International Inc. (the "Corporation") stock option plan (the "Plan") and evidences that \_\_\_\_\_ is the holder (the "Optionee") of an option (the "Option") to purchase up to \_\_\_\_\_ common shares (the "Shares") in the capital stock of the Corporation at a purchase price of CAD\$\_\_\_\_\_ per Share (the "Exercise Price").

The Plan provides for the granting of stock options that either (i) are intended to qualify as "Incentive Stock Options" within the meaning of Section 422 of the United States Internal Revenue Code of 1986 ("Section 422 Stock Options"), as amended (the "Code"), or (ii) do not qualify as Section 422 Stock Options ("Non-Qualified Stock Options"). This Option is intended to be (select one):

- a Section 422 Stock Option; or
- a Non-Qualified Stock Option.

Subject to the provisions of the Plan:

- (a) the effective date of the grant of the Option is \_\_\_\_\_, 20\_\_;
- (b) the Option expires at 5:00 p.m. (EST) on \_\_\_\_\_, 20\_\_; and
- (c) the Options shall vest as follows:

Date	Percent of Stock Options Vested	Number of Stock Options Vested	Aggregate Number of Stock Options Vested

The vested portion or portions of the Option may be exercised at any time and from time to time from and including the date of the grant of the Option through to 5:00 p.m. (EST) on the expiration date of the Option Period by delivering to the Corporation, in the case of a person other than a U.S. Person, the form of Exercise Notice attached as Appendix “I” hereto, and in the case of a U.S. Person, the form of Exercise Notice attached as Appendix “II” hereto, together with this Certificate and a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate of the Exercise Price of the Shares in respect of which the Option is being exercised.

All Options and any Shares issued on the exercise of Options may be subject to resale restrictions and may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws. The Options hereby granted are subject to the approval of the Exchange.

This Certificate and the Option evidenced hereby is not assignable, transferable or negotiable and is subject to the detailed terms and conditions contained in the Plan, the terms and conditions of which the Optionee hereby expressly agrees with the Corporation to be bound by. This Certificate is issued for convenience only and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Corporation shall prevail.

If the Optionee is a U.S. person or is located in the United States, the Optionee acknowledges and agrees as follows:

- (a) The Option and the Shares (collectively, the “**Securities**”) have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or the securities laws of any state of the United States, and the Option is being granted to the Optionee in reliance on an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.
- (b) The Securities will be “restricted securities”, as defined in Rule 144 under the U.S. Securities Act, and the rules of the United States Securities and Exchange Commission provide in substance that the Optionee may dispose of the Securities only pursuant to an effective registration statement under the U.S. Securities Act or an exemption therefrom, and the Corporation has no obligation to register any of the Securities or to take action so as to permit sales pursuant to the U.S. Securities Act (including Rule 144 thereunder, if available).
- (c) If the Optionee decides to offer, sell or otherwise transfer any of the Shares, the Optionee will not offer, sell or otherwise transfer the Option directly or indirectly, unless:
  - (i) the sale is to the Corporation;
  - (ii) the sale is made outside the United States in a transaction meeting the requirements of Rule 904 of Regulation S under the U.S. Securities Act (“**Regulation S**”) and in compliance with applicable local laws and regulations;
  - (iii) the sale is made pursuant to the exemption from the registration requirements under the U.S. Securities Act provided by Rule 144 thereunder, if available, and in accordance with any applicable state securities or “blue sky” laws; or
  - (iv) the Shares are sold in a transaction that does not require registration under the U.S. Securities Act or any applicable state laws and regulations governing the offer and sale of securities;

and, in the case of each of (iii) and (iv) it has prior to such sale furnished to the Corporation an opinion of counsel reasonably satisfactory to the Corporation stating that such transaction is exempt from registration under applicable securities laws.

- (d) The Option may not be exercised by or for the account or benefit of a person in the United States or a U.S. person unless registered under the U.S. Securities Act and any applicable state securities laws, unless an exemption from such registration requirements is available.
- (e) The certificate(s) representing the Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

“THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE “U.S. SECURITIES ACT”), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT “GOOD DELIVERY” OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE.”

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S and such Shares were issued at a time when the Corporation is a “foreign issuer” as defined in Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation, in substantially the form set forth in Appendix “III” hereto (or in such other form as the Corporation may prescribe from time to time) and, if requested by the Corporation or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legend may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws.

- (f) Rule 905 of Regulation S provides in substance that any “restricted securities” that are equity securities of a “domestic issuer” (including an issuer that no longer qualifies as a “foreign issuer”) will continue to be deemed to be restricted securities notwithstanding that they were acquired in a resale transaction pursuant to Rule 901 or 904 of Regulation S; that Rule 905 of Regulation S will apply in respect of Shares if the Corporation is not a “foreign issuer” at the time of exercise of the related Options; and that the Corporation is not obligated to remain a “foreign issuer”.
- (g) “**Domestic issuer**”, “**foreign issuer**”, “**United States**” and “**U.S. person**” are as defined in Regulation S.
- (h) If the Optionee is resident in the State of California on the effective date of the grant of the Option, then, in addition to the terms and conditions contained in the Plan and in this Certificate, the

Optionee acknowledges that the Corporation, as a reporting issuer under the securities legislation in certain Provinces of Canada, is required to publicly file with the securities regulators in those jurisdictions continuous disclosure documents, including audited annual financial statements and unaudited quarterly financial statements (collectively, the “**Financial Statements**”). Such filings are available on the System for Electronic Document Analysis and Retrieval (SEDAR), and documents filed on SEDAR may be viewed under the Corporation’s profile at the following website address: [www.sedar.com](http://www.sedar.com). Copies of Financial Statements will be made available to the undersigned by the Corporation upon the undersigned’s request. Copies of Financial Statements will be made available to the Optionee by the Corporation upon the Optionee’s request.

All terms not otherwise defined in this Certificate shall have the meanings given to them under the Plan.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

Per:

\_\_\_\_\_  
Authorized Signatory

APPENDIX "I"

**STOCK OPTION PLAN**  
**EXERCISE NOTICE FOR NON-U.S. OPTIONEES**

**TO: BEE VECTORING TECHNOLOGIES INTERNATIONAL INC. (the "Corporation")**

1. The undersigned (the "**Optionee**"), being the holder of options to purchase \_\_\_\_\_ common shares of the Corporation at the exercise price of \_\_\_\_\_ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for \_\_\_\_\_ of such common shares of the Corporation.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the Optionee to be mailed to the Optionee at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Optionee is resident in \_\_\_\_\_ [name of country/province].

5. The Optionee represents, warrants and certifies that the Optionee at the time of exercise of the Option is not in the United States, is not a "U.S. person" as defined in Regulation S under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") and is not exercising the Option on behalf of, or for the account or benefit of a U.S. person or a person in the United States and did not execute or deliver this exercise form in the United States.

6. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that there may be material tax consequences to the Optionee of an acquisition or disposition of any of the Shares. The Corporation gives no opinion and makes no representation with respect to the tax consequences to the Optionee under Canadian, Provincial, local or foreign tax law of the undersigned's acquisition or disposition of such securities.

7. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
**Signature of Optionee**

APPENDIX "II"

**STOCK OPTION PLAN**  
**EXERCISE NOTICE FOR U.S. OPTIONEES**

**TO: BEE VECTORING TECHNOLOGIES INTERNATIONAL INC. (the "Corporation")**

1. The undersigned (the "**Optionee**"), being the holder of options to purchase \_\_\_\_\_ common shares of the Corporation at the exercise price of \_\_\_\_\_ per share, hereby irrevocably gives notice, pursuant to the stock option plan of the Corporation (the "**Plan**"), of the exercise of the Option to acquire and hereby subscribes for \_\_\_\_\_ of such common shares of the Corporation.

2. The Optionee tenders herewith a certified cheque or bank draft payable to the Corporation in an amount equal to the aggregate Exercise Price of the aforesaid common shares exercised and directs the Corporation to issue a share certificate evidencing said common shares in the name of the Optionee to be mailed to the Optionee at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. By executing this Exercise Notice, the Optionee hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Exercise Notice shall have the meanings given to them under the Plan or the attached Option Certificate.

4. The Optionee is resident in

- the State of \_\_\_\_\_, or
- the District of Columbia, or
- \_\_\_\_\_, a Territory of the United States of America.

5. The Optionee represents, warrants and certifies as follows (please check the category that applies):

- (a)  the Optionee is a natural person who is either: (i) a director, officer or employee of the Corporation or of a majority-owned subsidiary of the Corporation (each, an "**Eligible Company Optionee**"), (ii) a consultant who is providing bona fide services to the Corporation or a majority-owned subsidiary of the Corporation that are not in connection with the offer or sale of securities in a capital-raising transaction, and do not directly or indirectly promote or maintain a market for the Corporation's securities (an "**Eligible Consultant**"), or (iii) a former Eligible Company Optionee or Eligible Consultant; OR
- (b)  the Optionee has delivered to the Corporation and the Corporation's transfer agent an opinion of counsel (which will not be sufficient unless it is in form and substance satisfactory to the Corporation) or such other evidence satisfactory to the Corporation to the effect that with respect to the securities to be delivered upon exercise of the Option, the issuance of such securities has been registered under the U.S. Securities Act and applicable state securities laws or an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws is available;

6. The undersigned Optionee further represents, warrants, acknowledges and agrees that:

- (a) funds representing the subscription price for the Shares which will be advanced by the undersigned to the Corporation upon exercise of the Options will not represent proceeds of crime for the purposes of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (the "**PATRIOT Act**"), and the undersigned acknowledges that the

Corporation may in the future be required by law to disclose the undersigned's name and other information relating to this exercise form and the undersigned's subscription hereunder, on a confidential basis, pursuant to the PATRIOT Act. No portion of the subscription price to be provided by the undersigned (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of the United States of America, or any other jurisdiction, or (ii) is being tendered on behalf of a person or entity who has not been identified to or by the undersigned, and it shall promptly notify the Corporation if the undersigned discovers that any of such representations ceases to be true and provide the Corporation with appropriate information in connection therewith;

- (b) the financial statements of the Corporation have been prepared in accordance with Canadian generally accepted accounting principles or International Financial Reporting Standards, which differ in some respects from United States generally accepted accounting principles, and thus may not be comparable to financial statements of United States companies;
- (c) there may be material tax consequences to the Optionee of an acquisition or disposition of any of the Shares. The Corporation gives no opinion and makes no representation with respect to the tax consequences to the Optionee under United States, state, local or foreign tax law of the undersigned's acquisition or disposition of such securities. In particular, no determination has been made whether the Corporation will be a "passive foreign investment company" within the meaning of Section 1297 of the United States Internal Revenue Code of 1986, as amended; and
- (d) if the undersigned has marked Box 5(a) above, the Corporation may rely on the registration exemption in Rule 701 under the U.S. Securities Act and a state registration exemption, but only if such exemptions are available; in the event such exemptions are determined by the Corporation to be unavailable, the undersigned may be required to provide additional evidence of an available exemption, including, without limitation, the legal opinion contemplated by Box 5(b).

7. If the undersigned has marked Box 5(a) above on the basis that the exercise of the Option is subject to the registration exemption in Rule 701 under the U.S. Securities Act and an available state registration exemption, the undersigned also acknowledges and agrees that:

- (a) the Shares have not been and will not be registered under the U.S. Securities Act or the securities laws of any state of the United States, and the Shares will be issued as "restricted securities" (as such term is defined in Rule 144(a)(3) under the U.S. Securities Act) and may not be offered, sold, pledged, or otherwise transferred, directly or indirectly, without prior registration under the U.S. Securities Act and applicable state securities laws absent an exemption from such registration requirements; and
- (b) the certificate(s) representing the Shares will be endorsed with a U.S. restrictive legend substantially in the form set forth in the Option Certificate until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws.

8. The undersigned Optionee hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to and legended with a four month hold period commencing on the date the Options were granted pursuant to the rules of the Exchange and applicable securities laws.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

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**Signature of Optionee**

APPENDIX "III"

**STOCK OPTION PLAN**  
**FORM OF DECLARATION FOR REMOVAL OF LEGEND**

TO: BEE Vectoring Technologies International Inc. (the "Company")

AND TO: Registrar and transfer agent for the common shares of the Company

The undersigned (a) acknowledges that the sale of \_\_\_\_\_ (the "Securities") of the Company, represented by certificate number \_\_\_\_\_, to which this declaration relates is being made in reliance on Rule 904 of Regulation S ("Regulation S") under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), and (b) certifies that (1) the undersigned is not (A) an "affiliate" of the Company (as that term is defined in Rule 405 under the U.S. Securities Act), (B) a "distributor" as defined in Regulation S or (C) an affiliate of a distributor; (2) the offer of such securities was not made to a person in the United States and either (A) at the time the buy order was originated, the buyer was outside the United States, or the seller and any person acting on its behalf reasonably believed that the buyer was outside the United States, or (B) the transaction was executed on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another "designated offshore securities market", and neither the seller nor any person acting on its behalf knows that the transaction has been prearranged with a buyer in the United States; (3) neither the seller nor any affiliate of the seller nor any person acting on any of their behalf has engaged or will engage in any "directed selling efforts" in the United States in connection with the offer and sale of such securities; (4) the sale is bona fide and not for the purpose of "washing off" the resale restrictions imposed because the securities are "restricted securities" (as such term is defined in Rule 144(a)(3) under the U. S. Securities Act); (5) the seller does not intend to replace the securities sold in reliance on Rule 904 of Regulation S with fungible unrestricted securities; and (6) the contemplated sale is not a transaction, or part of a series of transactions, which, although in technical compliance with Regulation S, is part of a plan or scheme to evade the registration provisions of the U. S. Securities Act. Terms used herein have the meanings given to them by Regulation S.

Dated \_\_\_\_\_.

**X** \_\_\_\_\_  
Signature of individual (if Seller is an individual)

**X** \_\_\_\_\_  
Authorized signatory (if Seller is **not** an individual)

\_\_\_\_\_  
Name of Seller (**please print**)

\_\_\_\_\_  
Name of authorized signatory (**please print**)

\_\_\_\_\_  
Official capacity of authorized signatory (**please print**)

**Affirmation by Seller's Broker-Dealer**  
**(Required for sales pursuant to Section (b)(2)(B) above)**

We have read the foregoing representations of our customer, \_\_\_\_\_ (the "**Seller**") dated \_\_\_\_\_, with regard to the sale, for such Seller's account, of \_\_\_\_\_ common shares (the "**Securities**") of the Company represented by certificate number \_\_\_\_\_. We have executed sales of the Securities pursuant to Rule 904 of Regulation S under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), on behalf of the Seller. In that connection, we hereby represent to you as follows:

- (1) no offer to sell Securities was made to a person in the United States;
- (2) the sale of the Securities was executed in, on or through the facilities of the Toronto Stock Exchange, the TSX Venture Exchange, the Canadian Securities Exchange or another designated offshore securities market (as defined in Rule 902(b) of Regulation S under the U.S. Securities Act), and, to the best of our knowledge, the sale was not pre-arranged with a buyer in the United States;
- (3) no "directed selling efforts" were made in the United States by the undersigned, any affiliate of the undersigned, or any person acting on behalf of the undersigned; and
- (4) we have done no more than execute the order or orders to sell the Securities as agent for the Seller and will receive no more than the usual and customary broker's commission that would be received by a person executing such transaction as agent.

For purposes of these representations: "**affiliate**" means a person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the undersigned; "**directed selling efforts**" means any activity undertaken for the purpose of, or that could reasonably be expected to have the effect of, conditioning the market in the United States for the Securities (including, but not be limited to, the solicitation of offers to purchase the Securities from persons in the United States); and "**United States**" means the United States of America, its territories or possessions, any State of the United States, and the District of Columbia.

Legal counsel to the Company shall be entitled to rely upon the representations, warranties and covenants contained herein to the same extent as if this affirmation had been addressed to them.

Dated: \_\_\_\_\_ 20\_\_.

\_\_\_\_\_  
Name of Firm

By: \_\_\_\_\_  
Authorized Officer

**SCHEDULE “C”**

**2019 RSU PLAN**

(see attached)

**RESTRICTED SHARE UNIT PLAN OF  
BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.  
(effective as of March 22, 2019)**

**PART 1  
GENERAL PROVISIONS**

**Establishment and Purpose**

1.1 The Corporation hereby establishes a Restricted Share Unit plan, in this documents referred to as the “Plan”.

1.2 The purpose of the Plan is to secure for the Corporation and its shareholders the benefits of incentive inherent in share ownership by Eligible Persons who, in the judgment of the Board, will be responsible for its future growth and success. The Board also contemplates that through the Plan, the Corporation will be better able to compete for and retain the services of the individuals needed for the continued growth and success of the Corporation.

1.3 Restricted Share Units granted pursuant to this Plan will be used to compensate Eligible Persons who have forgone salary to assist the Corporation in cash management in exchange for the grant of Restricted Share Units and incentive stock options under the Corporation’s stock option plan.

**Definitions**

1.4 In this Plan:

(a) “Applicable Withholding Tax” means any and all taxes and other source deductions or other amounts which the Corporation is required by Applicable Law to withhold from any amounts paid or credited to a Participant under the Plan, which the Corporation determines to withhold in order to fund remittance obligations;

(b) “Award” means an award of Restricted Share Units under this Plan represented by a Restricted Share Unit Notice;

(c) “Award Payout” means the applicable Share issuance in respect of a vested Restricted Share Unit pursuant and subject to the terms and conditions of this Plan and the applicable Award;

(d) “Board” means the board of directors of the Corporation;

(e) “Business Day” means a day upon which the TSX Venture Exchange is open for trading;

(f) “Code” means the U.S. Internal Revenue Code of 1986, as amended;

(g) “Committee” means the Compensation Committee of the Board or other committee of the Board, consisting of not less than three directors, to whom the authority of the Board is delegated in accordance with Section 1.8 hereof;

(h) “Consultant” has the meaning ascribed to such term in Policy 4.4 of the TSXV Corporate Finance Manual;

(i) “Corporation” means Bee Vectoring Technologies International Inc., and includes any successor Corporation thereto;

(j) “Director” means a member of the Board;

- (k) “Eligible Person” means any person who is an Employee, Officer, Director or a Management Company Employee or a Consultant;
- (l) “Employee” means an employee of the Corporation or of a Related Entity;
- (m) “Expiry Date” means the earlier of (i) five (5) years from the date of vesting of a Restricted Share Unit, and (ii) ten (10) years from the Grant Date;
- (n) “Grant Date” means the date of grant of any Restricted Share Unit;
- (o) “Insider” has the meaning ascribed to that term in Policy 1.1 of the TSXV Corporate Finance Manual;
- (p) “Management Company Employee” has the meaning ascribed to such term in Policy 4.4 of the TSXV Corporate Finance Manual;
- (q) “Officer” means an individual who is an officer of the Corporation or of a Related Entity as an appointee of the Board or the board of directors of the Related Entity, as the case may be;
- (r) “Outstanding Issue” means the number of Shares outstanding on a non-diluted basis;
- (s) “Participant” means an Eligible Person who may be granted Restricted Share Units from time to time under this Plan;
- (t) “Plan” means this Restricted Share Unit Plan, as amended from time to time;
- (u) “Restricted Share Unit” means a right granted under this Plan to receive the Award Payout on the terms contained in this Plan as more particularly described in Section 4.1 hereof;
- (v) “Related Entity” means a person that is controlled by the Corporation. For the purposes of this Plan, a person (first person) is considered to control another person (second person) if the first person, directly or indirectly, has the power to direct the management and policies of the second person by virtue of
  - (i) ownership of or direction over voting securities in the second person,
  - (ii) a written agreement or indenture,
  - (iii) being the general partner or controlling the general partner of the second person, or
  - (iv) being a trustee of the second person;
- (w) “Required Approvals” has the meaning contained in Section 64.1 hereof;
- (x) “Securities Act” means the *Securities Act* (Ontario), as amended from time to time;
- (y) “Share” means a common share in the capital of the Corporation as from time to time constituted;
- (z) “Total Disability” means, with respect to a Participant, that, solely because of disease or injury, within the meaning of the long-term disability plan of the Corporation, the Participant, is deemed by a qualified physician selected by the Corporation to be unable to work at any occupation which the Participant, is reasonably qualified to perform;
- (aa) “Trigger Date” means the date a Participant requests the issuance of Shares, pursuant to a Trigger Notice, issuable upon vesting of an Award and prior to the Expiry Date;

(bb) “Trigger Notice” means the notice respecting the issuance of Shares pursuant to vested Restricted Share Unit(s), substantially in the form attached to Restricted Share Unit Notice, duly executed by the Participant; and

(cc) “TSXV” means the TSX Venture Exchange.

### **Interpretation**

1.5 For all purposes of this Plan, except as otherwise expressly provided or unless the context otherwise requires:

(a) any reference to a statute shall include and shall, unless otherwise set out herein, be deemed to be a reference to such statute and to the regulations made pursuant thereto, with all amendments made thereto and in force from time to time, and to any statute or regulations that may be passed which has the effect of supplementing or superseding such statute or such regulations;

(b) the singular includes the plural and vice-versa, and a reference to any of the feminine, masculine or neuter includes the other two;

(c) any reference to “consent” or “discretion” of any person shall be construed as meaning that such person may withhold such consent arbitrarily or grant it, if at all, on such terms as the person sees fit, and may exercise all discretion fully and in unfettered manner; and

(d) any reference to “including” or “inclusive” shall be construed as not restricting the generality of any foregoing or other provision.

### **Effective Date**

1.6 This Plan will be effective on March \_\_\_\_, 2019. The Board may, in its discretion, at any time, and from time to time, issue Restricted Share Units to Eligible Persons as it determines appropriate under this Plan. However, any such issued Restricted Share Units may not be paid out until receipt of the necessary approvals from shareholders of the Corporation, the TSXV, and any other applicable regulatory bodies (the “**Required Approvals**”).

### **Administration**

1.7 The Board is authorized to interpret this Plan from time to time and to adopt, amend and rescind rules and regulations for carrying out the Plan. The interpretation and construction of any provision of this Plan by the Board shall be final and conclusive. Administration of this Plan shall be the responsibility of the appropriate officers of the Corporation and all costs in respect thereof shall be paid by the Corporation.

### **Delegation to Committee**

1.8 All of the powers exercisable hereunder by the Board may, to the extent permitted by law and as determined by a resolution of the Board, be delegated to a Committee including, without limiting the generality of the foregoing, those referred to under §1.7 and all actions taken and decisions made by the Committee or by such officers in this regard will be final, conclusive and binding on all parties concerned, including, but not limited to, the Corporation, the Eligible Person, and their legal representatives.

### **Incorporation of Terms of Plan**

1.9 Subject to specific variations approved by the Board all terms and conditions set out herein will be incorporated into and form part of each Restricted Share Unit granted under this Plan.

### **Maximum Number of Shares**

1.10 The aggregate number of Shares that may be reserved for issuance, at any time, under this Plan and under any other share compensation arrangement adopted by the Corporation, including the Corporation's incentive stock option plan(s), shall not exceed 15,519,854 Shares, being 20% of the total Outstanding Issue as at the date hereof.

1.11 Any Shares subject to a Restricted Share Unit which has been granted under the Plan and which is cancelled or terminated in accordance with the terms of the Plan without being paid out in Shares as provided for in this Plan shall again be available under the Plan.

## **PART 2 AWARDS UNDER THIS PLAN**

### **Eligibility**

2.1 Awards will be granted only to Eligible Persons. If any Eligible Person is (pursuant to the terms of his or her employment, engagement or otherwise) subject to a requirement that he or she not benefit personally from an Award, the Committee may (in its discretion, taking into account relevant corporate, securities and tax laws) grant any Award to which such Person would otherwise be entitled to the Person's employer or to any other entity designated by them that directly or indirectly imposes such requirement on the Person. The Committee shall have the power to determine other eligibility requirements with respect to Awards or types of Awards.

### **Limitation on Issuance of Shares to Insiders**

2.2 Notwithstanding anything in this Plan, the Corporation shall not issue Shares under this Plan to any Eligible Person who is an Insider of the Corporation where such issuance would result in:

- (a) the total number of Shares issuable at any time under this Plan to Insiders, or when combined with all other Shares issuable to Insiders under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Corporation on a non-diluted basis; and
- (b) the total number of Shares that may be issued to Insiders during any one year period under this Plan, or when combined with all other Shares issued to Insiders under any other equity compensation arrangements then in place, exceeding 10% of the total number of issued and outstanding equity securities of the Corporation on a non diluted basis.

## **PART 3 RESTRICTED SHARE UNITS**

### **Participants**

3.1 Restricted Share Units that may be granted hereunder to a particular Eligible Person in a calendar year will (subject to any applicable terms and conditions and the Board's discretion) represent a right to a bonus or similar payment to be received for services rendered by such Eligible Person to the Corporation or a Related Entity, as the case may be, in the Corporation's or the Related Entity's fiscal year ending in, or coincident with, such calendar year.

### **Grant**

3.2 The Board may, in its discretion, at any time, and from time to time, grant Restricted Share Units to Eligible Persons as it determines is appropriate, subject to the limitations set out in this Plan, and shall be as set

forth in a Restricted Share Unit Notice delivered to such Participant. In making such grants the Board may, in its sole discretion but subject to Section 3.3 hereof, in addition to Performance Conditions set out below, impose such conditions on the vesting of the Awards as it sees fit, including imposing a vesting period on grants of Restricted Share Units.

### **Vesting**

3.3 Except as provided in this Plan, Restricted Share Units issued under this Plan will vest and become subject to a Trigger Notice, only upon the date determined by the Board, or if applicable the Committee, which shall be as set forth in a Restricted Share Unit Notice delivered to such Participant.

### **Forfeiture and Cancellation Upon Expiry Date**

3.4 Restricted Share Units which do not vest and have not been issued on or before the Expiry Date of such Restricted Share Unit will be automatically deemed cancelled, without further act or formality and without compensation.

### **Account**

3.5 Restricted Share Units issued pursuant to this Plan (including fractional Restricted Share Units, computed to three digits) will be credited to a notional account maintained for each Participant by the Corporation for the purposes of facilitating the determination of amounts that may become payable hereunder. A written confirmation of the balance in each Participant's account will be sent by the Corporation to the Participant upon request of the Participant.

### **Adjustments and Reorganizations**

3.6 In the event of any dividend paid in shares, share subdivision, combination or exchange of shares, merger, consolidation, spin-off or other distribution of Corporation assets to shareholders, or any other change in the capital of the Corporation affecting Shares, the Board, in its sole and absolute discretion, will make, with respect to the number of Restricted Share Units outstanding under this Plan, any proportionate adjustments as it considers appropriate to reflect that change.

### **Notice and Acknowledgement**

3.7 No certificates will be issued with respect to the Restricted Share Units issued under this Plan. Each Participant will, prior to being granted any Restricted Share Units, deliver to the Corporation a signed acknowledgement substantially in the form of Schedule "A" to this Plan.

## **PART 4 PAYMENTS UNDER THE RESTRICTED SHARE UNITS**

### **Payment of Restricted Share Units**

4.1 Subject to the terms of this Plan and, without limitation, Section 3.3 hereof, the Corporation will pay out vested Restricted Share Units issued under this Plan and credited to the account of a Participant by issuing (net of any Applicable Withholding Tax) to such Participant, on or before the 10<sup>th</sup> Business Day following the Trigger Date but no later than the Expiry Date of such vested Restricted Share Unit, an Award Payout of, subject to receipt of the Required Approvals, one Share for such whole vested Restricted Share Unit. Fractional Shares shall not be issued and where a Participant would be entitled to receive a fractional Share in respect of any fractional vested Restricted Share Unit, the Corporation shall pay to such Participant, in lieu of such fractional Share, cash equal to the Vesting Date Value as at the Trigger Date of such fractional Share. Each Share issued by the Corporation pursuant to this Plan shall be issued as fully paid and non-assessable.

## **Award Payout**

4.2 Upon the vesting of Restricted Share Units, no Shares will be issued by the Corporation to the Participant, until the receipt by the Corporation, on or before 5:00 p.m. (EST) on the Expiry Date of a Trigger Notice.

## **Effect of Termination of Employment or Engagement, Death or Disability**

4.3 If a Participant shall die while employed or retained by the Corporation, or while an Officer or Director, the Expiry Date of any vested or unvested Restricted Share Units held by the Participant at the date of death, which have not yet been subject to a Trigger Notice and subsequent Award Payout, shall be amended to the earlier of (i) one (1) year after the date of death, and (ii) the Expiry Date of such Award, except that in the event the expiration of the Award is earlier than one (1) year after the date of death, with Required Approvals, the Expiry Date shall be up to one (1) year after the date of death as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Restricted Share Units held by an Participant at the date of death which have not yet vested shall vest immediately upon death.

4.4 If the employment or engagement of an Participant shall terminate with the Corporation due to Total Disability while the Participant is employed or retained by the Corporation, the Expiry Date of any vested or unvested Restricted Share Units held by the Participant at the date of his or her termination due to Total Disability, which have not yet been subject to a Trigger Notice and subsequent Award Payout, shall be amended to the earlier of (i) one (1) year after the date of his or her termination due to Total Disability, and (ii) the Expiry Date of such Award, except that in the event the expiration of the Award is earlier than one (1) year after the date of his or her termination due to Total Disability, with Required Approvals, the Expiry Date shall be up to one (1) year after the date of his or her termination due to Total Disability as determined by the Board. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Restricted Share Units held by an Participant at the date of his or her termination due to Total Disability which have not yet vested shall vest immediately upon death.

4.5 Subject to Section 4.16 hereof, if a Participant ceases to be an Eligible Person (other than as provided in Section 4.3 or 4.4), the Expiry Date of any vested or unvested Restricted Share Units held by the Participant at the date such Participant ceased to be an Eligible Person, which have not yet been subject to a Trigger Notice and subsequent Award Payout, shall be amended to the earlier of (i) one (1) year after the date such Participant ceased to be an Eligible Person, and (ii) the Expiry Date of such Award. Notwithstanding the foregoing, the Board, in its discretion, may resolve that up to all of the Restricted Share Units held by a Participant on the date the Participant ceased to be an Eligible Person which have not yet vested shall vest immediately upon such date.

4.6 If the employment of an Employee or Consultant is terminated for cause (as determined by the Board) no Restricted Share Units held by such Participant may be subject to a Trigger Notice following the date upon which termination occurred.

## **Tax Matters and Applicable Withholding Tax**

4.7 The Corporation does not assume any responsibility for or in respect of the tax consequences of the grant to Participants of Restricted Share Units, or payments received by Participants pursuant to this Plan. The Corporation or relevant Related Entity, as applicable, is authorized to deduct any Applicable Withholding Tax, in such manner (including, without limitation, by selling Shares otherwise issuable to Participants, on such terms as the Corporation determines) as it determines so as to ensure that it will be able to comply with the applicable provisions of any federal, provincial, state or local law relating to the withholding of tax or other required deductions, or the remittance of tax or other obligations. The Corporation or relevant Related Entity, as applicable, may require Participants, as a condition of receiving amounts to be paid to them under this Plan, to deliver undertakings to, or indemnities in favour of, the Corporation or Related Entity, as applicable, respecting the payment by such Participant's applicable income or other taxes.

4.8 To the extent required by law, the Corporation shall make adjustments to, and interpret, the Restricted Share Units as required by the U.S. Uniformed Services Employment and Reemployment Rights Act.

## **PART 5 MISCELLANEOUS**

### **Compliance with Applicable Laws**

5.1 The issuance by the Corporation of any Restricted Share Units and its obligation to make any payments hereunder is subject to compliance with all applicable laws. As a condition of participating in this Plan, each Participant agrees to comply with all such applicable laws and agrees to furnish to the Corporation all information and undertakings as may be required to permit compliance with such applicable laws. The Corporation will have no obligation under this Plan, or otherwise, to grant any Restricted Share Unit or make any payment under this Plan in violation of any applicable laws.

The Corporation intends that the Awards and payments provided for in this Plan either be exempt from Section 409A of the Code, or be provided in a manner that complies with Section 409A of the Code, and any ambiguity herein shall be interpreted so as to be consistent with the intent of this Section 5.1. In no event whatsoever shall the Corporation be liable for any additional tax, interest or penalty that may be imposed on the any person by Section 409A of the Code or damages for failing to comply with Section 409A. Notwithstanding anything contained herein to the contrary, all payments under this Plan to paid or provided at the time of a termination of employment or service will be paid at a termination of employment or service that constitutes a “separation from service” from the Corporation within the meaning of Section 409A of the Code and the regulations and guidance promulgated thereunder (determined after applying the presumptions set forth in Treas. Reg. Section 1.409A-1(h)(1)). Further, if at the time of a Participant’s termination of employment with the Corporation, the Participant is a “specified employee” as defined in Section 409A of the Code as determined by the Corporation in accordance with Section 409A of the Code, and the deferral of the commencement of any payments or benefits otherwise payable hereunder as a result of such termination of employment is necessary in order to prevent any accelerated or additional tax under Section 409A of the Code, then the Corporation will defer the payment hereunder until the date that is at least six (6) months following the Participant’s termination of employment with the Corporation (or the earliest date permitted under Section 409A of the Code).

### **Non-Transferability**

5.2 Restricted Share Units and all other rights, benefits or interests in this Plan are non-transferable and may not be pledged or assigned or encumbered in any way and are not subject to attachment or garnishment, except that if a Participant dies the legal representatives of the Participant will be entitled to receive the amount of any payment otherwise payable to the Participant hereunder in accordance with the provisions hereof.

### **No Right to Service**

5.3 Neither participation in this Plan nor any action under this Plan will be construed to give any Eligible Person or Participant a right to be retained in the service or to continue in the employment of the Corporation or any Related Entity, or affect in any way the right of the Corporation or any Related Entity to terminate his or her employment at any time.

### **Applicable Trading Policies**

5.4 The Board and each Participant will ensure that all actions taken and decisions made by the Board or the Participant, as the case may be, pursuant to this Plan comply with any applicable securities laws and policies of the Corporation relating to insider trading or “blackout” periods.

### **Successors and Assigns**

5.5 This Plan will enure to the benefit of and be binding upon the respective legal representatives of the Eligible Person or Participants.

### **Plan Amendment**

5.6 The Board may amend this Plan as it deems necessary or appropriate, subject to the requirements of applicable laws, but no amendment will, without the consent of any Eligible Person or unless required by law (or for compliance with applicable corporate, securities or tax law requirements or related industry practice), adversely affect the rights of a Eligible Person or Participant with respect to Restricted Share Units to which the Eligible Person or Participant is then entitled under this Plan.

### **Plan Termination**

5.7 The Board may terminate this Plan at any time, but no termination will, without the consent of the Participant or unless required by law, adversely affect the rights of a Participant respect to Restricted Share Units to which the Participant is then entitled under this Plan. In no event will a termination of this Plan accelerate the vesting of Restricted Share Units or the time at which a Participant would otherwise be entitled to receive any payment in respect of Restricted Share Units hereunder.

### **Governing Law**

5.8 This Plan and all matters to which reference is made in this Plan will be governed by and construed in accordance with the laws of Ontario and the federal laws of Canada applicable therein.

### **Reorganization of the Corporation**

5.9 The existence of this Plan or Restricted Share Units will not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or to create or issue any bonds, debentures, Shares or other securities of the Corporation or to amend or modify the rights and conditions attaching thereto or to effect the dissolution or liquidation of the Corporation, or any amalgamation, combination, merger or consolidation involving the Corporation or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar nature or otherwise.

### **No Shareholder Rights**

5.10 Restricted Share Units are not considered to be Shares or securities of the Corporation, and a Participant who is granted Restricted Share Units will not, as such, be entitled to receive notice of or to attend any shareholders' meeting of the Corporation, nor entitled to exercise voting rights or any other rights attaching to the ownership of Shares or other securities of the Corporation, and will not be considered the owner of Shares by virtue of such issuance of Restricted Share Units.

### **No Other Benefit**

5.11 No amount will be paid to, or in respect of, an Eligible Person under this Plan to compensate for a downward fluctuation in the fair market value or price of a Share, nor will any other form of benefit be conferred upon, or in respect of, a Eligible Person for such purpose.

### **Unfunded Plan**

5.12 For greater certainty, the crediting of any Award to the notional accounts set out in this Plan for any Participant does not confer any entitlement, benefits, or any rights of a similar nature or otherwise, aside from the rights expressly set out in this Plan, and this Plan will be an unfunded plan, including for tax purposes and for purposes of the *Employee Retirement Income Security Act* (United States). Any Participant to which Restricted Share Units are credited to his or her account or holding Restricted Share Units or related accruals under this Plan will have the status of a general unsecured creditor of the Corporation with respect to any relevant rights that may arise thereunder.

**SCHEDULE "A"**

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

**RESTRICTED SHARE UNIT PLAN**

**RESTRICTED SHARE UNIT NOTICE**

BEE Vectoring Technologies International Inc. (the "**Corporation**") hereby confirms the grant to the undersigned (the "**Participant**") of Restricted Share Units ("**Units**") described in the table below pursuant to the Corporation's Restricted Share Unit Plan (the "**Plan**"), a copy of which Plan has been provided to the undersigned Participant.

Capitalized terms not specifically defined in this Notice have the respective meanings ascribed to them in the Plan.

Grant Date	No. of Units	Vesting	Expiry Date

The Participant may elect to have Shares issued pursuant to the foregoing Units at any time and from time to time from and including the date Units vest through to 5:00 p.m. (EST) on the date that is the earlier of (i) five (5) years from the date of vesting, and (ii) ten (10) years from the Grant Date, by delivering to the Corporation the form of Trigger Notice attached as Appendix "I" hereto.

No Shares shall be issuable by the Corporation to the Participant in the event vesting does not occur prior to ten (10) years from the Grant Date.

**DATED** \_\_\_\_\_, 20\_\_\_\_.

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

Per: \_\_\_\_\_  
Authorized Signatory

The undersigned hereby accepts such grant, acknowledges being a Participant under the Plan, agrees to be bound by the provisions thereof and agrees that the Plan will be effective as an agreement between the Corporation and the undersigned with respect to the Units granted or otherwise issued to it.

**[If the Units are being issued to a U.S. Participant, include the following additional provisions:]**

The undersigned acknowledges and agrees that:

1. The Units and any Shares that may be issued in respect of vested Units pursuant to the Plan have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), and will constitute "restricted securities" as such term is defined in Rule 144 under the U.S. Securities Act;
2. The certificate(s) representing the Shares will be endorsed with the following or a similar legend until such time as it is no longer required under the applicable requirements of the U.S. Securities Act or applicable state securities laws:

"THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED, (THE "U.S. SECURITIES ACT"), OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. THE HOLDER HEREOF, BY PURCHASING SUCH SECURITIES, AGREES FOR THE BENEFIT OF THE CORPORATION, THAT SUCH SECURITIES MAY BE OFFERED, SOLD OR OTHERWISE TRANSFERRED ONLY (A) TO THE CORPORATION; (B) OUTSIDE THE UNITED STATES IN ACCORDANCE WITH RULE 904

OF REGULATION S UNDER THE U.S. SECURITIES ACT; (C) IN ACCORDANCE WITH THE EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER, IF AVAILABLE, AND IN COMPLIANCE WITH ANY APPLICABLE STATE SECURITIES LAWS; OR (D) IN A TRANSACTION THAT DOES NOT REQUIRE REGISTRATION UNDER THE U.S. SECURITIES ACT AND ANY APPLICABLE STATE SECURITIES LAWS, AND, IN THE CASE OF CLAUSE (C) OR (D), THE SELLER FURNISHES TO THE CORPORATION AN OPINION OF COUNSEL OF RECOGNIZED STANDING IN FORM AND SUBSTANCE SATISFACTORY TO THE CORPORATION TO SUCH EFFECT. THE PRESENCE OF THIS LEGEND MAY IMPAIR THE ABILITY OF THE HOLDER HEREOF TO EFFECT "GOOD DELIVERY" OF THE SECURITIES REPRESENTED HEREBY ON A CANADIAN STOCK EXCHANGE."

provided, that if the Shares are being sold outside the United States in compliance with the requirements of Rule 904 of Regulation S under the U.S. Securities Act ("**Regulation S**") and the Shares were issued at a time when the Corporation is a "foreign issuer" as defined in Regulation S, the legend set forth above may be removed by providing an executed declaration to the registrar and transfer agent of the Corporation, in such form as the Corporation may prescribe from time to time and, if requested by the Corporation or the transfer agent, an opinion of counsel of recognized standing in form and substance satisfactory to the Corporation and the transfer agent to the effect that such sale is being made in compliance with Rule 904 of Regulation S; and provided, further, that, if any Shares are being sold otherwise than in accordance with Regulation S and other than to the Corporation, the legend may be removed by delivery to the registrar and transfer agent and the Corporation of an opinion of counsel, of recognized standing reasonably satisfactory to the Corporation, that such legend is no longer required under applicable requirements of the U.S. Securities Act or state securities laws; and

- 3. The Corporation may be deemed to be an issuer that at a previous time has been an issuer with no or nominal operations and no or nominal assets other than cash and cash equivalents (a "**Shell Company**"), and if the Corporation is deemed to have been a Shell Company at any time previously, Rule 144 under the U.S. Securities Act may not be available for resales of the Shares except in very limited circumstances, and the Corporation is not obligated to make Rule 144 under the U.S. Securities Act available for resales of the Shares.
- 4. If the undersigned is resident in the State of California on the effective date of the grant of the Units, then, in addition to the terms and conditions contained in the Plan and in this Notice, the undersigned acknowledges that the Corporation, as a reporting issuer under the securities legislation in certain Provinces of Canada, is required to publicly file with the securities regulators in those jurisdictions continuous disclosure documents, including audited annual financial statements and unaudited quarterly financial statements (collectively, the "**Financial Statements**"). Such filings are available on the System for Electronic Document Analysis and Retrieval (SEDAR), and documents filed on SEDAR may be viewed under the Corporation's profile at the following website address: [www.sedar.com](http://www.sedar.com). Copies of Financial Statements will be made available to the undersigned by the Corporation upon the undersigned's request.

DATED \_\_\_\_\_, 20 \_\_\_\_.

\_\_\_\_\_  
Witness (Signature)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, Province/State

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Name of Participant (print)

**APPENDIX "I"**

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

**RESTRICTED SHARE UNIT PLAN**

**TRIGGER NOTICE**

**TO: BEE VECTORING TECHNOLOGIES INTERNATIONAL INC. (the "Corporation")**

1. The undersigned (the "**Participant**"), being the holder of vested Restricted Share Units to purchase \_\_\_\_\_ Shares, hereby irrevocably gives notice, pursuant to the Plan, of the request to issue to the Participant \_\_\_\_\_ Shares.

2. By executing this Trigger Notice, the Participant hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Trigger Notice shall have the meanings given to them under the Plan or the attached Restricted Share Unit Notice.

4. The Participant is resident in \_\_\_\_\_ [name of country/province/state].

5. The Participant hereby represents, warrants, acknowledges and agrees that there may be material tax consequences to the Participant of a request for Shares pursuant to vested Restricted Share Units. The Corporation gives no opinion and makes no representation with respect to the tax consequences to the Participant under applicable, federal, local or foreign tax law of the Participant's acquisition or disposition of such securities.

7. The Participant hereby represents, warrants, acknowledges and agrees that the certificate(s) representing the Shares may be subject to applicable hold periods and legending pursuant to the rules of the TSXV and applicable securities laws.

**DATED** \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Witness (Signature)

\_\_\_\_\_  
Name (please print)

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, Province

\_\_\_\_\_  
Occupation

\_\_\_\_\_  
Participant's Signature

\_\_\_\_\_  
Name of Participant (print)

**SCHEDULE "D"**  
**AMENDED AND RESTATED BY-LAW NO. 1**

(see attached)

**AMENDED AND RESTATED**  
**BY-LAW NO. 1**

**A BY-LAW RELATING GENERALLY TO THE TRANSACTION  
OF THE BUSINESS AND AFFAIRS OF  
BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

BE IT ENACTED and it is hereby enacted as a by-law of

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

(hereinafter called the "Corporation") as follows:

**GENERAL BUSINESS**

**Registered Office**

1. The directors may from time to time by resolution fix the location of the registered office of the Corporation within the municipality or geographic township within Ontario as specified in its articles.

**Seal**

2. The Corporation may have a corporate seal which shall be adopted and may be changed by resolution of the directors.

**Financial Year**

3. The first financial year of the Corporation shall terminate on a date to be determined by the directors of the Corporation and thereafter on the anniversary date thereof in each year, until changed by resolution of the directors of the Corporation.

**Banking Arrangements**

4. The banking business of the Corporation, or any part thereof, shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the directors may designate, appoint or authorize from time to time by resolution and all such banking business or any part thereof shall be transacted on the Corporation's behalf by such one or more officers and / or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided, including without restricting the generality of the foregoing, the operation of the Corporation's accounts; the making, signing, drawing, accepting, endorsing, negotiating, allotting, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for and orders relating to any property of the Corporation; the execution of any agreement relating to any banking business and defining the rights and powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Corporation's behalf to facilitate such banking business.

### **Execution of Instruments**

5. Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by

**any director or officer**

and the corporate seal may be affixed to such instruments as may be required by any person so authorized to sign on behalf of the Corporation.

Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the directors may at any time and from time to time by resolution direct the manner in which, and the person or persons by whom any particular deed, transfer, contract, obligation or other instrument in writing, any class of deeds, transfers, contracts, obligations or other instruments in writing requiring signature by the Corporation may or shall be signed.

### **DIRECTORS**

#### **Power of Directors**

6. The directors shall manage or supervise the management of the business and affairs of the Corporation unless otherwise specifically provided in any unanimous shareholder agreement.

#### **Number of Directors and Quorum**

7. Subject to the articles of the Corporation, the number of directors of the Corporation shall be that number of directors as specified in the articles or shall be that number of directors as determined from time to time by a special resolution within the minimum and maximum as permitted by the articles of the Corporation. A majority of the number of directors or minimum number of directors required by the articles shall constitute a quorum at any meeting of the directors. Notwithstanding vacancies, the remaining directors may exercise all the powers of the board of directors so long as the quorum of the board of directors remains in office.

#### **Qualifications**

8. Each director shall be eighteen (18) or more years of age and shall be an individual as defined by the Act. No person who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director. If a director acquires the status of a bankrupt or becomes of unsound mind and is so found, he shall thereupon cease to be a director.

#### **Resident Canadians**

9. At least 25 per cent of the directors of the Corporation, other than a non-resident corporation as defined by the Act, shall be resident Canadians. Where the Corporation has less than four directors, at least one director shall be a resident Canadian.

#### **Nomination of Directors**

10. Subject only to the Act and to the articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors. Such nominations may be made in the following manner:

- a) by or at the direction of the Board, including pursuant to a notice of meeting;
- b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of meeting of the shareholders of the Corporation made in accordance with the provisions of the Act; or
- c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving of the notice provided below in this Section 10 and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in this Section 10.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation.

To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made:

- a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement (the "Notice Date") of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:

- a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed director nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed director nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder of the Corporation's understanding of the independence, or lack thereof, of such proposed director nominee.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 10; provided, however, that nothing in this Section 10 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of the Corporation of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding any other provision of this Section 10, notice given to the Secretary of the Corporation may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary of the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Section 10.

For purposes of this Section 10:

- a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and
- b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province of Canada.

### **Election and Term**

- 11. The directors shall be elected yearly to hold office until the next annual meeting of the shareholders of the Corporation or until their successors shall have been duly elected. The whole board shall be elected at each annual meeting and all the directors then in office shall retire, but, if qualified, are eligible for re-election. The election may be by a show of hands or by a resolution of the shareholders unless a ballot be demanded by any shareholder.

### **Removal of Directors**

- 12. The shareholders may by ordinary resolution at an annual or special meeting of the shareholders of the Corporation remove any director from office. Notice of intention to pass any such resolution

shall be given in the notice calling the meeting and the shareholders may by a majority of votes cast at that meeting elect a person otherwise qualified to fill the vacancy created by the removal of such director.

### **Vacancies**

13. Except as hereinafter provided vacancies on the board of directors may be filled for the remainder of its term of office by qualified persons by the remaining directors if they constitute a quorum. If there is not a quorum of directors or if a vacancy results from a failure to elect the number of directors required to be elected at any meeting of shareholders or if a vacancy results from an increase in the number of directors where the directors are otherwise authorized by special resolution to determine the number of directors and the appointment of an additional director would result in a total number of directors greater than one and one third (1 1/3) times the number of directors required to have been elected at the last annual meeting of shareholders then the directors then in office shall forthwith call a special meeting of the shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

### **Calling of Meetings**

14. Meetings of the board of directors shall be held from time to time at such place, at such time and on such day as the President or a Vice-President who is a director or any two (2) directors may determine, and the Secretary shall call meeting when directed or authorized by the President or by a Vice-President who is a director or by any two (2) directors. Notice of every meeting so called shall be given to each director not less than forty-eight hours (excluding any part of a Sunday or Holiday as defined by the Interpretation Act of Canada for the time being in force) before the time when the meeting is to be held and such notice shall specify the general nature of any business to be transacted, save that no notice of a meeting shall be necessary if all the directors are present, and do not object to the holding of the meeting, or if those absent waive notice of or have otherwise signified their consent to the holding of such meeting.

### **First Directors Meeting**

15. After incorporation an incorporator or a director may call a meeting of the directors of the Corporation by the giving of not less than five (5) days notice thereof to each director stating the time and place of the meeting at which the directors may, make by-laws; adopt forms of security certificates and corporate records; authorize the issue of securities; appoint officers; appoint one or more auditors to hold office until the first annual or a special meeting of shareholders; make banking arrangements; and transact any other business.

### **Place of Meeting**

16. Meetings of the board of directors may be held at the registered office of the Corporation or at any other place within or outside of Ontario; except that unless the Corporation is a non-resident corporation a majority of the meetings of the board of directors in any financial year shall be held at a place within Canada.

### **Participation by Telephone**

17. With the unanimous consent of all the directors of the Corporation present at or participating in a meeting, a meeting of directors or of a committee of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in a meeting to communicate with each other simultaneously and instantaneously and a director participating in such a meeting by such means is deemed to be present at that meeting. If a majority of the directors participating at a meeting held as herein provided are then in Canada the

meeting shall be deemed to have been held in Canada.

### **Votes to Govern**

18. At all meetings of the board of directors, unless otherwise provided in the Act, every question shall be decided by a majority of the votes cast on the question and in case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.

### **Remuneration of Directors**

19. The directors of the Corporation shall be paid such remuneration as may be determined by the board of directors. Any remuneration so payable to a director who is also an officer or employee of the Corporation or is counsel or solicitor of the Corporation or otherwise serves it in a professional capacity shall be, in addition to his salary as such officer, or his professional fees as the case may be. The directors shall also be paid such sums in respect of the out-of-pocket expenses incurred in attending board, committee or shareholder meetings or otherwise in respect of the performance by them of their duties as the board of directors may from time to time determine.

### **Transaction of Business by Signature**

20. A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors.

### **One Director**

21. Where the Corporation has only one director, that director may constitute a meeting.

### **Declaration of Interest**

22. Every director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of the meeting of directors the nature and extent of his interest. All such disclosures shall be made at the time required by the applicable provisions of the Act and directors shall refrain from voting in respect of any such contract or transaction unless otherwise permitted by the Act.

### **Avoidance Standards**

23. If a material contract is made or a material transaction is entered into between the Corporation and a director or officer of the Corporation or between the Corporation and any other person of which a director or officer of the Corporation is a director or officer in which he has a material interest, the director or officer is not accountable to the Corporation or its shareholders for any profit or gain realized from the contract or transaction; and the contract or transaction is neither void or voidable, by reason only that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his interest as hereinbefore provided and the contract or transaction was reasonable and fair to the Corporation at the time it was so approved. A director or officer acting honestly and in good faith is not accountable to the Corporation or to its shareholders for any profit or gain realized from any such contract or transaction by reason only of his holding the office of director or officer and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was approved, is not by reason only of the director's or officer's interests therein void or voidable where, the contract or

transaction is confirmed or approved by special resolution at a meeting of the shareholders duly called for that purpose; and the nature and extent of the director's or officer's interest in the contract or transaction is disclosed in reasonable detail in the notice calling the meeting.

### **Standard of Care**

24. Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of the Corporation shall comply with the Act, the regulations, articles, by-laws and any unanimous shareholder agreement.

### **Indemnity of Directors and Officers**

25. The Corporation shall indemnify the directors and officers of the Corporation, former directors or officers of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made party by reason of being or having been a director or officer of the Corporation or body corporate and with the approval of the court in respect of an action by or on behalf of the Corporation or body corporate to procure a judgement in its favour to which he is made a party by reason of being or having been a director or officer of the Corporation or body corporate against all costs, charges and expenses reasonably incurred by him in connection with such action, if, he acted honestly and in good faith with a view to the best interests of the Corporation; and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

### **Insurance for Directors and Officers**

26. The Corporation may purchase and maintain insurance for the benefit of the directors or officers of the Corporation, former directors or officers of the Corporation or persons who act or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor and his heirs and legal representatives against any liability incurred by him, in his capacity as a director or officer of the Corporation, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the Corporation; or in his capacity as a director or officer of another body corporate where he acts or acted in that capacity at the Corporation's request, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the body corporate.

### **Financial Assistance**

27. The Corporation or any corporation with which it is affiliated, shall not, directly or indirectly, give financial assistance by means of a loan, guarantee or otherwise, to any shareholder, director, officer or employee of the Corporation or affiliated corporation or to an associate of any such person for any purpose; or to any person for the purpose of or in connection with a purchase of a share or a security convertible into or exchangeable for a share, issued or to be issued by the Corporation or affiliated Corporation, where there are reasonable grounds for believing that, the Corporation is or after giving the financial assistance would be unable to pay its liabilities as they may become due; or the realizable value of the Corporation's assets, excluding the amount of any financial assistance in the form of a loan and in the form of any secured guarantee, after giving the financial assistance, would be less than the aggregate of the Corporation's liabilities and stated capital of all classes. The Corporation may give financial assistance by means of a loan, guarantee or otherwise, to any person in the ordinary course of business if the lending of money is part of the ordinary business of the Corporation; to any person on account of

expenditures incurred or to be incurred on behalf of the Corporation; to its holding body corporate if the Corporation is a wholly owned subsidiary of the holding body corporate; to a subsidiary body corporate of the Corporation; or to its employees of the Corporation or any of its affiliates, to enable or assist them to purchase or erect living accommodation for their own occupation, or in accordance with a plan for the purchase of shares of the Corporation or any of its affiliates.

## **OFFICERS**

### **Appointed Officers**

28. The directors of the Corporation may from time to time designate the offices of the Corporation, appoint officers, specify their duties and, subject to the Act, delegate to them powers to manage the business and affairs of the Corporation. A director may be appointed to any office of the Corporation and two or more offices of the Corporation may be held by the same person. In the absence of a written agreement to the contrary, the board of directors may remove at its pleasure any officer of the Corporation. The terms of employment and remuneration of any officer so appointed by it shall be settled from time to time by the board of directors. Unless otherwise from time to time specified by the board of directors the offices of the Corporation, if so designated, and the officers so appointed shall have the following duties and powers.

### **President**

29. The President shall, when present, preside at all meetings of the shareholders and of the board of directors and shall be charged with the general supervision of the business and affairs of the Corporation. Except when the board of directors has appointed a general manager or managing director, the President shall also have the powers and be charged with the duties of that office.

The President shall be appointed from amongst the directors.

### **Vice-President**

30. During the absence or inability of the President his duties may be performed and his powers may be exercised by the Vice-President, or if there are more than one, by the Vice-President in order of seniority (as determined by the board of directors) save that no Vice-president shall preside at a meeting of the board of directors or at a meeting of shareholders who is not qualified to attend the meeting as a director, as the case may be. If a Vice-President exercises any such duty or power, the absence or inability of the President shall be presumed with reference thereto. A Vice-President shall also perform such duties and exercise such powers as the President may from time to time delegate to him or the board may prescribe.

### **General Manager**

31. The General Manager, if one be appointed, shall have the general management and direction, subject to the authority of the board of directors and supervision of the President, of the Corporation's business and affairs and the power to appoint and remove any and all officers, employees and agents of the Corporation not appointed directly by the board of directors and to settle the terms of their employment and remuneration. If and so long as the general manager is a director he may but need not be known as the Managing Director.

### **Secretary**

32. The Secretary shall give, or cause to be given, all notices required to be given to shareholders, directors, auditors and members of committees; he shall attend all meetings of the directors and of the shareholders and shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records,

documents and other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board of directors.

#### **Treasurer**

33. The Treasurer shall keep full and accurate books of account in which shall be recorded all receipts and disbursements of the Corporation and, under the direction of the board of directors, shall control the deposit of money, the safekeeping of securities and the disbursements of the funds of the Corporation; he shall render to the board of directors at the meetings thereof, or whenever required of him an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board of directors.

#### **Other Officers**

34. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board of directors requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board of directors otherwise directs.

#### **Variation of Duties**

35. From time to time the board may vary, add to or limit the powers and duties of any officer or officers.

#### **Agents and Attorneys**

36. The board of directors shall have power from time to time to appoint agents or attorneys for the Corporation in or out of Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

#### **Fidelity Bonds**

37. The board of directors may require such officers, employees and agents of the Corporation as the board of directors deems advisable to furnish bonds for the faithful discharge of their duties, in such form and with such surety as the board of directors may from time to time prescribe.

### **SHARES**

#### **Allotment**

38. The board of directors may from time to time accept subscriptions and allot or grant options to purchase the whole or any part of the authorized and unissued shares in the Corporation including any shares created by an amendment to the articles of the Corporation to such person or persons or class of persons as the board of directors shall by resolution determine.

#### **Payment of Commission**

39. The directors may authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.
40. Every security holder including every shareholder shall be entitled, in the case of initial issuance without payment and in the case of any subsequent transfer upon payment of a fee of not more than three dollars (\$3.00) to a security certificate in respect of the securities held by him or to a

non-transferable written acknowledgement of his right to obtain a security certificate from the Corporation in respect of the securities of the Corporation held by him. Security certificates shall be in such a form or forms as the board of directors shall from time to time approve. Unless otherwise ordered by the board of directors, they shall be signed by any two directors and/or officers and need not be under the corporate seal; provided that certificates representing securities in respect of which a transfer agent and registrar (which term shall include a branch transfer agent and registrar) or trustee have been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and registrar or trustee. If authorized by resolution of the board of directors, the corporate seal of the Corporation and the signature of one of the signing officers, or in the case of security certificates representing securities in respect of which a transfer agent and registrar or trustee have been appointed, the signatures of both signing officers, may be printed, engraved, lithographed, or otherwise mechanically reproduced in facsimile upon security certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be valid notwithstanding that one or both of the officers whose signature (whether manual or facsimile) appears thereon no longer holds the office at the date of issue or delivery of the certificate.

### **Replacement of Security Certificates**

41. The board of directors may by resolution prescribe, either generally or in a particular case, reasonable conditions upon which a new security certificate may be issued in lieu of and upon cancellation of the security certificate which has become mutilated or in substitution for certificate which has been lost, stolen or destroyed.

### **Central and Branch Registers**

42. The Corporation shall maintain a central securities register and a central register of transfers at its registered office or at any other place in Ontario designated by the directors and may maintain one or more branch securities registers and register of transfers at such offices of the Corporation or other places either within or outside Ontario as designated by the directors. The board of directors may from time to time by resolution appoint a registrar, trustee or agent to keep the register of security holders and a transfer agent, trustee or other agent to keep the register of transfers and may also designate from time to time branch registers of security holders and branch registers of transfers. A registrar, trustee, transfer agent or other agent may but need not be the same individual or Corporation.

### **Transfer of Securities**

43. Transfers of securities of the Corporation shall be registrable on the register of transfers or on one of the branch registers of transfers (if any) kept by or for the Corporation in respect thereof upon surrender of the security endorsed by the appropriate person together with such reasonable assurance as the Corporation shall require and subject to the other provisions of the Act relating to transfers and the restriction on transfer set forth in the articles of the Corporation.

### **Dealings with Registered Holder**

44. The Corporation and any trustee appointed in respect of a security may, subject to the Act, treat the registered holder of a security as a person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the security, and otherwise to exercise all the rights and powers of a holder of the security and is not required to inquire into the existence of, or see to the performance or observance of, any duty owed to a third person by a registered holder of any of its securities or by anyone whom it treats, as permitted or required by the Act, as the owner or registered holder thereof.

## **Lien on Shares**

45. Subject to the provisions of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation which lien may be realized by the sale or other disposition of such share or by any other method permitted by law.

## **SHAREHOLDERS**

### **Annual Meetings**

46. The annual meeting of shareholders shall, subject to the articles and any unanimous shareholder agreement be held at such place in or outside Ontario as the directors may determine for the purpose of hearing and receiving the reports and statements required by the Act to be read and laid before the shareholders at any annual meeting, electing directors, reappointing, if necessary, the incumbent auditor and fixing or authorizing the board of directors to fix his remuneration. No other business shall be transacted at an annual meeting of shareholders unless such meeting is also properly constituted as a special meeting of shareholders.

### **Special Meeting**

47. The directors of the Corporation may at any time and from time to time call a special meeting of shareholders of the Corporation to be held at such time and at such place in or outside Ontario as the directors determine. The phrase "meeting of shareholders" wherever it occurs in this by-law shall mean and include the annual meeting of shareholders and a special meeting of shareholders and shall also include a meeting of any class or classes of shareholders.

### **Notices**

48. No public notice or advertisement of any meeting of shareholders shall be required, but notice of the time and place of each such meeting shall be given not less than ten (10) days nor more than fifty (50) days before the day on which the meeting is to be held, to the auditor, if any, the directors and to each shareholder entitled to vote at the meeting. Notice of a special meeting of shareholders shall state or be accompanied by a statement of, the nature of that special business in sufficient detail to permit the shareholder to form a reasoned judgement thereon; and the text of any special resolution or by-law to be submitted to the meeting. A meeting of shareholders may be held at any time without notice if all the shareholders entitled to vote thereat are present or represented by proxy and do not object to the holding of the meeting or those not present or represented by a proxy have waived notice, if all the directors are present or have waived notice and if the auditor, if any, is present or has waived notice.

### **Reports to Shareholders**

49. Subject to the provisions of the Act a copy of the financial statements for the period that began immediately after the end of the last completed financial year and ended not more than six (6) months before than annual meeting, a copy of the auditor's report, if any, and any further information respecting the financial position of the Corporation and the results of its operations required by the articles, the by-laws or any unanimous shareholder agreement shall be sent to each shareholder not less than ten (10) days before each annual meeting of shareholders or before the transaction of the annual business of the Corporation pursuant to paragraph 66 hereof.

### **Persons Entitled to be Present**

50. Persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the auditor, if any, of the Corporation, the directors of the Corporation and others who although not entitled to vote are entitled or required under the provisions of the Act or by-laws of the

Corporation or any unanimous shareholder agreement to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.

### **Record Date**

51. The directors may fix in advance a date preceding by not more than fifty (50) days or by less than twenty-one (21) days a record date for the determination of persons entitled to receive notice of a meeting of shareholders and notice thereof shall be given not less than seven (7) days before the date so fixed by advertisement and by notice as provided in the Act. The directors may also fix in advance the date as the record date for the purpose of determining shareholders, entitled to receive payment of a dividend; entitled to participate in a liquidation or distribution; or for any other purpose except the right to receive notice of or to vote at a meeting which such record date shall not precede by more than fifty (50) days the date on which such particular action is to be taken and notice thereof shall be given as hereinbefore provided.

### **Quorum**

52. Any two shareholders holding 5% of the shares of the Corporation entitled to vote at a meeting of the shareholders of the Corporation, whether present in person or represented by proxy, constitute a quorum. If a quorum is present at the opening of a meeting of the shareholders of the Corporation, the shareholders present may proceed with the business of the meeting notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the time appointed for a meeting of shareholders, or within such reasonable time thereafter as the shareholders present may determine, the shareholders present may adjourn the meeting to a fixed time and place but may not transact any other business.

### **Right to Vote**

53. At each meeting of shareholders every shareholder shall be entitled to vote who is entered on the books of the Corporation as a holder of one or more shares carrying the right to vote at such meeting in accordance with a shareholder list which, in the case of a record date shall be prepared no later than ten (10) days after such record date and where there is no record date at the close of business on the day immediately preceding the day on which notice is given or where notice is given on the day on which the meeting is held. Where a person has transferred any of his shares after the date on which the list hereinbefore referred to was prepared and the transferee produces satisfactory evidence in accordance with the provisions of the Act not later than (10) days before the meeting that such person owns shares in the Corporation such transferee is entitled to vote his shares at the meeting. Where a share or shares have been mortgaged or hypothecated, the person who mortgaged or hypothecated such share or shares (or his proxy) may nevertheless represent the shares at meetings and vote in respect thereof unless in the instrument creating the mortgage or hypothec he has expressly empowered the holder of such mortgage or hypothec to vote thereon, in which case such holder (or his proxy) may attend meetings to vote in respect of such shares upon filing with the Secretary of the meeting sufficient proof of the terms of such instrument.

### **Representatives**

54. An executor, administrator, committee of a mentally incompetent person, guardian or trustee and where a Corporation is such executor, administrator, committee, guardian or trustee of a testator, intestate, mentally incompetent person, ward or *cestui que* trust, any person duly appointed a proxy for such corporation, upon filing with the Secretary of the meeting sufficient proof of his appointment, shall represent the shares in his or its hands at all meeting of the shareholders of the Corporation and may vote accordingly as a shareholder in the same manner and to the same extent as the shareholder of record. If there be more than one executor, administrator, committee, guardian or trustee, the provisions of paragraph 56 shall apply.

### **Proxies**

55. Every shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxy holder or one or more alternate proxy holders, who need not be shareholders, as his nominee to attend and act at the meeting in manner, to the extent and with the authority conferred by the proxy. The instrument appointing a proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized and shall cease to be valid after the expiration of one year from the date thereof. The instrument appointing a proxy shall comply with the provisions of the Act and regulations thereto and shall be in such form as the directors may from time to time prescribe or in such other form as the Chairman of the meeting may accept as sufficient and shall be deposited with the Secretary of the meeting before any vote is cast under its authority, or at such earlier time and in such manner as the board or directors may prescribe in accordance with the Act.

### **Joint Shareholders**

56. Where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons are present, in person or by proxy, they shall vote as one of the shares jointly held by them.

### **Scrutineers**

57. At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the Chairman with the consent of the meeting to serve at the meeting. Such scrutineers need not be shareholders of the Corporation.

### **Votes to Govern**

58. At all meetings of shareholders every question shall, unless otherwise required by the articles or by-laws of the Corporation or by the Act, be decided by the majority of the votes duly cast on the question.

### **Show of Hands**

59. At all meetings of shareholders every question shall be decided by a show of hands unless a poll thereon be required by the Chairman or be demanded by any shareholder present or represented by proxy and entitled to vote per share held. Upon a show of hands every person present and entitled to vote shall have one vote. After a show of hands has been taken upon any question the Chairman may require or any shareholder present in person or represented by proxy and entitled to vote may demand a poll thereon. Whenever a vote by show of hands shall have been taken upon a question, unless a poll thereon be so required or demanded, a declaration by the Chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the proceedings at the meeting shall be *prima facie* evidence of the fact without proof of the number or proportions of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Corporation in annual or special meeting, as the case may be, upon the question. A demand for a poll may be withdrawn at any time prior to the taking of the poll.

### **Polls**

60. If a poll be required by the Chairman of the meeting or be duly demanded by any shareholder and the demand be not withdrawn, a poll upon the question shall be taken in such manner as the

Chairman of the meeting shall direct. Upon a poll each shareholder who is present in person or represented by proxy shall be entitled to one vote for each share in respect of which he is entitled to vote at the meeting and the result of the poll shall be the decision of the Corporation in annual or special meeting, as the case may be, upon the question.

### **Casting Vote**

61. In case of an equality of votes at any meeting of shareholders, either upon a show of hands or upon a poll, the Chairman of the meeting shall not be entitled to a second or casting vote.

### **Adjournment**

62. The Chairman of the meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act, adjourn the meeting from time to time and from place to place.

### **Transaction of Business by Signature**

63. Subject to the provisions of the Act, a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of shareholders; and a resolution in writing dealing with all matters required by this Act, be dealt with at a meeting of shareholders and signed by all the shareholders entitled to vote at that meeting, satisfies all other requirements of the Act relating to that meeting of shareholders.

### **One Shareholder**

64. Where the Corporation has only one shareholder, all business which the Corporation may transact at an annual or special meeting of shareholders shall be transacted in the manner provided for in paragraph 63 hereof.

### **Dividends**

65. The board of directors may from time to time declare dividends payable to shareholders according to their respective rights and interests in the Corporation. The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and the Corporation may pay a dividend in money or property. A dividend payable in money shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared and mailed by ordinary mail, postage prepaid, to such registered holder at his last address appearing on the books of the Corporation, or it may be provided by electronic transfer to such shareholder, or by such other method of payment as may otherwise be determined by the board of directors. In the case of joint holders the payment shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and if payment be by cheque, if more than one address appears on the books of the Corporation in respect of such joint holding the cheque shall be mailed to the first address so appearing. The mailing of such cheque or providing payment as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby, unless such cheque be not paid at par on due presentation or payment not be processed. In the event of non-receipt of any cheques for dividends by the person to whom it is so sent as aforesaid, the Corporation on proof of such non-receipt and upon satisfactory indemnity being given to it, shall issue to such person a replacement cheque for a like amount. Any dividend which remains unclaimed after a period of twelve (12) years after the date on which it has been declared payable shall be forfeited and revert to the Corporation.

## NOTICES

### Method of Giving

66. Any notice, communication or other document to be given by the Corporation to a shareholder, director, officer or auditor of the Corporation under the provisions of the articles or by-laws or the Act shall be sufficiently given if sent to such shareholder, director, officer or auditor by facsimile, e-mail, the Internet or other electronic means or by prepaid mail addressed to, or may be delivered personally to, a shareholder at his last address as shown in the records of the Corporation or in the case of a director or officer in the most recent notice filed under the Corporations Information Act, whichever is the most current. A notice or document sent by prepaid mail as hereinbefore provided to a shareholder, director, officer or auditor of the Corporation shall be deemed to be received by the addressee on the fifth day after mailing. Where the Corporation sends a notice or document to a shareholder by prepaid mail as hereinbefore provided and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notice or documents to the shareholder until he informs the Corporation in writing of his new address.

### Computation of Time

67. In computing the date when notice must be given under any provision of the articles or by-laws requiring a specified number of days' notice of any meeting or other event, the date of giving the notice and the date of the meeting or other event shall be excluded.

### Omissions and Errors

68. The accidental omission to give any notice to any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

### Notice to Joint Shareholders

69. All notices with respect to any shares registered in more than one name may if more than one address appears on the books of the Corporation in respect of such joint holding, be given to such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to all the holders of such shares.

### Persons Entitled by Death or Operation of Law

70. Every person who by operation of law, transfer, death of a shareholder or by any means whatsoever, shall become entitled to any share or shares, shall be bound by every notice in respect of such share or shares which shall have been duly given to the person from whom he derives his title to such share or shares, previously to his name and address being entered on the books of the Corporation (whether it be before or after the happening of the event upon which he became entitled).

### Waiver of Notice

71. Where a notice or document is required by the Act, or the articles or by-laws of the Corporation to be sent, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto.

## INTERPRETATION

72. In this by-law and all other by-laws of the Corporation, words importing the singular number only shall include the plural and vice-versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include individuals, sole proprietorships, partnerships, unincorporated associations, unincorporated syndicates, unincorporated organizations, trusts, corporate bodies and natural persons in their capacity as trustees, executors, administrators or other legal representatives; "resident Canadian" means an individual who is determined to be a resident Canadian as defined by the Act; "articles" shall include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution, articles of revival and any amendments thereto; the "Act" shall mean the *Business Corporations Act*, 1990 as amended from time to time or any act that may hereafter be substituted therefor.

***[Signature page follows]***

**ADOPTED AND APPROVED** by the directors of the Corporation as of the 3<sup>rd</sup> day of April, 2019 as evidenced by the signature of the President endorsed below.



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Ashish Malik

**CONFIRMED** by the shareholders of the Corporation as of the \_\_\_\_ day of \_\_\_\_\_, 2019, as evidenced by the signature of the President endorsed below.

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Ashish Malik



