

# MIMI'S ROCK

## MIMI'S ROCK CORP.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the annual and special meeting (the "**Meeting**") of the shareholders of Mimi's Rock Corp. (the "**Corporation**") will be held at the offices of Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario at 10:00 a.m. (Eastern Daylight Time), on July 10, 2019 for the following purposes:

1. to receive the audited annual financial statements of the Corporation for the year-ended December 31, 2018, together with the report of the auditor thereon;
2. to elect directors of the Corporation for the ensuing year;
3. to appoint the auditor of the Corporation for the ensuing year and to authorize the directors of the Corporation to fix the remuneration of the auditor;
4. to consider and, if deemed advisable, to pass, with or without variation, a resolution ratifying, approving and adopting the advance notice amendment to the by-laws of the Corporation;
5. to consider and, if deemed advisable, to pass, with or without variation, a resolution confirming and approving the stock option plan of the Corporation;
6. to consider and, if deemed advisable, to pass, with or without variation, a resolution confirming and approving the restricted share unit plan of the Corporation; and
7. to transact such other business as may properly be brought before the Meeting or any adjournment thereof.

Particulars of the foregoing matters are set forth in the Corporation's management information circular dated June 10, 2019 (the "**Circular**"). A copy of the audited annual financial statements of the Corporation for the year ended December 31, 2018, together with the report of the auditor thereon, also accompany this notice of the Meeting. The directors of the Corporation have fixed the close of business on June 10, 2019 as the record date (the "**Record Date**") for the determination of shareholders of the Corporation entitled to receive notice of, and to vote at, the Meeting. Only shareholders whose names have been entered in the Corporation's register of shareholders as of the close of business on the Record Date will be entitled to receive notice of, and to vote at, the Meeting.

**Registered shareholders may attend the Meeting in person or may be represented by proxy.** If you are a registered shareholder and are unable to attend the Meeting in person, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to TSX Trust Company, the transfer agent of the Corporation. To be valid, completed proxy forms must be dated, completed, signed and deposited with the Corporation's transfer agent, TSX Trust Company: (i) by mail using the enclosed return envelope or one addressed to TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1; or (ii) by facsimile. You may also vote through the internet and if you do vote through the internet, you may also appoint another person to be your proxyholder. Please go to [www.voteproxyonline.com](http://www.voteproxyonline.com) and follow the instructions. You will require your 12-digit control number found on your proxy form. Your

proxy or voting instructions must be received in each case no later than 10:00 a.m. (Eastern Daylight Time) on the second to last business day preceding the day of the Meeting or any adjournment thereof. If you are unable to attend the Meeting, we encourage you to complete the enclosed form of proxy as soon as possible. If a shareholder received more than one form of proxy because such shareholder owns Common Shares registered in different names or addresses, each form of proxy should be completed and returned. The chair of the Meeting shall have the discretion to waive or extend the proxy deadline without notice.

**If you are not a registered shareholder** and receive these materials through your broker or through another intermediary, please complete and return the form of proxy in accordance with the instructions provided to you by your broker or by the other intermediary. For information with respect to shareholders who own their Common Shares through an intermediary, see "*General Proxy Information – Non-Registered Shareholders*" in this Circular.

The Circular, this notice of an annual and special meeting of shareholders, a form of proxy, the audited financial statements of the Corporation for the year ended December 31, 2018 and the Management Discussion and Analysis related to such financial statements will be available on SEDAR at [www.sedar.com](http://www.sedar.com).

**DATED** at Toronto, Ontario as of the 10<sup>th</sup> day of June 2019.

**By Order of the Board of Directors**

(signed) "*Telfer Hanson*"  
Telfer Hanson  
Executive Chairman



**MIMI'S ROCK CORP.**  
**MANAGEMENT INFORMATION CIRCULAR**

**GENERAL PROXY INFORMATION**

**Solicitation of Proxies**

This management information circular is furnished in connection with the solicitation of proxies by the management and the directors of Mimi's Rock Corp. (the "**Corporation**") for use at the annual and special meeting (the "**Meeting**") of the shareholders of the Corporation ("**Shareholders**") to be held at the offices of Bennett Jones LLP, One First Canadian Place, Suite 3400, Toronto, Ontario at 10:00 a.m. (Eastern Daylight Time), on July 10, 2019 and at all adjournments thereof for the purposes set forth in the accompanying notice of the Meeting (the "**Notice of Meeting**"). The solicitation of proxies will be made primarily by mail, and may be supplemented by telephone or other personal contact by the directors, officers and employees of the Corporation. Directors, officers and employees of the Corporation will not receive any extra compensation for such activities. The Corporation may also retain, and pay a fee to, one or more professional proxy solicitation firms to solicit proxies from the Shareholders of the Corporation in favour of the matters set forth in the Notice of Meeting. The Corporation may pay brokers or other persons holding common shares ("**Common Shares**") of the Corporation in their own names, or in the names of nominees, for their reasonable expenses for sending forms of proxy and this management information circular to beneficial owners of Common Shares and obtaining proxies therefrom. The cost of any such solicitation will be borne by the Corporation.

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

A registered shareholder of the Corporation may vote in person at the Meeting or may appoint another person to represent such shareholder as proxy and to vote the Common Shares of such shareholder at the Meeting. Only registered Shareholders of the Corporation, or the persons they appoint as their proxies, are entitled to attend and vote at the Meeting. For information with respect to Shareholders who own their Common Shares beneficially through an intermediary, see "*Non-Registered Shareholders*" below.

**Appointment and Revocation of Proxies**

Enclosed herewith is a form of proxy for use at the Meeting. The persons named in the form of proxy are directors and/or officers of the Corporation. **A Shareholder submitting a proxy has the right to appoint a nominee (who need not be a Shareholder) to represent such Shareholder at the Meeting, other than the persons designated in the enclosed form of proxy, by inserting the name of the chosen nominee in the space provided for that purpose on the form of proxy and by striking out the printed names.**

A form of proxy will not be valid for the Meeting or any adjournment or postponement thereof unless it is signed by the Shareholder or by the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, it must be executed by a duly authorized officer or attorney thereof. The proxy, to be acted upon, must be dated, completed, signed and deposited with the Corporation's transfer agent, TSX Trust Company: (i) by mail using the enclosed return envelope or one addressed to TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1; or (ii) by facsimile, by no later than 10:00 a.m. (Eastern Daylight Time) on the second to last business day preceding the day of the Meeting or any adjournment thereof.

A registered Shareholder of the Corporation who has given a proxy may revoke the proxy at any time prior to its use by: (a) depositing an instrument in writing, including another completed form of proxy, executed by such registered Shareholder or by his or her attorney authorized in writing or by electronic signature or, if the registered Shareholder is a corporation or other similar entity, by an authorized officer or attorney thereof (i) at the registered office of the Corporation, 202 – 610 Chartwell Road, Oakville, Ontario, L6J 4A5 at any time prior to 10:00 a.m. (Eastern Daylight Time) on the second to last business day preceding the day of the Meeting or any adjournment thereof, (ii) with TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1, at any time prior to 10:00 a.m. (Eastern Daylight Time) on the second to last business day preceding the day of the Meeting or any adjournment thereof, or (iii) with the chair of the Meeting on the day of the Meeting or any adjournment thereof; (b) transmitting, by telephonic or electronic means, a revocation that complies with clauses (i), (ii) or (iii) above and that is signed by electronic signature, provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such registered Shareholder or by or on behalf of his or her attorney, as the case may be; or (c) in any other manner permitted by law including attending the Meeting in person.

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

The Common Shares represented by an appropriate form of proxy will be voted on any ballot that may be conducted at the Meeting, or at any adjournment thereof, in accordance with the instructions contained on the form of proxy. In the absence of instructions, such Common Shares will be voted in favour of each of the matters referred to in the Notice of Meeting.

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

### **Signing of Proxy**

The form of proxy must be signed by the shareholder of the Corporation or the duly appointed attorney thereof authorized in writing or, if the shareholder of the Corporation is a corporation or other similar entity, by an authorized officer of such entity. A form of proxy signed by the person acting as attorney of the shareholder of the Corporation or in some other representative capacity, including an officer of a corporation which is a shareholder of the Corporation, should indicate the capacity in which such person is signing and the form of proxy should be accompanied by the appropriate instrument evidencing the qualification and authority to act of such person, unless such instrument has previously been filed with the Corporation. A shareholder of the Corporation or his or her attorney may sign the form of proxy or a power of attorney authorizing the creation of a proxy by electronic signature provided that the means of electronic signature permits a reliable determination that the document was created or communicated by or on behalf of such shareholder or by or on behalf of his or her attorney, as the case may be.

### **Non-Registered Shareholders**

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

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

In accordance with the requirements of National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* published by the Canadian Securities Administrators, the Corporation has distributed copies of the Notice of Meeting, this management information circular, the form of proxy and the applicable financial statements (collectively, the "**Meeting Materials**") directly to Non-Registered Shareholders. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either receive:

- (a) **Voting Instruction Form:** a voting instruction form which is **not signed by the Intermediary** and which, when properly completed and signed by the Non-Registered Shareholder and **returned to the Intermediary or its service company**, will constitute voting instructions which the Intermediary must follow. Typically, the voting instruction form will consist of a one page pre-printed form. Sometimes, instead of the one page pre-printed form, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for the form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder 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) **Form of Proxy:** a form of proxy which has **already been signed by the Intermediary** (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Non-Registered Shareholder but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with TSX Trust Company, 301-100 Adelaide Street West, Toronto, Ontario, M5H 4H1.

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

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

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

### Description of Share Capital

The Corporation is authorized to issue an unlimited number of Common Shares of which 49,559,337 Common Shares were outstanding as of the close of business on June 10, 2019.

The holders of the Common Shares are entitled to one vote for each Common Share held on all ballots taken at all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares of the Corporation are entitled to vote. Subject to the provisions of the *Business Corporations Act* (Ontario), holders of Common Shares are not entitled to vote separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to: (a) increase or decrease any maximum number of authorized Common Shares or increase any maximum number of authorized shares of a class or series of shares having rights or privileges equal or superior to the Common Shares; (b) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or (c) create a new class or series of shares equal or superior to the Common Shares.

### Record Date

The directors of the Corporation have fixed June 10, 2019 as the record date for the determination of the Shareholders of the Corporation entitled to receive notice of the Meeting. Holders of record of Common Shares at the close of business on June 10, 2019 will be entitled to vote at the Meeting and at all adjournments thereof.

### Ownership of Securities of the Corporation

As at June 10, 2019, except as disclosed below, to the knowledge of the directors and officers of the Corporation, no person, firm or corporation beneficially owned, directly or indirectly, or exercised control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attaching to any class of voting securities of the Corporation:

<u>Name of Shareholder and Municipality of Residence</u>	<u>Type of Ownership</u>	<u>Number and Percentage of Common Shares</u>
Telfer Hanson Burlington, ON	Common Shares	8,067,000 <sup>(1)</sup> (16.34%)
David Kohler Oakville, ON	Common Shares	7,893,750 <sup>(2)</sup> (15.99%)

#### Notes:

- (1) Shares are held by Telfer Hanson (2017) Family Trust, of which Mr. Hanson is a trustee, Telfer Hanson or RKH Limited, which Mr. Hanson controls.
- (2) Shares are held by the David Kohler (2017) Family Trust, of which Mr. Kohler is a trustee.

## BUSINESS OF THE MEETING

### 1. Financial Statements

The audited financial statements of the Corporation for the year-ended December 31, 2018 together with the report of the auditor thereon have been mailed to the Corporation's Shareholders who requested to receive them. The financial statements are also available on SEDAR at [www.sedar.com](http://www.sedar.com). The financial statements of the Corporation the year-ended December 31, 2018 and the report of the auditor thereon will be placed before the Meeting. The presentation of such audited statements to the Shareholders at the Meeting will not constitute a request for approval or disapproval.

### 2. Election of Directors

At the Meeting, Shareholders of the Corporation will be asked to fix the number of directors of the Corporation at five and to elect directors for the ensuing year. Each director elected will hold office until the close of the first annual meeting of the Shareholders of the Corporation following election of the director unless the director's office is earlier vacated in accordance with the by-laws of the Corporation.

The following table sets forth certain information regarding the nominees, their position with the Corporation, their principal occupation during the last five years, the dates upon which the nominees became directors of the Corporation and the number of Common Shares beneficially owned by them, directly or indirectly, or over which control or direction is exercised by them as of June 10, 2019:

Name and Residence	Office	Principal Occupation During Last Five Years	Date Became Director	Number of Common Shares Beneficially Owned or Over which Control is Exercised
Telfer Hanson <sup>(1)</sup> Burlington, Ontario, Canada	Executive Chairman and Director	Executive Chairman of the Corporation since May 27, 2019; Executive Chairman of Mimi's Rock, Inc. from Oct 2017 to present; President of Medic Holdings from 2016 to 2017 and Investment Banker prior thereto	May 27, 2019	8,067,000 <sup>(2)</sup> (16.34%)
David Kohler <sup>(3)</sup> Oakville, Ontario, Canada	CEO and Director	CEO of the Corporation since May 27, 2019; CEO of Mimi's Rock, Inc. from October 2017 to present; General Manager of Apotex Consumer Products at Apotex Inc.	May 27, 2019	7,893,750 <sup>(4)</sup> (15.99%)
Norman Betts <sup>(1)(3)(5)(6)</sup> Fredericton, New Brunswick, Canada	Director	University Professor at the University of New Brunswick	May 27, 2019	Nil
David Grandin <sup>(3)(5)(6)</sup> Madison, Wisconsin, United States of America	Director	President and CEO of Kiio Inc.	May 27, 2019	Nil
Bryan Pearson <sup>(1)(3)(5)(6)</sup> Toronto, Ontario, Canada	Lead Independent Director	President and CEO of LoyaltyOne and President of Alliance Data Loyalty Services	May 27, 2019	Nil

**Notes:**

- (1) Member of the Governance Committee.
- (2) Shares are held by Telfer Hanson (2017) Family Trust, of which Mr. Hanson is a trustee, or RKH Limited, which Mr. Hanson controls.
- (3) Member of the Acquisitions Committee.



- (4) Shares are held by the David Kohler (2017) Family Trust, of which Mr. Kohler is a trustee.
- (5) Member of the Audit & Risk Committee.
- (6) Member of the Compensation Committee.

The board of directors of the Corporation (the "**Board**") have established four standing committees, being the audit and risk committee (the "**Audit & Risk Committee**"), compensation committee (the "**Compensation Committee**"), the governance committee (the "**Governance Committee**") and the acquisitions committee (the "**Acquisitions Committee**"). Following the Meeting, it is expected that the standing committees of the Board will consist of the following directors:

- (a) the Audit & Risk Committee will be comprised of Norman Betts, David Grandin, and Bryan Pearson. Norman Betts is the Chair of the Audit & Risk Committee;
- (b) the Compensation Committee will be comprised of Norman Betts, David Grandin, and Bryan Pearson. David Grandin is the Chair of the Compensation Committee;
- (c) the Governance Committee will be comprised of Norman Betts, Telfer Hanson, and Bryan Pearson. Norman Betts is the Chair of the Governance Committee; and
- (d) the Acquisitions Committee will be comprised of Norman Betts, David Grandin, David Kohler, and Bryan Pearson. Bryan Pearson is the Chair of the Acquisitions Committee.

### **Background of Directors**

#### *Telfer Hanson – Executive Chairman and Director (Age 55)*

Mr. Hanson is an experienced capital markets professional having served 22 years in senior investment banking positions, including covering healthcare and medical technology companies. Most recently, Mr. Hanson was responsible for the sale of Medic Holdings Corp. to Agility Health Inc., a public healthcare services company. Prior to that Mr. Hanson held senior investment banking positions at several independent brokerage firms.

#### *David Kohler – Chief Executive Officer and Director (Age 54)*

Mr. Kohler has significant experience in the over-the counter consumer health business through his 22 years of industry experience. Mr. Kohler was the Vice President and General Manager of the Consumer Products Division of Apotex Inc. In that role, he established the new international division of the firm (in 2012), and assembled and led a team which manufactured and sold private label over-the counter products. During his 6-year tenure, the division grew from start-up status to over \$130 million in annual sales. Mr. Kohler has a Bachelor's degree from Wilfrid Laurier University and an MBA from Queen's University.

#### *Norman Betts – Director (Age 64)*

Mr. Betts has extensive experience in financing, accounting and audit in the public sector having served on the board of several public companies. Mr. Betts currently serves a Lead Independent Director and Chair of the Audit Committee of Tanzanian Royalty Exploration Inc., the Lead Independent Director and Chair of the Audit Committee of Adex Mining Inc. and as a Director and Chair of the Audit Committee of 49 North Resources Inc. Mr. Betts also previously served as a Director and Chair of the Audit Committee of Tembec Inc. and as the Chair of the Board of Directors, Chair of the Special Audit Committee, and Chair of the Special Committee of Minacs Worldwide Inc. Mr. Betts served as the Minister of Finance in New Brunswick from 1999 to 2001 and as and Minister of Business in New Brunswick from 2001 to 2003. He currently sits on the boards of New Brunswick Power Corp. and Bank of Canada. Mr. Betts has a Bachelor

of Business Administration degree from the University of New Brunswick and a PhD in Accounting and Finance from Queen's University.

*David Grandin – Director (Age 57)*

Mr. Grandin has over 20 years of experience starting companies and building teams in the high tech sector. He combines a strong entrepreneurial skill set with an extensive background in software and integrated system development, digital media solutions and sports-related technology. Mr. Grandin has a Bachelor's of Science in Electrical Engineering and Computer Science from the University of Wisconsin and an MBA in High Technology from Northeastern University.

*Bryan Pearson – Lead Independent Director (Age 55)*

Mr. Pearson is a Canadian business executive, bestselling author and keynote speaker. Mr. Pearson currently serves as CEO and president of LoyaltyOne and also functions as the president of Alliance Data Loyalty Services, a global provider of loyalty marketing services and programs. Mr. Pearson has a Bachelor's degree in life sciences and an MBA in marketing from Queen's University.

### **Corporate Cease Trade Orders**

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

### **Personal Bankruptcies**

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

None of the nominees for election as a director of the Corporation has within the ten years prior to the date hereof become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such director's assets.

### **Penalties or Sanctions**

None of the nominees for election as a director of the Corporation has been subject to: (i) 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 (ii) 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.

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

### **3. Appointment and Remuneration of Auditors**

Management recommends the re-appointment of MNP LLP ("MNP") of Toronto, Ontario, as auditor of the Corporation to hold office until the close of the next annual meeting of the Shareholders of the Corporation, or until their successor is otherwise appointed, and that the Board be authorized to fix the remuneration of MNP.

**The persons named in the form of proxy accompanying this management information circular intend to vote FOR the appointment of MNP as the auditor of the Corporation until the close of the next annual meeting of the Shareholders of the Corporation or until its successor is appointed and the authorization of the directors of the Corporation to fix the remuneration of MNP, unless the shareholder of the Corporation who has given such proxy has directed that the Common Shares represented by such proxy be withheld from voting in respect of the appointment of the auditor of the Corporation.**

### **4. Approval of the Advance Notice By-law**

#### *Summary of the Advance Notice By-law*

An advance notice by-law (the "**Advance Notice By-law**") was adopted by the Board as disclosed in the Corporation's press release dated May 28, 2019. The purpose of the Advance Notice By-law is to provide shareholders, directors and management of the Corporation with a clear framework for nominating directors of the Corporation. The Corporation is committed to: (i) facilitating an orderly and efficient annual general meeting or, where the need arises, special meeting, process; (ii) ensuring that all shareholders receive adequate notice of the director nominations and sufficient information regarding all director nominees; and (iii) allowing shareholders to register an informed vote after having been afforded reasonable time for appropriate deliberation. The Advance Notice By-law is intended to further these objectives.

The Advance Notice By-law, among other things, includes a provision that requires advance notice to the Corporation in certain circumstances where nominations of persons for election to the Board are made by shareholders of the Corporation. The Advance Notice By-law fixes a deadline by which such director nominations must be submitted to the Corporation prior to any annual or special meeting of shareholders and sets forth the information that must be included in the notice to the Corporation. No person will be eligible for election as a director of the Corporation unless nominated in accordance with the Advance Notice By-law.

In the case of an annual meeting of shareholders, notice to the Corporation must be made not less than 30 days and not more than 65 days prior to the date of the annual meeting; provided, however, that, in the event that the annual meeting is to be held on a date that is less than 50 days after the date on which the

first public announcement of the date of the annual meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement.

In the case of a special meeting of shareholders called for the purpose of electing directors (whether or not called for other purposes), notice to the Corporation must be made not later than the close of business on the 15th day following the day on which the first public announcement of the date of the special meeting was made.

The full text of the Advance Notice By-law will be available under the Corporation's profile at [www.sedar.com](http://www.sedar.com).

#### *Shareholder Approval of the Advance Notice By-law*

At the Meeting, Shareholders of the Corporation will be asked to consider, and if deemed advisable, to pass, with or without variation, a resolution (the "**Advance Notice Resolution**") ratifying, approving and adopting the advance notice amendment to the by-laws of the Corporation. The full text of the Advance Notice Resolution is set out in Schedule A attached hereto.

In order to be passed, the Advance Notice Resolution requires the approval of a majority of the votes cast thereon by Shareholders of the Corporation present in person or represented by proxy at the Meeting. **The Board unanimously recommends that Shareholders vote in favour of the Advance Notice Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Advance Notice Resolution.**

#### **5. Approval of the Option Plan**

The current stock option plan of the Corporation (the "**Option Plan**") was first approved by the Shareholders of the Corporation on March 27, 2017. Pursuant to the policies of the TSX Venture Exchange (the "**TSXV**"), the Corporation is required to obtain Shareholder approval of the Option Plan each year because the Option Plan is a rolling-maximum option plan whereby the maximum number of Common Shares that may be reserved for issue and which can be purchased upon the exercise of all options granted under the Option Plan is fixed at 10% of the number of outstanding Common Shares from time to time.

A copy of the Option Plan is available to any Shareholder of the Corporation at or prior to the Meeting upon request to the Secretary of the Corporation and is also attached hereto as Schedule B. Set forth below is a summary of the Option Plan. The following summary is qualified in all respects by the provisions of the Option Plan. Reference should be made to the Option Plan for the complete provisions thereof.

#### *Summary of the Option Plan*

All capitalized terms used in the Option Plan that are not otherwise defined shall have the meaning ascribed thereto in the Corporate Finance Manual of the TSXV, and in particular, in policies 1.1, 2.4 and 4.4 of such Corporate Finance Manual.

#### *Purpose, Administration and Eligible Participants*

The purpose of the Option Plan is to add incentive and to provide consideration for effective services of full and part-time employees, full and part-time officers and directors of the Corporation, and persons performing special technical or other services to the Corporation and its subsidiaries. The number of Common Shares, the exercise price per Common Share, the vesting period and any other terms and

conditions of options granted pursuant to the Option Plan, from time to time, are determined by the Board at the time of the grant, subject to the defined parameters of the Option Plan.

The individuals eligible under the Option Plan are *bona fide* officers, directors, employees, management company employees and consultants of the Corporation or one of its subsidiaries (the "**Optionees**"). Stock options ("**Options**") granted under the Option Plan are not in lieu of salary or any other compensation for services. In the event of the continuance of the Corporation, the Option Plan will bind the Corporation's successor. The Option Plan is currently administered by the Board.

#### *Common Shares Subject to the Option Plan*

The aggregate number of Common Shares reserved for issue and which can be purchased upon the exercise of all Options granted under the Option Plan may not exceed 10% of the Common Shares outstanding from time to time. The Option Plan is a "rolling" maximum share option plan, and any increase or reduction in the number of outstanding Common Shares will result in an increase or reduction, respectively, in the number of Common Shares that are available to be issued under the Option Plan.

The maximum number of Common Shares reserved for issue pursuant to Options granted to participants who are insiders of the Corporation in any 12 month period may not exceed, in the aggregate, 10% of the number of Common Shares then outstanding, unless disinterested Shareholder approval is received therefor in accordance with the policies of the Exchange. The maximum number of Common Shares reserved for issue to: (i) any one Optionee upon the exercise of Options in any 12 month period shall not exceed 5% of the issued and outstanding shares of the Corporation unless disinterested shareholder approval has been obtained; (ii) any one Consultant in any 12 month period shall not exceed 2 per cent of the issued and outstanding shares of the Corporation; and (iii) all Employees in the aggregate conducting Investor Relations Activities in any 12 month period shall not exceed 2 per cent of the issued and outstanding shares of the Corporation.

Pursuant to the Option Plan, the Options granted shall not result at any time in: (i) the number of shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding shares; (ii) the grant to Insiders within a 12 month period, of a number of Options exceeding 10% of the outstanding shares; or (iii) the grant to any one Optionee within a 12-month period, of a number of options exceeding 5% of the issued and outstanding shares unless disinterested shareholder approval has been obtained.

As of June 10, 2019, there were 4,757,498 Common Shares reserved for issue upon the exercise of outstanding Options.

#### *Exercise Price of Options*

The exercise price of any Option shall be fixed by the Directors when such option is granted, provided that such price shall not be less than the Discounted Market Price of the shares of the Corporation, or such other price as may be determined under applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the Exchange rules and policies.

In the event that the Corporation proposes to reduce the Exercise Price of the Options granted to an Optionee who is an Insider of the Corporation at the time of the proposed amendment, said amendment shall not be effected until disinterested shareholder approval has been obtained in respect of said exercise price reduction.

*Expiry Date of Options*

The term of expiry shall be set out by the Board in the stock option agreement (the "**Stock Option Agreement**") executed by the Corporation in favour of the Optionee upon grant of the Options. However, pursuant to the Option Plan, the term of exercise shall be no more than 10 years from the date of granting the Options, after which all Options shall expire.

*Vesting and Exercise of Options*

Except as otherwise provided in the Option Plan or in any employment contract, each Option may be exercised only in accordance with the terms of the Stock Option Agreement. Subject to the provisions of the Option Plan, any Options can be exercised by providing written notice to the Corporation and providing payment in cash or certified cheque of the full exercise price. Notwithstanding anything to the contrary, the Directors may, in their sole discretion, allow for the cashless exercise of all or a portion of the Options granted hereunder by waiving the Optionee's obligation to pay the Exercise Price per Option exercised and allowing for the Optionee to dispose of the Options and receive the aggregate number of Shares (rounded down to the nearest whole number) equal to the product of (i) the number of Options that the Optionee has elected to dispose of and (ii) the excess of the fair market value of a Common Share over the Exercise Price.

*Terms Restricting the Exercise of Options*

Pursuant to the terms of the Option Plan, the Options granted to an Optionee are terminated or restricted in their exercise where any of the following occur:

- (a) the period during which any option may be exercised shall be determined by the Directors when the option is granted, provided that the term shall be no more than 10 years from the date of the granting of the option and all options shall be subject to earlier termination provisions contained in the Option Plan;
- (b) if the Optionee's position with the Corporation is terminated for cause, or if the Optionee violates the terms of their Stock Option Agreement(s) or any agreement he/she may have with the Corporation, all options granted to the Optionee pursuant to the Plan shall become null and void immediately without penalty to the Corporation;
- (c) upon the death of the Optionee, the Option shall terminate on the date determined by the Directors, which date shall not be later than the earlier of the expiry date of the Option and one year from the date of death;
- (d) if the Optionee ceases to be a Director or Officer of, be in the employ of, or be providing ongoing management or consulting services to the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of a period not in excess of 90 days prescribed by the Directors at the time of the grant, following the date that the Optionee ceases to be a Director, Officer or Employee of the Corporation, or ceases to provide ongoing management or consulting services to the Corporation, as the case may be;
- (e) notwithstanding sub-paragraph 7(c) above, if the Optionee does not continue to be a Director, Officer, technical consultant or Employee of the Resulting Issuer, the Option shall terminate on the date which is the later of 12 months after the Completion of the Qualifying Transaction and 90 days after the Optionee ceases to be a Director, Officer, technical consultant or Employee of the Resulting Issuer;

- (f) if the Optionee ceases to be employed to provide Investor Relations Activities on behalf of the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of the period not in excess of 30 days prescribed by the Directors at the time of the grant, following the date that the Optionee ceases to be employed to provide Investor Relations Activities; and
- (g) except as provided in subparagraph (b) hereof, the option shall not be transferable nor assignable by the Optionee otherwise than by Will or the law of intestacy and the said option may be exercised, during his or her lifetime, only by the Optionee.

provided that the number of shares of the Corporation that the Optionee (or his or her heirs or successors) shall be entitled to purchase until the applicable termination date set out above shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be an Officer, Director or Employee of, or ceased providing ongoing management or consulting services to, the Corporation, as the case may be.

Pursuant to the Option Plan, the exercise by the Optionee of his or her rights under the Option Plan and the consequent obligation of the Corporation to issue and deliver its shares pursuant to such exercise is subject to the approval of the Option Plan by: (a) the stock exchange(s) on which the Corporation's shares are listed; (b) the Board; and (c) the shareholders of the Corporation (the "**Regulatory Restrictions**").

#### *Share Capital Readjustments*

Pursuant to the Option Plan, appropriate adjustments in the number of shares optioned, in the aggregate number of shares reserved for issue pursuant to Options and in the Option price per share, as regards Options granted or to be granted, will be made by the Board to give effect to adjustments in the number of shares of the Corporation resulting subsequent to the approval of the Option Plan as provided under the Regulatory Restrictions contained in the Option Plan from subdivisions, consolidations, reclassification of the shares of the Corporation, the payment of stock dividends and any merger, amalgamation or reorganization to which the Corporation is a party. Without limiting the generality of the foregoing, the Corporation will make adjustments to any options granted as follows:

- (a) If a dividend in shares of the Corporation is paid on the Common Shares, there shall be added to the Common Shares subject to any Option the number of shares which would have been issuable to the Optionee had he or she then been the holder of record of the number of Common Shares then remaining under the Option. In such event, the Option price per share shall be reduced proportionately;
- (b) If the Common Shares of the Corporation shall be subdivided into a greater number of shares or consolidated into a lesser number of shares or changed into the same or a different number of shares with par value, the number of shares which may thereafter be acquired under any Option shall be the number of shares which would have been received by the Optionee on such subdivision, consolidation, or change had the Optionee then been the holder of record of the number of Common Shares then remaining under the option. In such event, the option price per share shall be decreased or increased proportionately;
- (c) If there is any capital reorganization or reclassification of the share capital of the Corporation, or any consolidation or merger or amalgamation of the Corporation with any other corporation or corporations, adequate provisions shall be made by the Corporation so that there shall be substituted under any Option the shares or securities which would have been issuable or payable

to the Optionee had he then been the holder of record of the number of Common Shares then remaining under the Option;

- (d) If the Corporation at any time during the term of any Option offers for sale, to holders of its share capital, Common Shares or other classes of shares or of other securities of the Corporation or in connection with any transaction shall acquire or shall cause to be issued rights to acquire shares or other securities of another corporation to or for the benefit of holders of share capital of the Corporation, the Corporation will give notice to the Optionee of rights which are thus to be acquired or issued to or for the benefit of the holders of record of shares of the Corporation in sufficient time to permit the Optionee to exercise the Option to the fullest extent possible, if the Optionee should wish to do so, and to permit the Optionee to participate in such rights as a holder of record of share capital of the Corporation;
- (e) Any shares or securities added to or substituted for the shares under any Option shall be subject to adjustment in the same manner and to the same extent as the Common Shares originally covered by such Option; and
- (f) No fractional shares shall be issued upon the exercise of any Option. If, as a result of any adjustment under this paragraph, the Optionee would become entitled to a fractional share, he shall have the right to acquire only the adjusted number of full shares and no payment or other adjustment will be made with respect to the fractional shares so disregarded.

#### *Amendments, Modifications and Changes*

The Board has the right to amend or change the Option Plan and any options granted hereunder from time to time subject to receipt of consents or approvals of all applicable authorities and exchanges, except that the Board shall not adversely affect the rights of any Optionee to whom an option has therefore been granted without the consent of such Optionee and any reduction in option price for options outstanding, other than any reduction made in accordance with any Regulatory Restrictions, shall comply, as of the date of revision or amendment, with the option price provisions contained in the Option Plan (for such option price provisions, see *Summary of Option Plan – Common Shares Subject to the Option Plan* above).

#### *Shareholder Approval of the Option Plan*

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

In order to be passed, the Option Plan Resolution requires the approval of a majority of the votes cast thereon by Shareholders of the Corporation present in person or represented by proxy at the Meeting. **The Board unanimously recommend that Shareholders vote in favour of the Option Plan Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the Option Plan Resolution.**

#### **5. Approval of the RSU Plan**

The Board has determined that it is advisable to adopt a restricted share unit plan (the "**RSU Plan**"), a copy of which is attached as Schedule D to this Circular, which it believes is in the best interests of the Corporation and Shareholders. The RSU Plan will supplement the Corporation's existing Option Plan. Restricted share units ("**RSUs**") granted under the RSU Plan will be governed by the terms of the RSU Plan.



An RSU is an award in the nature of a bonus for services rendered, or for future services to be rendered, and that upon settlement, entitles the recipient to receive Common Shares. The Board may establish conditions and vesting provisions, including performance criteria, as set out in a participant's RSU Agreement (as defined in the RSU Plan), which may not be identical for all RSUs. The following is a description of the key terms of the RSU Plan, which is qualified in its entirety by reference to the full text of the RSU Plan.

### ***Summary of the RSU Plan***

#### *Purpose, Administration and Eligible Participants*

The purpose of the RSU Plan is to add incentive and to provide consideration for effective services of full and part-time employees, full and part-time officers and directors of the Corporation, and persons performing special technical or other services to the Corporation and one of its subsidiaries. The terms and conditions of RSUs awarded pursuant to the RSU Plan, from time to time, are determined by the Board at the time of the award, subject to the defined parameters of the RSU Plan.

The individuals eligible under the RSU Plan are *bona fide* officers, directors, employees, management company employees and consultants of the Corporation or one of its subsidiaries (each a "**Participant**"). RSUs granted under the RSU Plan are not in lieu of salary or any other compensation for services. In the event of the continuance of the Corporation, the RSU Plan will bind the Corporation's successor. The RSU Plan will be administered by the Board.

#### *Limitations on Awards*

The RSU Plan provides the follow limitations on awards of RSUs:

- (a) The maximum number of the Corporation's securities issuable to Insiders, at any time under the Plan, or when combined with all of the Corporation's other share compensation arrangements (including the Option Plan), cannot exceed ten percent (10%) of the Corporation's total issued and outstanding securities.
- (b) The maximum number of the Corporation's securities issuable to Insiders, within any one-year period, under the Plan, or when combined with all of the Corporation's other Share Compensation Arrangement, cannot exceed ten percent (10%) of the Corporation's total issued and outstanding securities.
- (c) The maximum number of Common Shares that may be made issuable pursuant to Awards made to employees and Non-Employee Directors within any one-year period shall not exceed 5% of the outstanding Common Shares (as of the commencement of such one-year period).
- (d) The maximum number of Common Shares that may be made issuable pursuant to Awards made to all Non-Employee Directors within any one-year period shall not exceed 1% of the outstanding Common Shares (as of the commencement of such one-year period).
- (e) The annual grant of Awards under the RSU Plan to any one Non-Employee Director cannot exceed \$150,000 in value, of which no more than \$100,000 may be subject to Option grants.

*Effect of Termination on Awards*

Unless otherwise provided for in an Award Agreement or determined by the Board on an individual basis, in the event of the Participant's:

- (a) **Voluntary Resignation:** All of the Participant's unvested Awards are immediately forfeited on the termination date and any vested Options remain exercisable until the earlier of ninety (90) days following the termination date and the expiry date of the option.
- (b) **Termination for Cause:** All of the Participant's vested and unvested Options immediately terminate and all unvested RSU Awards are immediately forfeited on the termination date.
- (c) **Termination not for Cause:** All of the Participant's unvested Options immediately terminate and any vested Options remain exercisable until the earlier of ninety (90) days following the termination date and the expiry date of the option. All RSUs as of such date remain outstanding and in effect pursuant to the terms of the applicable RSU Agreement, which may be accelerated by the Board in its discretion. If the Board determines that the vesting conditions are not met for such RSUs, then all unvested RSUs credited to such Participant shall be forfeited or cancelled; if the vesting conditions for such RSUs are met, the RSUs shall be considered settled.
- (d) **Termination Due to Disability or Retirement:** The Participant's RSU Awards continue to vest as provided for in (c) above. Any vested Options remain exercisable until the earlier of ninety (90) days following the vesting date of the option and the expiry date of the Option.
- (e) **Termination Due to Death:** The Participant's RSU Awards continue to vest in accordance with (c) above. Any vested Options remain exercisable by the Participant's beneficiary until the earlier of six months following the termination date and the expiry date of the Option.
- (f) **Termination in Connection with a Change of Control:** If, after a Change of Control (as defined in the Omnibus Plan), a Participant who was also an officer or employee of, or a consultant to, the Corporation prior to the Change of Control, has their position, employment or consulting agreement terminated, or the Participant is constructively dismissed, on or during the 12-month period immediately following a change in control, then all of the Participant's unvested Awards are immediately vested and any vested Options remain exercisable until the earlier of ninety (90) days following the termination date and the expiry date of the Option.

*Change of Control*

In the event of a Change of Control (as described in the RSU Plan) the Board will have the power, in its sole discretion, to modify the terms of the Plan and/or the Awards to assist the Participants to tender into a take-over bid or participate in any other transaction leading to a Change of Control. For greater certainty, in the event of a take-over bid or any other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to (i) provide that any or all Awards shall thereupon terminate, provided that any such outstanding Awards that have vested shall remain exercisable until consummation of such Change of Control.

*Amendment or Discontinuance*

The Board may suspend or terminate the RSU Plan at any time, or from time to time amend or revise the terms of the RSU Plan or any granted award without the consent of the Participants. The Board may make the following types of amendments to the RSU Plan without seeking approval of Shareholders:

- (a) any amendment to the vesting provision, if applicable, or assignability provisions of the Awards;
- (b) any amendment to the expiration date of an Award that does not extend the terms of the Award past the original date of expiration of such Award;
- (c) any amendment regarding the effect of termination of a Participant's employment or engagement;
- (d) any amendment necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body;
- (e) any amendment to clarify the meaning of an existing provision of the RSU Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the RSU Plan, correct any grammatical or typographical errors or amend the definitions in the RSU Plan;
- (f) any amendment regarding the administration of the RSU Plan; and
- (g) any amendment to add provisions permitting the grant of Awards settled otherwise than with Common Shares issued from treasury, a form of financial assistance or clawback, and any amendment to a provision permitting the grant of Awards settled otherwise than with Common Shares issued from treasury, a form of financial assistance or clawback which is adopted.

Shareholder approval is required to make the following amendments:

- (i) an increase in the maximum number of Common Shares of the Corporation reserved for issuance under the RSU Plan;
- (ii) an extension of the term of an outstanding Award beyond the expiry date;
- (iii) any amendment which increases the maximum number of Common Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the RSU Plan and any other proposed or established share compensation arrangement in a one-year period (other than in connection with a dividend, recapitalization or other transaction where an adjustment is permitted or required);
- (iv) any amendment to the number of Common Shares that may be made issuable pursuant to Awards made to employees and Non-Employee Directors within any one year period;
- (v) any amendment to the limits on Awards to Non-Employee Directors; and
- (vi) any amendment to the definition of Eligible Participant under the RSU Plan.

*Shareholder Approval of the RSU Plan*

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

In order to be passed, the RSU Plan Resolution requires the approval of a majority of the votes cast thereon by Shareholders of the Corporation present in person or represented by proxy at the Meeting. **The Board unanimously recommends that Shareholders vote in favour of the RSU Plan Resolution. Unless otherwise directed, the persons named in the enclosed form of proxy intend to vote FOR the RSU Plan Resolution.**

**OTHER BUSINESS**

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

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

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

**STATEMENT OF EXECUTIVE COMPENSATION**

The purpose of this Statement of Executive Compensation is to provide information about the Corporation's philosophy, objectives and processes regarding executive compensation. This disclosure is intended to communicate the compensation provided to each of the Executive Chairman, Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the most highly compensated executive officer of the Corporation, if any, whose individual total compensation was more than \$150,000 for the year-ended December 31, 2018 (collectively, the "**Named Executive Officers**" or "**NEOs**"), and the directors of the Corporation for the year-ended December 31, 2018. David Mitchell, as Chief Executive Officer, and Keith Harris, as Chief Financial Officer and Secretary are the only NEOs of the Corporation as at December 31, 2018.

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

The following table sets forth the compensation paid to the Corporation's NEOs and directors for the Corporation at December 31, 2018 for the years-ended December 31, 2018 and 2017:

Name and position	Year	Salary (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (C\$)		All other compensation (\$)	Total compensation (\$)
				Annual incentive plans (\$)	Long-term incentive Plan (\$)		
David Mitchell CEO	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

Name and position	Year	Salary (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (C\$)		All other compensation (\$)	Total compensation (\$)
				Annual incentive plans (\$)	Long-term incentive Plan (\$)		
Keith Harris CFO and Secretary	2018	Nil	Nil	Nil	Nil	Nil	Nil
	2017	Nil	Nil	Nil	Nil	Nil	Nil

### Outstanding Share and Option-based Awards

The following table sets forth the outstanding option and share based awards of the NEOs and directors of the Corporation in the year-ended December 31, 2018:

Name and position	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) <sup>(1)</sup>	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed
David Mitchell CEO	62,500	0.80	May 7, 2023	Nil <sup>(2)</sup>	Nil	Nil	Nil
Keith Harris CFO and Secretary	23,437	0.80	May 7, 2023	Nil <sup>(3)</sup>	Nil	Nil	Nil
Robert Howe Director	23,437	0.80	May 7, 2023	Nil <sup>(4)</sup>	Nil	Nil	Nil
Josh Arbuckle Director	23,437	0.80	May 7, 2023	Nil <sup>(5)</sup>	Nil	Nil	Nil
Steven Hoffmann Director	23,437	0.80	May 7, 2023	Nil <sup>(6)</sup>	Nil	Nil	Nil

#### Notes:

- (1) On May 27, 2019, the Corporation completed a consolidation of all of its securities on the basis of four pre-consolidation securities for one post-consolidation securities. The figures in this table reflect the consolidation of the Corporation's securities.
- (2) On May 7, 2018, David Mitchell was granted 250,000 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).
- (3) On May 7, 2018, Keith Harris was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).
- (4) On May 7, 2018, Robert Howe was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance, subject to earlier expiration upon his resignation as a director and/or officer of the Corporation in accordance with the terms of the Stock Option Plan. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).
- (5) On May 7, 2018, Josh Arbuckle was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance, subject to earlier expiration upon his resignation as a director and/or officer of the Corporation in accordance with the terms of the Stock Option Plan. Based on the difference between the trading price of

the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).

- (6) On May 7, 2018, Steven Hoffmann was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance, subject to earlier expiration upon his resignation as a director and/or officer of the Corporation in accordance with the terms of the Stock Option Plan. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).

No Options or other compensation securities were exercised by NEOs in the year-ended December 31, 2018.

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

The following table sets forth the value vested of option and share based awards for NEOs and directors of the Corporation during the fiscal year-ended December 31, 2018.

Name and position	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 vested during the year (\$)
David Mitchell CEO	Nil <sup>(1)</sup>	N/A	N/A
Keith Harris CFO and Secretary	Nil <sup>(2)</sup>	N/A	N/A
Robert Howe Director	Nil <sup>(3)</sup>	N/A	N/A
Josh Arbuckle Director	Nil <sup>(4)</sup>	N/A	N/A
Steven Hoffmann Director	Nil <sup>(5)</sup>	N/A	N/A

**Notes:**

- (1) On May 27, 2019, the Corporation completed a consolidation of all of its securities on the basis of four pre-consolidation securities for one post-consolidation securities. The figures in this table reflect the consolidation of the Corporation's securities.
- (2) On May 7, 2018, David Mitchell was granted 250,000 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).
- (3) On May 7, 2018, Keith Harris was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).
- (4) On May 7, 2018, Robert Howe was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance, subject to earlier expiration upon his resignation as a director and/or officer of the Corporation in accordance with the terms of the Stock Option Plan. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).
- (5) On May 7, 2018, Josh Arbuckle was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance, subject to earlier expiration upon his resignation as a director and/or officer of the Corporation in accordance with the terms of the Stock Option Plan. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price

of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).

- (6) On May 7, 2018, Steven Hoffmann was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance, subject to earlier expiration upon his resignation as a director and/or officer of the Corporation in accordance with the terms of the Stock Option Plan. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).

## Termination and Change of Control Benefits

The Corporation has no employment contracts with any NEO and therefore has no plans or arrangements in respect of any compensation received or that may be received by an NEO in the financial year ended December 31, 2018 in respect of compensating such director or officer in the event of termination (as a result of resignation, retirement or change of control) or in the event of change of responsibilities following a change of control.

Effective as of May 27, 2019, the Corporation entered into a consulting agreement with David Kohler Consulting Inc. (the "**Kohler Agreement**"), of which David Kohler is the sole director and officer. In the event that MRI terminates the Kohler Agreement at any time and for any reason prior to the expiry of the term of the Kohler Agreement, Mr. Kohler is entitled to a one-time lump sum payment equivalent to two times his base annual fee. In the event that the Kohler Agreement is terminated due to the death or disability of Mr. Kohler, all benefit related payments or programs under the Kohler Agreement shall continue for a period of 12 months from the date of death or disability.

Effective as of May 27, 2019, the Corporation entered into a consulting agreement with RKH Limited (the "**RKH Agreement**"), of which Telfer Hanson is the sole director and officer. In the event that MRI terminates the RKH Agreement at any time and for any reason prior to the expiry of the term of the RKH Agreement, RKH Limited is entitled to a one-time lump sum payment equivalent to two and a half times its base annual fee. In the event that the RKH Agreement is terminated due to the death or disability of Mr. Hanson, all benefit related payments or programs under the RKH Agreement shall continue for a period of 12 months from the date of death or disability.

## Director Compensation Table

Name	Fees earned (\$)	Share-based awards (\$)	Option-based Awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total Compensation (\$)
Robert Howe	Nil	Nil	Nil <sup>(2)</sup>	N/A	N/A	Nil	Nil
Josh Arbuckle	Nil	Nil	Nil <sup>(3)</sup>	N/A	N/A	Nil	Nil
Steven Hoffmann	Nil	Nil	Nil <sup>(4)</sup>	N/A	N/A	Nil	Nil

### Notes:

- (1) On May 27, 2019, the Corporation completed a consolidation of all of its securities on the basis of four pre-consolidation securities for one post-consolidation securities. The figures in this table reflect the consolidation of the Corporation's securities. See also note (1).
- (2) On May 7, 2018, Robert Howe was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance, subject to earlier expiration upon his resignation as a director and/or officer of the Corporation in accordance with the terms of the Stock Option Plan. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).
- (3) On May 7, 2018, Josh Arbuckle was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance, subject to earlier expiration upon his resignation as a director

and/or officer of the Corporation in accordance with the terms of the Stock Option Plan. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil. See also note (1).

- (4) On May 7, 2018, Steven Hoffmann was granted 93,750 options, with each such option being exercisable for a Common Share at an exercise price of \$0.20 per share for a period of five years from the date of issuance, subject to earlier expiration upon his resignation as a director and/or officer of the Corporation in accordance with the terms of the Stock Option Plan. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on May 7, 2018 (the day that the options vested) (\$0.20/share) and the exercise price of the options, the value of these options is nil. Based on the difference between the trading price of the Common Shares at the market close on the TSXV on August 8, 2018 (the last day of trading before the Corporation's shares were halted) and the exercise price of the options, the value of these options is still nil.

## Compensation Discussion and Analysis

The objectives of the Corporation's compensation program are to create value for its shareholders and foster well managed growth for the Corporation. Our executive compensation philosophy and objectives are to:

- (a) Provide competitive compensation to attract, hold and inspire performance of members of senior management of a quality and nature that will lead to the Corporation's sustained growth and development;
- (b) Align the interest of our executives with the long-term interests of our shareholders;
- (c) Determine compensation on an individual basis by the need to attract and retain talented, high- achievers;
- (d) Calculate total compensation with reference to the market for similar jobs in similar locations;
- (e) Recognize that an appropriate portion of total compensation is variable and linked to achievements, both individual and corporate; and
- (f) Support reasonable expenses in order that employees continuously maintain and enhance their skills.

To determine compensation, the Compensation Committee (the "**Compensation Committee**") and the Board review compensation paid for directors and executives of companies of a similar business, size and stage of development and determines an appropriate compensation reflecting the need to provide incentive and compensation for the time and effort expended by the directors and senior management while taking into account the financial and other resources of the Corporation. Although the Compensation Committee may take into account executive compensation paid by companies comparable with the Corporation, no specific benchmarking policy is in place for determining compensation or any element of compensation.

Compensation of all executive officers is based on corporate performance which includes achievement of the Corporation's strategic objective of growth, the enhancement of shareholder value through increases in the stock price, and enhanced annual cash flow.

The Board is given discretion to determine and adjust, year to year, the relative weighting of each form of compensation discussed below in a manner that best measures the success of the Corporation and its executive officers.

The Corporation does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation



or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

#### *Compensation Committee*

The Corporation maintains a Compensation Committee which makes decisions regarding the compensation of the directors and NEOs and the suitability of the company's compensation policies and practices. The Corporation has not retained a compensation consultant or advisor at any time since its most recently completed financial year to assist the Board in determining compensation for any of the Corporation's directors or executive officers. The Compensation Committee is comprised of Norman Betts, David Grandin, and Bryan Pearson, each of whom are independent directors for the purpose of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), and are responsible for, among other things, reviewing executive compensation matters and making recommendations to the Board for its approval. David Grandin serves as the Chair of the Compensation Committee.

#### *Compensation Risk*

The Corporation recognizes that there may be risks in its current processes, but given the size and number of executives dedicated on a full-time basis, the Corporation does not believe the risks to be significant.

The Board believes that the executive compensation program of the Corporation should not raise its overall risk profile. Accordingly, the Corporation's executive compensation programs include safeguards designed to mitigate compensation risks. The following measures impose appropriate limits to avoid excessive or inappropriate risk taking or payments:

- discretionary bonus payments are recommended to the Board by the Compensation Committee based on annual performance reviews;
- the Compensation Committee consisting of three members, the majority being independent;
- granted Options have terms of 5 years to discourage excessive risk taking and to achieve short-term goals; and
- implementation of trading black-outs limit the ability of senior officers to trade in securities of the Corporation.

Inappropriate and excessive risks by executives are also mitigated by regular meetings of the Board, at which, activity by the executives must be approved by the Board if such activity is outside previously Board-approved actions and/or as set out in a Board-approved budget. Given the current composition of the Corporation's executive management team, the Board and the Compensation Committee are able to closely monitor and consider any risks which may be associated with the Corporation's compensation practices. Risks, if any, may be identified and mitigated through regular Board meetings during which financial and other information of the Corporation are reviewed, including executive compensation.

#### *Overview of How the Compensation Program Fits with Compensation Goals*

The compensation package meets the goal of attracting, holding and motivating key talent in a highly competitive environment through the following elements:

- (a) A competitive cash compensation program, consisting of base salary and bonus opportunity, which is generally consistent with similar opportunities; and

- (b) Providing an opportunity to participate in the Corporation's growth through the granting of RSUs or Options.

The compensation package meets the goal of aligning the interests of management with the interests of the Shareholders through the following elements:

- (c) Through the grant of RSUs, if the price of the Corporation's shares increases over time, both executives and Shareholders will benefit; and
- (d) By providing a vesting period on RSU awards, management has an interest in increasing the price of the Corporation's shares over time, rather than focusing on short-term increases.

#### *Elements of Executive Compensation*

The Corporation's executive compensation program is based on the objectives of: (a) recruiting and retaining the executives critical to the success of the Corporation; (b) providing fair and competitive compensation; (c) balancing the interests of management and the Shareholders; and (d) rewarding performance, on the basis of both individual and corporate performance.

As at June 10, 2019, the Corporation's executive compensation program consisted of the following elements:

- (a) a base salary and incentive cash bonuses; and
- (b) the Corporation also has the Option Plan under which it intends to grant Options as a form of executive compensation. Certain Options previously granted under the Option Plan remain outstanding as of the date hereof. Options previously granted under the Option Plan typically vest over a term of 5 years.

#### *Base Salary*

The Compensation Committee believes that the base salaries of the Corporation's NEOs must be sufficiently competitive in the market to enable recruitment and encourage retention, while reflecting the scope of responsibility, skill and experience of each NEO and his or her past performance at the Corporation.

The Compensation Committee believes that it is appropriate to establish compensation levels based in large part on a general consideration against similar companies, both in terms of compensation practices as well as levels of compensation. In this way, the Corporation can gauge if its compensation is competitive in the marketplace for its talent, as well as ensure that the Corporation's compensation is reasonable.

#### *Annual Performance-Based Cash Incentives*

Executive officers are eligible for annual cash bonuses, and the Board considers both corporate and individual performance.

There is no policy currently in place for determining bonuses, and the Compensation Committee reviews generally the individual's impact on maximizing operating performance.

In taking into account the operating performance aspect, it is recognized that executive officers cannot control certain factors, such as overall market conditions. When considering annual bonuses, the Compensation Committee considers factors over which the executive officers can exercise control, such as

meeting budget targets established by the Board at the beginning of each year, controlling costs, taking successful advantage of business opportunities and enhancing the competitive and business prospects of the Corporation.

*Other Compensation – Perquisites*

Perquisites and other benefits are intentionally limited and may include comprehensive medical examinations, gym memberships, life and accident insurance.

*Stock Options*

The Board adopted the Option Plan first implemented March 27, 2017. All outstanding Options and Options to be granted by the Corporation will be governed by the terms of the Option Plan. For more information regarding the Option Plan, see *Approval of Option Plan – Summary of Option Plan* above, and

*Other Incentive Plans*

The Corporation currently does not have any other incentive plans. It is proposed that a RSU Plan be implemented. For more information regarding the proposed RSU Plan, see *Approval of Option Plan – Summary of RSU Plan* above.

*Management Contracts*

No management functions of the Corporation or any of its subsidiaries are performed to any substantial degree by a person other than the directors or executive officers of the Corporation.

**EQUITY COMPENSATION PLAN INFORMATION**

The following table sets forth, for the year-ended December 31, 2018, information concerning securities authorized for issue under equity compensation plans of the Corporation:

<b>Plan Category</b>	<b>Number of Securities to be Issued Upon Exercise of Outstanding Options</b>	<b>Weighted Average Exercise Price of Outstanding Options</b>	<b>Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans</b>
Equity Compensation Plans approved by Securityholders	625,000 <sup>(1)</sup>	0.20 <sup>(1)</sup>	Nil
Equity Compensation Plans not approved by Securityholders	N/A	N/A	N/A

**Notes:**

(1) Details as at December 31, 2018, which was prior to the completion of the Corporation's qualifying transaction.

**INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND SENIOR OFFICERS**

As of the date hereof, there is not, nor at any time since the beginning of the most recently completed financial year of the Corporation has there been, any indebtedness of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial

year, or of any associate of such persons, to or guaranteed or supported by the Corporation or its subsidiaries either pursuant to an employee stock purchase program of the Corporation or otherwise.

### **AUDIT COMMITTEE DISCLOSURE**

Pursuant to applicable laws, the policies of the TSXV and NI 52-110, the Corporation is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers, control persons or employees of the Corporation or an affiliate of the Corporation. NI 52-110 requires the Corporation, as a venture issuer, to disclose annually in its information circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor.

The Audit & Risk Committee is responsible for the Corporation's financial reporting process and the quality of its financial reporting. In addition to its other duties, the Audit & Risk Committee reviews all financial statements, annual and interim, intended for circulation among the Shareholders of the Corporation and reports upon these to the Board. In addition, the Board may refer to the Audit & Risk Committee other matters and questions relating to the financial position of the Corporation. In performing its duties, the Audit & Risk Committee maintains effective working relationships with the Board, management and the external auditors and monitors independence of those auditors.

#### **Charter**

The Board has adopted a charter for its Audit & Risk Committee, the text of which is reproduced in Schedule F attached hereto.

#### **Audit & Risk Committee Composition**

The Corporation is required to have an audit committee comprised of not less than three directors, a majority of whom are not officers or employees of the Corporation or of an affiliate of the Corporation. The Audit & Risk Committee of the Corporation is composed of Norman Betts, David Grandin and Bryan Pearson. Each of the members of the Audit & Risk Committee is "independent" and "financially literate" within the meaning of National Instrument 52-110 – *Audit Committees* ("NI 52-110").

#### **Financial Literacy, Relevant Education and Experience**

MI 52-110 provides that an individual is "financially literate" if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. All existing and proposed members of the Audit & Risk Committee are independent and financially literate.

#### *Norman Betts – Director (Age 64)*

Mr. Betts has extensive experience in financing, accounting and audit in the public sector having served on the board of several public companies. Mr. Betts currently serves a Lead Independent Director and Chair of the Audit Committee of Tanzanian Royalty Exploration Inc., the Lead Independent Director and Chair of the Audit Committee of Adex Mining Inc. and as a Director and Chair of the Audit Committee of 49 North Resources Inc. Mr. Betts also previously served as a Director and Chair of the Audit Committee of Tembec Inc. and as the Chair of the Board of Directors, Chair of the Special Audit Committee, and Chair of the Special Committee of Minacs Worldwide Inc. Mr. Betts served as the Minister of Finance in New Brunswick from 1999 to 2001 and as and Minister of Business in New Brunswick from 2001 to 2003. He currently sits on the boards of New Brunswick Power Corp. and Bank of Canada. Mr. Betts has a Bachelor

of Business Administration degree from the University of New Brunswick and a PhD in Accounting and Finance from Queen's University.

*David Grandin – Director (Age 57)*

Mr. Grandin has over 20 years of experience starting companies and building teams in the high tech sector. He combines a strong entrepreneurial skill set with an extensive background in software and integrated system development, digital media solutions and sports-related technology. Mr. Grandin has a Bachelor's of Science in Electrical Engineering and Computer Science from the University of Wisconsin and an MBA in High Technology from Northeastern University.

*Bryan Pearson – Lead Independent Director (Age 55)*

Mr. Pearson is a Canadian business executive, bestselling author and keynote speaker. Mr. Pearson currently serves as CEO and president of LoyaltyOne and also functions as the president of Alliance Data Loyalty Services, a global provider of loyalty marketing services and programs. Mr. Pearson has a Bachelor's degree in life sciences and an MBA in marketing from Queen's University.

### **Audit & Risk Committee Oversight**

Since the commencement of the Corporation's most recently completed financial year, the audit committee of the Corporation has not made any recommendations to nominate or compensate an external auditor which were not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on: (i) the exemption in section 2.4 (*De Minimis Non-Audit Services*) of MI 52-110; or (ii) an exemption from MI 52-110, in whole or in part, granted under Part 8 (*Exemptions*).

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

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

### **External Auditor Service Fees**

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

<u>Financial Year Ending</u>	<u>Audit Fees</u>	<u>Audit Related Fees</u>	<u>Tax Fees</u>	<u>All Other Fees</u>
December 31, 2018	\$17,500.00	\$3,600.00	Nil	Nil
December 31, 2017	\$8,500.00	Nil	Nil	Nil

## **CORPORATE GOVERNANCE DISCLOSURE**

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders of the Corporation, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Corporation. NP 58-201 establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in

developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of the Shareholders of the Corporation and contribute to effective and efficient decision making.

Pursuant to NI 58-101, the Corporation is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and, when necessary, implement such additional practices as it deems appropriate.

### **Board of Directors**

As at June 10, 2019, the Board is composed of five directors: Telfer Hanson, David Kohler, Norman Betts, David Grandin and Bryan Pearson.

NP 58-201 suggests that the board of directors of every listed company should be constituted with a majority of individuals who qualify as "independent" directors, within the meaning set out under NI 52-110, which provides that a director is independent if he or she has no direct or indirect "material relationship" with the company. "Material relationship" is defined as a relationship which could, in the view of the company's board of directors, be reasonably expected to interfere with the exercise of a director's independent judgment.

Of the current directors and proposed nominees, Telfer Hanson and David Kohler are executive officers and accordingly are not considered to be "independent". In assessing NI 58-101 and making the foregoing determinations, the circumstances of each director have been examined in relation to a number of factors. The remaining directors and proposed nominees are considered to be independent directors since they are all independent of management and free from any material relationship with the Corporation.

The Board believes that it functions independently of management. To enhance its ability to act independently of management, the members of the Board may meet in the absence of members of management and the non-independent directors. In the event of a conflict of interest at a meeting of the Board, the conflicted director will in accordance with corporate law and in accordance with his or her fiduciary obligations as a director of the Corporation, disclose the nature and extent of his or her interest to the meeting and abstain from voting on or against the approval of such participation. In addition, the members of the Board that are not members of management of the Corporation are encouraged by the management members of the Board to communicate and obtain advice from such advisors and legal counsel as they may deem necessary in order to reach a conclusion with respect to issues brought before the Board.

### **Board Mandate**

The Board is responsible for the conduct of the Corporation's affairs generally. The Board is responsible for reviewing and approving the Corporation's operating plans and budgets as presented by management. The Board is responsible for identifying the principal risks of the Corporation's business and for ensuring these risks are effectively monitored and mitigated to the extent practicable. Succession planning, including the recruitment, supervision, compensation and performance assessment of the Corporation's senior management personnel also fall within the ambit of the Board's responsibilities. The Board is responsible for ensuring effective communications by the Corporation with the Shareholders of the Corporation and the public and for ensuring that the Corporation adheres to all regulatory requirements with respect to the timeliness and content of its disclosure. In keeping with its overall responsibility for the stewardship of the financial affairs of the Corporation, the Board created an Audit & Risk Committee which is responsible for the integrity of the Corporation's internal control and management information systems.

The Board is responsible for approving annual operating plans recommended by management. Board consideration and approval is also required for all material contracts and business transactions and all debt and equity financing proposals.

The Board delegates to management responsibility for meeting defined corporate objectives, implementing approved strategic and operating plans, carrying on the Corporation's business in the ordinary course, managing the Corporation's cash flow, evaluating new business opportunities, recruiting staff and complying with applicable regulatory requirements.

The Board believes the Corporation is well served and the independence of the Board from management is not compromised. The Board does not have, and does not consider it necessary under the circumstances to have, any formal structures or procedures in place to ensure that the Board can function independently of management. The Board believes that its current composition is sufficient to ensure that the Board can function independently of management.

### Other Directorships

No other current or nominated directors have reportable reporting issuer experience except as described below:

Name	Name and Jurisdiction of Reporting Issuer	Position	Exchange	From	To
Bryan Pearson	Alliance Data Systems Corporation	Executive Vice President	NYSE	1998	Present
Norman Betts	Tanzanian Royalty Exploration Inc.	Lead Independent Director and Chair of Audit Committee	TSX; AMEX	2005	Present
Norman Betts	Adex Mining Inc.	Lead Independent Director and Chair of Audit Committee	TSXV	2007	Present
	49 North Resources Inc.	Director and Chair of Audit Committee	TSXV	2013	Present

### Orientation and Continuing Education

Orientation includes regular Board meetings and monthly updates between the meetings. Because of the Corporation's early stage of development it does not currently provide continuing education to Board members and instead provides regular updates and information concerning the Corporation's business and strategy.

The Board has established a Governance Committee which is responsible for reviewing, monitoring and making recommendations regarding the ongoing development of existing directors.

The Governance Committee shall ensure that there is an orientation program for new directors which introduces them to the operation of the business and affairs of the Corporation and the role of, and expectations as to the contributions to be made, by the Board and its committees.

The Governance Committee works with management to make opportunities available to the directors to learn more about the Corporation and the industry and to meet with employees.

### **Ethical Business Conduct**

The Board's Governance Committee is responsible for all governance issues and the corporate governance process, mechanisms for achieving accountability of the Board and senior management, oversight of the Corporation's management of key risks, including strategic and operational risks, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

Among other functions, the Governance Committee monitors conflicts of interest (real or perceived) of both the Board and management of the Corporation.

The Governance Committee will conduct periodic reviews of the Corporation's corporate governance policies and make policy recommendations aimed at enhancing Board and committee effectiveness. The Governance Committee will review overall governance principles, monitor disclosure and best practices of comparable and leading companies, and bring forward to the Board a list of corporate governance issues for review, discussion or action by the Board or a committee thereof.

The Governance Committee is also responsible for conducting periodic reviews of the relationship between management and the Board, with a view to ensuring that the Board functions independently of management and to ensure effective communication and the provision of information to directors in a timely manner.

The Governance Committee is responsible for reviewing the disclosure in the Corporation's public disclosure documents relating to corporate governance practices and prepare recommendations to the Board regarding any other reports required or recommended on corporate governance.

### **Nomination of Directors**

The Governance Committee is responsible for recruiting and identifying individuals qualified to become new members of the Board and to recommend new director nominees for the next annual meeting of shareholders or for appointment by the Board between shareholder meetings.

In making its recommendations, the Committee shall consider the competencies, skills and attributes that the Board considers to be necessary for the Board as a whole to possess, the competencies, skills and attributes that the Board considers each existing director to possess, and the competencies, skills and attributes any new nominee will bring to the boardroom. Such an assessment shall be based primarily on the following criteria:

- (a) expertise, skills and knowledge useful to the oversight of the Corporation's business and the business of its subsidiaries, including business or other relevant experience in the following core competencies: (a) accounting and finance, (b) strategic leadership experience, (c) legal/governance matters, and (d) risk management;
- (b) judgment, character and communication and other skills necessary to ensure the effective operation of the Board, the extent to which the interplay of the individual's expertise, skills, knowledge, experience and personal attributes with that of other members of the Board



will build a high-performance Board that is effective, collegial and responsive to the needs of the Corporation and its subsidiaries;

- (c) diversity of viewpoints, backgrounds, experiences, gender and other demographics;
- (d) current or previous experience on other boards; and
- (e) the appropriate level of representation on the Board by directors who are independent of management and who are neither officers nor employees of the Corporation or any of its subsidiaries.

The Committee shall also consider the amount of time and resources that nominees have available to fulfill their duties as a Board member, in accordance with the guidelines of the Board's mandate with respect to service on other boards of directors and committees.

The Committee shall assess, against regulatory requirements and the Corporation's standards for directors' independence, whether a candidate would be independent and advise the Board of that assessment.

The Committee also, in consultation with the chair of the Board, annually or as required, recommends to the Board, the individual directors to serve on the various committees.

### **Compensation**

See "*Statement of Executive Compensation – Oversight and Description of Director and Named Executive Officer Compensation*" and "*Statement of Executive Compensation – Compensation Discussion and Analysis*" above for information regarding the decision-making process relating to compensation made to certain executives and to directors of the Corporation.

### **Other Board Committees**

In addition to the Audit & Risk Committee, the Compensation Committee and the Governance Committee, the Board currently also has an Acquisitions Committee. The purpose of the Acquisitions Committee is to assist the Board in fulfilling its oversight responsibilities with respect to: (i) strategy regarding mergers, acquisitions, investments and dispositions with management; (ii) proposed mergers, acquisitions, investments or dispositions of material assets or a material portion of any business involving a total estimated purchase price or investment (with such threshold of "material" as determined by the Board from time to time) ("**Major Transactions**"); (iii) reviewing and recommending that the Board to approve Major Transactions, as appropriate; and (iv) overseeing the post-closing analysis of Major Transactions.

### **Assessments**

The Governance Committee is responsible for ensuring that an appropriate system is in place to annually evaluate the effectiveness of the Board as a whole as well as the committees of the Board with a view to ensuring that each committee and each director is fulfilling their respective responsibilities and duties. In connection with these evaluations, each year every director will be requested to provide his or her assessment of the effectiveness of the Board and each committee, as well as the contribution and performance of the individual directors. These evaluations will take into account the competencies and skills each director is expected to bring to his or her particular role on the Board or on a committee and the contribution of each director to the effectiveness of the Board, as well as any other relevant facts.

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

Except as otherwise disclosed herein, no informed person (as that term is defined in NI 51-102) or any nominee for election as a director, or any associate or affiliate of any of them, has or has had any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year of the Corporation that has materially affected or is reasonably expected to materially affect the Corporation.

### **ADDITIONAL INFORMATION**

Additional information relating to the Corporation can be found under the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com). Financial information is provided in the comparative financial statements and the management's discussion and analysis of the Corporation for the year-ended December 31, 2018. Shareholders may also obtain these documents, without charge, upon request to the Corporation at its offices located at 202 – 610 Chartwell Road, Oakville, Ontario, L6J 4A5.

**APPROVAL**

The contents of this management information circular and the sending thereof to the Shareholders of the Corporation have been approved by the directors of the Corporation.

**DATED** at Toronto, Ontario as of this 10<sup>th</sup> day of June 2019.

**By Order of the Board of Directors**

(signed) "*Telfer Hanson*"

Telfer Hanson

Executive Chairman

## **SCHEDULE A**

### **ADVANCE NOTICE RESOLUTION**

**WHEREAS:**

- A. The Board of Directors (the "**Board**") of Mimi's Rock Corp. (the "**Corporation**") adopted an advance notice policy (the "**Advance Notice By-law**") to provide the shareholders, directors and management of the Corporation with a clear framework for nominating directors, as disclosed in the Corporation's press release dated May 28, 2019;
- B. The shareholders of the Corporation have determined that the Advance Notice By-law is in the best interests of the Corporation and of the shareholders of the Corporation and wish to ratify, approve and adopt the Advance Notice By-law;

**NOW THEREFORE BE IT RESOLVED THAT:**

- 1. The Advance Notice By-law, substantially in the form approved by the Board be and is hereby ratified, approved and adopted;
- 2. The Board is hereby authorized to amend the Advance Notice By-law as it determines necessary in its sole discretion; and
- 3. Any one director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolution.

**SCHEDULE B**  
**OPTION PLAN**

See attached.

## MIMI'S ROCK CORP.

### STOCK OPTION PLAN

#### 1. Purpose

The purpose of this stock option plan (the "**Plan**") is to add incentive and to provide consideration for effective services of *bona fide* officers, directors, employees, management company employees and consultants of Mimi's Rock Corp. (the "**Corporation**"). Stock options granted under the Plan are not in lieu of salary or any other compensation for services. In the event of the continuance of the Corporation, the Plan will bind the Corporation's successor.

#### 2. Administration

The Plan shall be administered by the board of directors of the Corporation (the "**Board**").

#### 3. Definitions

In this Plan, capitalized terms used herein that are not otherwise defined shall have the meaning ascribed thereto in the Corporate Finance Manual of the TSX Venture Exchange (the "**TSXV**"), and in particular, in policies 1.1, 2.4 and 4.4 of such Corporate Finance Manual.

#### 4. Granting Options

The Board may from time to time designate *bona fide* officers, directors, employees, management company employees and consultants (collectively, "**Optionees**") of the Corporation (or in each case their wholly owned personal holding companies), to whom options to purchase shares of the Corporation may be granted, and the number of shares to be optioned to each, provided that the total number of shares to be optioned shall not exceed the number provided in paragraph 5 hereof and that the total number of shares to be optioned to (i) any one Optionee in any 12 month period shall not exceed 5% of the issued and outstanding shares of the Corporation unless disinterested shareholder approval has been obtained; (ii) any one Consultant in any 12 month period shall not exceed 2% of the issued and outstanding shares of the Corporation; and (iii) all Employees in the aggregate conducting Investor Relations Activities in any 12 month period shall not exceed 2% of the issued and outstanding shares of the Corporation, in each case subject to adjustment of such number pursuant to the provisions of paragraph 9 hereof. All options granted shall be subject to the terms of this Plan and a copy of the Plan shall be given, upon request, to each Optionee.

#### 5. Shares Subject to Plan

Options may be granted on a number of authorized but unissued common shares without nominal or par value in the share capital of the Corporation upon completion of its initial public offering (the "**IPO**"), but not exceeding in the aggregate 10% of the issued and outstanding common shares of the Corporation. Shares in respect of which options have not been exercised and are no longer subject to being purchased pursuant to the terms of any options shall be available for further options under the Plan. Upon the granting of options hereunder, the Corporation shall execute in favour of the grantee, a stock option agreement (the "**Option Agreement**") setting forth the particulars of the option grant.

The options granted under the Plan shall not result at any time in: (i) the number of shares reserved for issuance pursuant to options granted to Insiders exceeding 10% of the issued and outstanding shares; (ii) the grant to Insiders within a 12 month period, of a number of options exceeding 10% of the outstanding shares; or (iii) the

grant to any one Optionee within a 12 month period, of a number of options exceeding 5% of the issued and outstanding shares unless disinterested shareholder approval has been obtained.

## **6. Option Price**

The option price on shares that are the subject of any option shall be fixed by the Board when such option is granted, provided that such price shall not be less than the Discounted Market Price of the shares of the Corporation, or such other price as may be determined under applicable rules and regulations of all regulatory authorities to which the Corporation is subject, including the TSXV rules and policies.

In the event that the Corporation proposes to reduce the Exercise Price of the Options granted to an Optionee who is an Insider of the Corporation at the time of the proposed amendment, said amendment shall not be effected until disinterested shareholder approval has been obtained in respect of said exercise price reduction.

Notwithstanding the foregoing, if the Optionee's position with the Corporation is terminated for cause, or if the Optionee violates the terms of their Option Agreement(s) or any agreement he/she may have with the Corporation, all options granted to the Optionee pursuant to the Plan shall become null and void immediately without penalty to the Corporation.

## **7. Terms Restricting Exercise of Options**

The terms of each Option Agreement are limited by the following:

- a. The period during which any option may be exercised shall be determined by the Board when the option is granted, provided that the term shall be no more than 10 years from the date of the granting of the option and all options shall be subject to earlier termination as provided in subparagraph b hereof;
- b. upon the death of the Optionee, the Option shall terminate on the date determined by the Board, which date shall not be later than the earlier of the expiry date of the Option and one year from the date of death;
- c. if the Optionee ceases to be a Director or Officer of, be in the employ of, or be providing ongoing management or consulting services to the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of a period not in excess of 90 days prescribed by the Board at the time of the grant, following the date that the Optionee ceases to be a Director, Officer or Employee of the Corporation, or ceases to provide ongoing management or consulting services to the Corporation, as the case may be;
- d. notwithstanding sub-paragraph 7(c) above, if the Optionee does not continue to be a Director, Officer, technical consultant or Employee of the Resulting Issuer, the Option shall terminate on the date that is 90 days after the Optionee ceases to be a Director, Officer, technical consultant or Employee of the Resulting Issuer;
- e. if the Optionee ceases to be employed to provide Investor Relations Activities on behalf of the Corporation, the Option shall terminate on the earlier of the expiry date of the Option and the expiry of the period not in excess of 30 days prescribed by the Board at the time of the grant, following the date that the Optionee ceases to be employed to provide Investor Relations Activities; and

- f. except as provided in subparagraph (b) hereof, the option shall not be transferable nor assignable by the Optionee otherwise than by Will or the law of intestacy and the said option may be exercised, during his or her lifetime, only by the Optionee;

provided that the number of shares of the Corporation that the Optionee (or his or her heirs or successors) shall be entitled to purchase until the applicable termination date shall be the number of Common Shares which the Optionee was entitled to purchase on the date of death or the date the Optionee ceased to be an Officer, Director or Employee of, or ceased providing ongoing management or consulting services to, the Corporation, as the case may be.

## **8. Regulatory Restrictions**

The exercise by the Optionee of his rights hereunder and the consequent obligation of the Corporation to issue and deliver its shares pursuant to such exercise is subject to the approval of the Plan by: (a) the stock exchange(s) on which the Corporation's shares are listed; (b) the Board; and (c) the shareholders of the Corporation.

## **9. Share Capital Re-adjustments**

Appropriate adjustments in the number of shares optioned, in the aggregate number of shares reserved for issue pursuant to options and in the option price per share, as regards options granted or to be granted, will be made by the Board to give effect to adjustments in the number of shares of the Corporation resulting subsequent to the approval of the Plan as provided in paragraph 8 hereof from subdivisions, consolidations, reclassification of the shares of the Corporation, the payment of stock dividends and any merger, amalgamation or reorganization to which the Corporation is a party. Without limiting the generality of the foregoing, the Corporation will make adjustments to any options granted hereunder as follows:

- a. If a dividend in shares of the Corporation is paid on the common shares of the Corporation, there shall be added to the common shares subject to any option the number of shares which would have been issuable to the Optionee had he then been the holder of record of the number of common shares then remaining under the option. In such event, the option price per share shall be reduced proportionately.
- b. If the common shares of the Corporation shall be subdivided into a greater number of shares or consolidated into a lesser number of shares or changed into the same or a different number of shares with par value, the number of shares which may thereafter be acquired under any option shall be the number of shares which would have been received by the Optionee on such subdivision, consolidation, or change had the Optionee then been the holder of record of the number of common shares then remaining under the option. In such event, the option price per share shall be decreased or increased proportionately.
- c. If there is any capital reorganization or reclassification of the share capital of the Corporation, or any consolidation or merger or amalgamation of the Corporation with any other corporation or corporations, adequate provisions shall be made by the Corporation so that there shall be substituted under any option the shares or securities which would have been issuable or payable to the Optionee had he then been the holder of record of the number of common shares then remaining under the option.
- d. If the Corporation at any time during the term of any option offers for sale to holders of its share capital common shares of its share capital or of other classes of shares or of other securities of the Corporation or in connection with any transaction shall acquire or shall cause to be issued rights to acquire shares or other securities of another corporation to or for the benefit of holders of share



capital of the Corporation, the Corporation will give notice to the Optionee of rights which are thus to be acquired or issued to or for the benefit of the holders of record of shares of the Corporation in sufficient time to permit the Optionee to exercise the option to the fullest extent possible, if the Optionee should wish to do so, and to permit the Optionee to participate in such rights as a holder of record of share capital of the Corporation.

- e. Any shares or securities added to or substituted for the shares under any option shall be subject to adjustment in the same manner and to the same extent as the common shares originally covered by such option.
- f. No fractional shares shall be issued upon the exercise of any option. If, as a result of any adjustment under this paragraph, the Optionee would become entitled to a fractional share, he shall have the right to acquire only the adjusted number of full shares and no payment or other adjustment will be made with respect to the fractional shares so disregarded.

## 10. Exercise

- a. Subject to the provisions of the Plan, an option may be exercised in whole or in part by the payment to the Corporation in cash or certified cheque of the full purchase price at the option price per share stipulated (the "**Exercise Price**") in paragraph 6 herein, subject to any adjustment thereto in accordance with paragraph 9 herein, for the shares purchased and the Corporation shall thereupon deliver a share certificate or certificates of the Corporation for such shares.
- b. An option shall be in whole or in part exercised by written notice or notices delivered to the Corporation's registered office and any option shall be deemed for all purposes to be exercised to the extent stated in such notice upon delivery of the notice and payment for the number of shares specified in such notice, notwithstanding any delay in the issuance and delivery of certificates for the shares so subscribed.
- c. Notwithstanding anything to the contrary, the Board may, in its sole discretion, allow for the cashless exercise of all or a portion of the Options granted hereunder (a "**Cashless Exercise**") by waiving the Optionee's obligation to pay the Exercise Price per Option exercised and allowing for the Optionee to dispose of the Options and receive the aggregate number of Shares (rounded down to the nearest whole number) equal to the product of (i) the number of Options that the Optionee has elected to dispose of and (ii) the excess of the fair market value of a common share over the Exercise Price.

For the purposes of this section, the fair market value of the common shares shall be determined by reference to the volume-weighted average price of the common shares on a recognized Canadian stock exchange for the five (5) trading days immediately prior to the Cashless Exercise, or else if the Corporation is not listed on a recognized Canadian stock exchange, the Board may determine the fair market value of the common shares.

## 11. Amendment of Plan

- a. The Board may amend or change this Plan and any options granted hereunder from time to time subject to receipt of consents or approvals of all applicable authorities and exchanges, except that the Board shall not adversely affect the rights of any Optionee to whom an option has therefore been granted without his consent and any reduction in option price for options outstanding, other than any

reduction made in accordance with paragraph 9 herein, shall comply, as of the date of revision or amendment, with the option price provisions of paragraph 6 hereof.

- b. The Board may discontinue the Plan at any time except that such discontinuance may not alter or impair any option previously granted under the Plan to an Optionee.

## **12. General**

Options granted pursuant to the Plan shall specify in the Grantee's Stock Option Plan Agreement(s) that:

- a. that the option agreement does not impose upon the Optionee any obligation to take up and pay for any of the optioned shares;
- b. the address of each of the Optionee and the Corporation to which notices pursuant to the option and the Plan may be delivered;
- c. that all options granted are subject to the express terms of the Plan; and
- d. the periods governing the exercise of the option.

**DATED and APPROVED** by the Board as of May 27, 2019.

"Telfer Hanson"

Telfer Hanson  
Executive Chairman

## SCHEDULE C

### OPTION PLAN RESOLUTION

#### WHEREAS:

- A. The Board of Directors (the "**Board**") of Mimi's Rock Corp. (the "**Corporation**") approved on June 10, 2019 the adoption of the stock option plan (the "**Option Plan**") for the benefit of any employee, officer, director, or consultant of the Corporation or any affiliate of the Corporation;
- B. The maximum number of common shares of the Corporation ("**Common Shares**") available for issuance under the Option Plan shall not exceed 10% of the issued and outstanding Common Shares from time to time less the number of Common Shares reserved for issuance under all other security based compensation arrangements of the Corporation;

#### NOW THEREFORE BE IT RESOLVED THAT:

- 1. The Option Plan, substantially in the form disclosed in the management information circular of the Corporation dated June 10, 2019, be and is hereby approved, ratified and confirmed; and
- 2. Any one director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolution.

**SCHEDULE D**

**RSU PLAN**

See attached.

## MIMI'S ROCK CORP.

### RESTRICTED SHARE UNIT PLAN

Mimi's Rock Corp. (the "**Corporation**") hereby establishes a restricted share unit plan for certain qualified directors, executive officers, employees or Consultants (as defined herein) of the Corporation or any of its Subsidiaries (as defined herein).

#### ARTICLE 1 INTERPRETATION

##### Section 1.1 Definitions

Where used herein or in any amendments hereto or in any communication required or permitted to be given hereunder, the following terms shall have the following meanings, respectively, unless the context otherwise requires:

"**Account**" means an account maintained for each Participant on the books of the Corporation which will be credited with Awards in accordance with the terms of this Plan;

"**affiliates**" has the meaning ascribed thereto in National Instrument 45-106 – *Prospectus Exemptions*;

"**Associate**", where used to indicate a relationship with a Participant, means (i) any domestic partner of that Participant and (ii) the spouse of that Participant and that Participant's children, as well as that Participant's relatives and that Participant's spouse's relatives, if they share that Participant's residence;

"**Award**" means any RSU granted to a Participant pursuant to the terms of the Plan;

"**Board**" has the meaning ascribed thereto in Section 2.2(1) hereof;

"**Business Day**" means a day other than a Saturday, Sunday or statutory holiday, when banks are generally open for business in Toronto, Ontario for the transaction of banking business;

"**Cashless Exercise Right**" has the meaning ascribed thereto in Section 3.6(3) hereof.

"**Cause**" has the meaning ascribed thereto in Section 4.2(1) hereof;

"**Change of Control**" means, unless the Board determines otherwise, the happening, in a single transaction or in a series of related transactions, of any of the following events:

- (a) any transaction (other than a transaction described in clause (c) below) pursuant to which any Person or group of Persons acting jointly or in concert acquires the direct or indirect beneficial ownership of securities of the Corporation representing 50% or more of the aggregate voting power of all of the Corporation's then issued and outstanding securities entitled to vote in the election of directors of the Corporation, other than any such acquisition that occurs upon the exercise or settlement of options or other securities granted by the Corporation under any of the Corporation's equity incentive plans;
- (b) there is consummated an arrangement, amalgamation, merger, consolidation or similar transaction involving (directly or indirectly) the Corporation and, immediately after the

consummation of such arrangement, amalgamation, merger, consolidation or similar transaction, the shareholders of the Corporation immediately prior thereto do not beneficially own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving or resulting entity in such amalgamation, merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving or resulting entity in such arrangement, amalgamation, merger, consolidation or similar transaction, in each case in substantially the same proportions as their beneficial ownership of the outstanding voting securities of the Corporation immediately prior to such transaction;

- (c) the sale, lease, exchange, license or other disposition, in a single transaction or a series of related transactions, of assets, rights or properties of the Corporation or any of its subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and properties of the Corporation and its Subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned Subsidiary of the Corporation in the course of a reorganization of the assets of the Corporation and its wholly-owned Subsidiaries;
- (d) the passing of a resolution by the Board or shareholders of the Corporation to substantially liquidate the assets of the Corporation or wind up the Corporation's business or significantly rearrange its affairs in one or more transactions or series of transactions or the commencement of proceedings for such a liquidation, winding-up or re-arrangement (except where such re-arrangement is part of a bona fide reorganization of the Corporation in circumstances where the business of the Corporation is continued and the shareholdings remain substantially the same following the re-arrangement); or
- (e) individuals who, on the Effective Date, are members of the Board (the "**Incumbent Board**") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member will, for purposes of this Plan, be considered as a member of the Incumbent Board;

"**Consultant**" means a person, other than an employee, executive officer or director of the Corporation or a Subsidiary, that provides ongoing services to the Corporation, and includes for an individual Consultant, a corporation of which the individual Consultant is an employee or shareholder, or a partnership of which the individual Consultant is an employee or partner;

"**Consulting Agreement**" means, with respect to any Participant, any written consulting agreement between the Corporation or a Subsidiary and such Participant;

"**Corporation**" means Mimi's Rock Corp., a corporation existing under the *Business Corporations Act* (Ontario) as amended from time to time;

"**Dividend Equivalent**" means a cash credit equivalent in value to a dividend paid on a Share credited to a Participant's Account;

"**Effective Date**" means the effective date of this Plan;

**"Eligibility Date"** the effective date on which a Participant becomes eligible to receive long-term disability benefits (provided that, for greater certainty, such effective date shall be confirmed in writing to the Corporation by the insurance company providing such long-term disability benefits);

**"Eligible Participants"** means any director, executive officer, employee or Consultant of the Corporation or any of its Subsidiaries;

**"Employment Agreement"** means, with respect to any Participant, any written employment agreement between the Corporation or a Subsidiary and such Participant;

**"Exercise Notice"** means a notice in writing signed by a Participant and stating the Participant's intention to exercise a particular Award, if applicable;

**"Grant Agreement"** means an agreement evidencing the grant to a Participant of an Award, including an Option Agreement, an RSU Agreement, an Employment Agreement or a Consulting Agreement;

**"Insider"** means a "reporting insider" as defined in National Instrument 55-104 – *Insider Reporting Requirements and Exemptions* and includes Associates and affiliates (as such term is defined in Part 1 of the TSXV Corporate Finance Manual) of such "reporting insider";

**"Market Value"** means at any date when the market value of Shares is to be determined, (i) if the Shares are listed on the TSXV, the closing price of the Shares on the TSXV for the Trading Session on the day prior to the relevant time as it relates to an Award; (ii) if the Shares are not listed on the TSXV, then as calculated in paragraph (i) by reference to the price on any other stock exchange on which the Shares are listed (if more than one, then using the exchange on which a majority of trading in the Shares occurs); or (iii) if the Shares are not listed on any stock exchange, the value as is determined solely by the Board, acting reasonably and in good faith and such determination shall be conclusive and binding on all Persons;

**"Non-Employee Director"** means a member of the Board of Directors who is not otherwise an employee or executive officer of the Corporation or a Subsidiary;

**"Notice of Redemption"** means a notice in the form attached as Exhibit D to this Plan that may be delivered by a Participant to the Corporation as specified in Article 3 hereof, pursuant to which the Participant may, subject to the terms of the applicable RSU Agreement, request a redemption of all or a portion of the Participant's vested RSUs during a Restriction Period;

**"Option"** means an option granted by the Corporation to an individual entitling such individual to acquire a designated number of Shares from treasury at a certain exercise price, but subject to the provisions of the Option Agreement and the Option Plan;

**"Option Agreement"** means a written agreement between the Corporation and an individual evidencing the grant of Options and the terms and conditions thereof;

**"Option Plan"** means the stock option plan of the Corporation first implemented March 27, 2017, including any amendments or supplements thereto made after the effective date thereof;

**"Outstanding Issue"** means the number of Shares that are outstanding as at a specified time, on a non- diluted basis;

**"Participants"** means Eligible Participants that are granted Awards under the Plan;

**"Performance Criteria"** means specified criteria, other than the mere continuation of employment or the mere passage of time, the satisfaction of which is a condition for the grant, exercisability, vesting or full enjoyment of an Award.

**"Performance Period"** means the period determined by the Board at the time any Award is granted or at any time thereafter during which any Performance Criteria and any other vesting conditions specified by the Board with respect to such Award are to be measured;

**"Person"** means an individual, corporation, company, cooperative, partnership, trust, unincorporated association, entity with juridical personality or governmental authority or body, and pronouns which refer to a Person shall have a similarly extended meaning;

**"Plan"** means this restricted share unit plan, including any amendments or supplements hereto made after the effective date hereof;

**"Restriction Period"** means the period determined by the Board pursuant to Section 3.4 hereof;

**"RSU"** or **"Restricted Share Unit"** means a right awarded to a Participant to receive a payment in the form of Shares as provided in Article 3 hereof and subject to the terms and conditions of this Plan;

**"RSU Agreement"** means a written agreement between the Corporation and a Participant evidencing the grant of RSUs and the terms and conditions thereof, a form of which is attached hereto as Exhibit C;

**"RSU Cash Equivalent"** means the amount of money equal to the Market Value multiplied by the number of vested RSUs of a Participant that are to be redeemed for cash pursuant to a unilateral election by such Participant in a Notice of Redemption;

**"Shares"** means the common shares in the share capital of the Corporation;

**"Share Compensation Arrangement"** means a stock option, stock option plan, employee stock purchase plan, long-term incentive plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares from treasury, including a share purchase from treasury by a full-time employee, director, officer, Insider, or Consultant which is financially assisted by the Corporation or a Subsidiary by way of a loan, guarantee or otherwise;

**"Stock Exchange"** means the TSXV or if the Shares are not listed or posted for trading on any of such stock exchanges at a particular date, any other stock exchange on which the majority of the trading volume and value of the Shares are listed or posted for trading;

**"Subsidiary"** means a corporation, company or partnership that is controlled, directly or indirectly, by the Corporation;

**"Tax Act"** means the *Income Tax Act* (Canada) and its regulations thereunder, as amended from time to time;

**"Tax Obligations"** means the aggregate amount of all withholdings, source deductions and similar amounts required under any governing tax law with respect to either (i) the redemption of an RSU,



or (ii) the cancellation of an Option pursuant to a Cashless Exercise Right, as the context requires, including amounts funded by the Corporation on behalf of previous withholding tax, source deduction or similar payments and owed by the Participant to the Corporation, as applicable (which Tax Obligations are to be determined by the Corporation in its sole discretion);

**"Termination Date"** means (i) in the event of a Participant's resignation, the date on which such Participant ceases to be a director, executive officer, employee or Consultant of the Corporation or one of its Subsidiaries and (ii) in the event of the termination of the Participant's employment, or position as director, executive or officer of the Corporation or a Subsidiary, or Consultant, the effective date of the termination as specified in the notice of termination provided to the Participant by the Corporation or the Subsidiary, as the case may be;

**"Termination of Service"** means that a Participant has ceased to be an Eligible Participant;

**"Trading Session"** means a trading session on a day which the applicable Stock Exchange is open for trading;

**"TSXV"** means the TSX Venture Exchange;

**"US Tax Code"** means the United States' Internal Revenue Code of 1986, as amended;

**"US Taxpayer"** means a Participant who is a US citizen, US permanent resident or other person who is subject to taxation on their income under the US Tax Code; and

**"Vested Awards"** has the meaning described thereto in Section 4.2(5) hereof.

## **Section 1.2 Interpretation**

- (1) Whenever the Board is to exercise discretion or authority in the administration of the terms and conditions of this Plan, the term "discretion" or "authority" means the sole and absolute discretion of the Board.
- (2) The provision of a table of contents, the division of this Plan into Articles, Sections and other subdivisions and the insertion of headings are for convenient reference only and do not affect the interpretation of this Plan.
- (3) In this Plan, words importing the singular shall include the plural, and vice versa and words importing any gender include any other gender.
- (4) The words "including", "includes" and "include" and any derivatives of such words mean "including (or includes or include) without limitation". As used herein, the expressions "Article", "Section" and other subdivision followed by a number, mean and refer to the specified Article, Section or other subdivision of this Plan, respectively.
- (5) Unless otherwise specified in the Participant's Grant Agreement, all references to money amounts are to Canadian currency.
- (6) For purposes of this Plan, the legal representatives of a Participant shall only include the administrator, the executor or the liquidator of the Participant's estate or will.

- (7) If any action may be taken within, or any right or obligation is to expire at the end of, a period of days under this Plan, then the first day of the period is not counted, but the day of its expiry is counted.

## **ARTICLE 2**

### **PURPOSE AND ADMINISTRATION OF THE PLAN; GRANTING OF AWARDS**

#### **Section 2.1 Purpose of the Plan**

The purpose of the Plan is to permit the Corporation to grant Awards to Eligible Participants, subject to certain conditions as hereinafter set forth, for the following purposes:

- (a) to increase the interest in the Corporation's welfare of those Eligible Participants, who share responsibility for the management, growth and protection of the business of the Corporation or a Subsidiary;
- (b) to provide an incentive to such Eligible Participants to continue their services for the Corporation or a Subsidiary and to encourage such Eligible Participants whose skills, performance and loyalty to the objectives and interests of the Corporation or a Subsidiary are necessary or essential to its success, image, reputation or activities;
- (c) to reward Participants for their performance of services while working for the Corporation or a Subsidiary; and
- (d) to provide a means through which the Corporation or a Subsidiary may attract and retain able Persons to enter its employment or service.

#### **Section 2.2 Implementation and Administration of the Plan**

- (1) The Plan shall be administered and interpreted by the board of directors of the Corporation (the "**Board**") or, if the Board by resolution so decides, by a committee or plan administrator appointed by the Board. If such committee or plan administrator is appointed for this purpose, all references to the "Board" herein will be deemed references to such committee or plan administrator. Nothing contained herein shall prevent the Board from adopting other or additional Share Compensation Arrangements or other compensation arrangements, subject to any required approval.
- (2) Subject to Article 5 and any applicable rules of a Stock Exchange, the Board may, from time to time, as it may deem expedient, adopt, amend and rescind rules and regulations or vary the terms of this Plan and/or any Award hereunder for carrying out the provisions and purposes of the Plan and/or to address tax or other requirements of any applicable jurisdiction.
- (3) Subject to the provisions of this Plan, the Board is authorized, in its sole discretion, to make such determinations under, and such interpretations of, and take such steps and actions in connection with, the proper administration and operations of the Plan as it may deem necessary or advisable. The Board may delegate to officers or managers of the Corporation, or committees thereof, the authority, subject to such terms as the Board shall determine, to perform such functions, in whole or in part. Any such delegation by the Board may be revoked at any time at the Board's sole discretion. The interpretation, administration, construction and application of the Plan and any provisions hereof made by the Board, or by any officer, manager, committee or any other Person to which the Board delegated authority to perform such functions, shall be final and binding on the Corporation, its Subsidiaries and all Eligible Participants.

- (4) No member of the Board or any Person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination taken or made in good faith in the administration, interpretation, construction or application of the Plan or any Award granted hereunder. Members of the Board or and any person acting at the direction or on behalf of the Board, shall, to the extent permitted by law, be fully indemnified and protected by the Corporation with respect to any such action or determination.
- (5) The Plan shall not in any way fetter, limit, obligate, restrict or constrain the Board with regard to the allotment or issuance of any Shares or any other securities in the capital of the Corporation. For greater clarity, the Corporation shall not by virtue of this Plan be in any way restricted from declaring and paying stock dividends, repurchasing Shares or varying or amending its share capital or corporate structure.

### **Section 2.3 Participation in this Plan**

- (1) The Corporation makes no representation or warranty as to the future market value of the Shares or with respect to any income tax matters affecting any Participant resulting from the grant of an Award, transactions in the Shares or otherwise in respect of participation under the Plan. Neither the Corporation, nor any of its directors, officers, employees, shareholders or agents shall be liable for anything done or omitted to be done by such Person or any other Person with respect to the price, time, quantity or other conditions and circumstances of the issuance of Shares hereunder, or in any other manner related to the Plan. For greater certainty, no amount will be paid to, or in respect of, a Participant under the Plan or pursuant to any other arrangement, and no additional Awards will be granted to such Participant to compensate for a downward fluctuation in the price of the Shares, nor will any other form of benefit be conferred upon, or in respect of, a Participant for such purpose. The Corporation and its Subsidiaries do not assume and shall not have responsibility for the income or other tax consequences resulting to any Participant and each Participant is advised to consult with his or her own tax advisors.
- (2) Participants (and their legal representatives) shall have no legal or equitable right, claim, or interest in any specific property or asset of the Corporation or any of its Subsidiaries. No asset of the Corporation or any of its Subsidiaries shall be held in any way as collateral security for the fulfillment of the obligations of the Corporation or any of its Subsidiaries under this Plan. Unless otherwise determined by the Board, this Plan shall be unfunded. To the extent any Participant or his or her estate holds any rights by virtue of a grant of Awards under this Plan, such rights (unless otherwise determined by the Board) shall be no greater than the rights of an unsecured creditor of the Corporation.
- (3) Unless otherwise determined by the Board, the Corporation shall not offer financial assistance to any Participant in regards to the exercise of any Award granted under this Plan.

### **Section 2.4 Shares Subject to the Plan**

- (1) Subject to adjustment pursuant to Article 5 hereof, the securities that may be acquired by Participants under this Plan shall consist of authorized but unissued Shares.
- (2) The maximum number of Shares reserved for issuance, in the aggregate, under this Plan shall be equal to 10% of the Outstanding Issue, less any Shares underlying Options granted under the Option Plan, or other Share Compensation Arrangement of the Corporation. For the purposes of calculating the number of Shares reserved for issuance under this Plan, each Share subject to a RSU shall be counted as reserving one Share under the Plan, and each Share subject to an Option shall be counted

as reserving one Share. The Plan is considered to be an "evergreen" plan as Shares of the Corporation covered by Awards which have been exercised or settled, as applicable, will be available for subsequent grant under the Plan and the number of Awards that may be granted under the Plan increases if the total number of issued and outstanding Shares of the Corporation increases.

- (3) No Award that can be settled in Shares issued from treasury may be granted if such grant would have the effect of causing the total number of Shares subject to such Award to exceed the above-noted total numbers of Shares reserved for issuance pursuant to the settlement of Awards.
- (4) If an outstanding Award (or portion thereof) expires or is forfeited, surrendered, cancelled or otherwise terminated for any reason without having been exercised or settled in full, or if Shares acquired pursuant to an Award subject to forfeiture are forfeited, the Shares covered by such Award, if any, will again be available for issuance under the Plan. Shares will not be deemed to have been issued pursuant to the Plan with respect to any portion of an Award that is settled in cash.

### **Section 2.5 Limits with Respect to Insiders, Individual Limits, Annual Grant Limits and Non-Employee Director Limits**

- (1) The maximum number of the Corporation's securities issuable to Insiders, at any time under the Plan, or when combined with all of the Corporation's other Share Compensation Arrangements, cannot exceed 10% of the Corporation's total issued and outstanding securities.
- (2) The maximum number of the Corporation's securities issuable to Insiders, within any one-year period, under the Plan, or when combined with all of the Corporation's other Share Compensation Arrangement, cannot exceed 10% of the Corporation's total issued and outstanding securities.
- (3) The maximum number of Shares that may be made issuable pursuant to Awards made to employees and Non-Employee Directors within any one-year period shall not exceed 5% of the Outstanding Issue (as of the commencement of such one-year period).
- (4) The Board may make Awards to Non-Employee Directors under the Plan provided that:
  - (a) the annual grant of Awards under this Plan to any one Non-Employee Director shall not exceed \$150,000 in value (based on a Black-Scholes calculation or such other similar and acceptable methodology, applied consistently and appropriately as determined by the Board); and
  - (b) the maximum number of Shares that may be made issuable pursuant to Awards made to all Non-Employee Directors within any one-year period shall not exceed 1% of the Outstanding Issue (as of the commencement of such one-year period).

### **Section 2.6 Granting of Awards**

Any Award granted under the Plan shall be subject to the requirement that, if at any time counsel to the Corporation shall determine that the listing, registration or qualification of the Shares subject to such Award, if applicable, upon any stock exchange or under any law or regulation of any jurisdiction, or the consent or approval of any stock exchange or any governmental or regulatory body, is necessary as a condition of, or in connection with, the grant of such Awards or the issuance or purchase of Shares thereunder, if applicable, such Award may not be accepted or exercised in whole or in part unless such listing, registration, qualification, consent or approval shall have been effected or obtained on conditions

acceptable to the Board. Nothing herein shall be deemed to require the Corporation to apply for or to obtain such listing, registration, qualification, consent or approval.

### **ARTICLE 3 RESTRICTED SHARE UNITS**

#### **Section 3.1 Nature of RSUs**

An RSU is an Award in the nature of a bonus for services rendered, or for future services to be rendered, and that, upon settlement, entitles the recipient Participant to acquire Shares pursuant and subject to such restrictions and conditions as the Board may determine at the time of grant, unless such RSU expires prior to being settled. Vesting conditions may, without limitation, be based on continuing employment (or other service relationship) and/or achievement of Performance Criteria.

#### **Section 3.2 RSU Awards**

- (1) The Board shall, from time to time by resolution, in its sole discretion, (i) designate the Eligible Participants who may receive RSUs under the Plan, (ii) fix the number of RSUs, if any, to be granted to each Eligible Participant and the date or dates on which such RSUs shall be granted, (iii) determine the relevant conditions, vesting provisions (including the applicable Performance Period and Performance Criteria, if any) and Restriction Period of such RSUs, and (iv) any other terms and conditions applicable to the granted RSUs, which need not be identical and which, without limitation, may include non-competition provisions, subject to the terms and conditions prescribed in this Plan and in any RSU Agreement.
- (2) Subject to the vesting and other conditions and provisions in this Plan and in the RSU Agreement, each RSU awarded to a Participant shall entitle the Participant to receive on settlement one Share. For greater certainty, the Corporation is obligated to deliver one Share on the settlement of each RSU and shall have no independent discretion to settle an RSU in cash or other property other than Shares (subject only to an election by a Participant in accordance with Section 4.5(3), below).

#### **Section 3.3 RSU Agreements**

- (1) The grant of an RSU by the Board shall be evidenced by an RSU Agreement in such form not inconsistent with the Plan as the Board may from time to time determine. Such RSU Agreement shall be subject to all applicable terms and conditions of this Plan and may be subject to any other terms and conditions (including without limitation any recoupment, reimbursement or claw-back compensation policy as may be adopted by the Board from time to time) which are not inconsistent with this Plan and which the Board, on the recommendation of the Committee, deems appropriate for inclusion in an RSU Agreement. The provisions of the various RSU Agreements issued under this Plan need not be identical.
- (2) The RSU Agreement shall contain such terms that the Corporation considers necessary in order that the RSU will comply with any provisions respecting restricted share units in the income tax or other laws in force in any country or jurisdiction of which the Participant may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

#### **Section 3.4 Vesting and Restriction Period**

- (1) The Board shall have sole discretion to determine if any Performance Criteria and/or other vesting conditions with respect to an RSU, and as contained in the RSU Agreement governing such RSU,

have been met and shall communicate to a Participant as soon as reasonably practicable when any such applicable Performance Criteria has been satisfied.

- (2) The Board shall determine, and shall evidence in the applicable RSU Agreement, the period during which a vested RSU may be redeemed by either the Corporation or the Participant, and may determine the maximum period, during which any vested RSU may remain outstanding prior to settlement (the "**Restriction Period**").

### **Section 3.5 Redemption / Settlement of RSUs**

- (1) Subject to the terms of the applicable RSU Agreement (including confirmation satisfaction of any Performance Criteria, which shall be at the sole discretion of the Corporation), vested RSUs may be redeemed by a Participant, in whole or in part, at any time on or prior to the end of the Restriction Period, upon delivery of a Notice of Redemption to the Corporation in the form attached hereto as Exhibit D. The Notice of Redemption shall specify the date upon which such vested RSUs shall be redeemed, which date shall be no later than the end of the Restriction Period (the "**Redemption Date**").
- (2) Upon receipt by the Corporation of a Notice of Redemption, the Corporation shall redeem the RSUs on the Redemption Date and shall satisfy the redemption, as soon as reasonably practicable, by issuing from treasury one Share for each full RSU to be redeemed (subject to the satisfaction of any applicable withholding tax under Section 6.2). For greater certainty, the Corporation shall not issue any Shares to a Participant in satisfaction of the redemption of an RSU prior to the Corporation being satisfied in its sole discretion that all applicable taxes under Section 6.2 will be timely withheld or received and remitted to the appropriate taxation authorities in respect of any particular Participant and any particular RSU.
- (3) Notwithstanding Section 3.5(2), the Participant will have, at its sole discretion, the ability to elect in its Notice of Redemption to redeem such portion (and only such portion) of its vested RSUs on the Redemption Date for a cash amount equal to the Tax Obligations associated with aggregate number of RSUs to be redeemed (the "**RSU Cash Equivalent**") in lieu of receiving Shares for such RSUs. For greater certainty, the Corporation will have no discretion to satisfy the redemption of any RSUs for the RSU Cash Equivalent in the absence of a unilateral election by the Participant in its Notice of Redemption.
- (4) Notwithstanding Sections 3.5(1) to (3), the Corporation shall be entitled to redeem any vested RSUs on or prior to the end of the Restriction Period and to establish the applicable Redemption Date, subject to the terms of any applicable RSU Agreement. Subject to the terms of the applicable RSU Agreement, if the Corporation proposes to redeem a Participant's vested RSUs, it shall first provide notice to the Participant at least five (5) days prior to the proposed redemption indicating the proposed Redemption Date, during which time the Participant will be entitled to exercise its rights in Section 3.5(1) to complete and deliver to the Corporation a Notice of Redemption in respect of such RSUs (provided that the Participant will not be entitled to select in such Notice of Redemption a Redemption Date that is different from the Redemption Date otherwise specified by the Corporation). If the Participant does not deliver a Notice of Redemption to the Corporation prior to the proposed Redemption Date, the Corporation shall redeem such RSUs on the Redemption Date and deliver the applicable number of Shares to the Participant as soon as reasonably practicable, subject to the satisfaction of any applicable withholding tax under Section 6.2.

- (5) Settlement of RSUs shall take place through:
- (a) delivery to the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) of a certificate in the name of the Participant representing in the aggregate such number of Shares as the Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive, subject to satisfaction of any applicable withholding tax under Section 6.2;
  - (b) in the case of Shares issued in uncertificated form, issuance of the aggregate number of Shares as the Participant (or the liquidator, executor or administrator, as the case may be, of the estate of the Participant) shall be entitled to receive, subject to satisfaction of any applicable withholding tax under Section 6.2, to be evidenced by a book position on the register of the shareholders of the Corporation to be maintained by the transfer agent and registrar of the Shares; and
  - (c) where a Participant has elected in a Notice of Redemption to settle a portion of its RSUs for the RSU Cash Equivalent, the Participant shall be deemed to have instructed the Corporation to withhold and remit such RSU Cash Equivalent to the applicable taxation authorities on account of any withholding obligations of the Corporation pursuant to Section 6.2 and the Corporation shall deliver any excess cash after making the necessary remittances as soon as reasonable practicable.

### **Section 3.6 Determination of Amounts**

- (1) For purposes of determining any RSU Cash Equivalent, such calculation will be made on the Redemption Date based on the Market Value on such date multiplied by the number of vested RSUs in the Participant's Account that the Participant has elected in a Notice of Redemption to be settled in cash.
- (2) For the purposes of determining the number of Shares to be issued or delivered to a Participant upon settlement of RSUs pursuant to Section 3.5, such calculation will be made on the Redemption Date based on the whole number of Shares equal to the whole number of vested RSUs then recorded in the Participant's Account less any RSUs that a Participant has elected in a Notice of Redemption to be settled in the RSU Cash Equivalent.

### **Section 3.7 Award of Dividend Equivalents**

Dividend Equivalents may, as determined by the Board in its sole discretion, be awarded in respect of unvested RSUs in a Participant's Account on the same basis as cash dividends declared and paid on Shares as if the Participant was a shareholder of record of Shares on the relevant record date. Dividend Equivalents, if any, will be credited to the Participant's Account in additional RSUs, the number of which shall be equal to a fraction where the numerator is the product of (i) the number of RSUs in such Participant's Account on the date that dividends are paid multiplied by (ii) the dividend paid per Share and the denominator of which is the Market Value of one Share calculated on the date that dividends are paid. Any additional RSUs credited to a Participant's Account as a Dividend Equivalent shall be subject to the same terms and conditions (including vesting and Restriction Periods) as the RSUs in respect of which such additional RSUs are credited.

In the event that the Participant's applicable RSUs do not vest, all Dividend Equivalents, if any, associated with such RSUs will be forfeited by the Participant and returned to the Corporation's account.

**ARTICLE 4**  
**GENERAL CONDITIONS**

**Section 4.1 General Conditions Applicable to Awards**

Each Award, as applicable, shall be subject to the following conditions:

- (1) **Vesting Period.** Each Award granted hereunder shall vest in accordance with the terms of the Grant Agreement entered into in respect of such Award. The Board has the right to accelerate the date upon which any Award becomes exercisable notwithstanding the vesting schedule set forth for such Award, regardless of any adverse or potentially adverse tax consequence resulting from such acceleration.
- (2) **Employment.** Notwithstanding any express or implied term of this Plan to the contrary, the granting of an Award pursuant to the Plan shall in no way be construed as a guarantee by the Corporation or a Subsidiary to the Participant of employment or another service relationship with the Corporation or a Subsidiary. The granting of an Award to a Participant shall not impose upon the Corporation or a Subsidiary any obligation to retain the Participant in its employ or service in any capacity. Nothing contained in this Plan or in any Award granted under this Plan shall interfere in any way with the rights of the Corporation or any of its Affiliates in connection with the employment, retention or termination of any such Participant. The loss of existing or potential profit in Shares underlying Awards granted under this Plan shall not constitute an element of damages in the event of termination of a Participant's employment or service in any office or otherwise.
- (3) **Grant of Awards.** Eligibility to participate in this Plan does not confer upon any Eligible Participant any right to be granted Awards pursuant to this Plan. Granting Awards to any Eligible Participant does not confer upon any Eligible Participant the right to receive nor preclude such Eligible Participant from receiving any additional Awards at any time. The extent to which any Eligible Participant is entitled to be granted Awards pursuant to this Plan will be determined in the sole discretion of the Board. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Eligible Participant's relationship or employment with the Corporation or any Subsidiary.
- (4) **Rights as a Shareholder.** Neither the Participant nor such Participant's personal representatives or legatees shall have any rights whatsoever as shareholder in respect of any Shares covered by such Participant's Awards by reason of the grant of such Award until such Award has been duly exercised, as applicable, and settled and Shares have been issued in respect thereof. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Shares have been issued.
- (5) **Conformity to Plan.** In the event that an Award is granted or a Grant Agreement is executed which does not conform in all particulars with the provisions of the Plan, or purports to grant Awards on terms different from those set out in the Plan, the Award or the grant of such Award shall not be in any way void or invalidated, but the Award so granted will be adjusted to become, in all respects, in conformity with the Plan.
- (6) **Non-Transferrable Awards.** Except as specifically provided in a Grant Agreement approved by the Board, each Award granted under the Plan is personal to the Participant and shall not be assignable or transferable by the Participant, whether voluntarily or by operation of law, except by will or by the laws of succession of the domicile of the deceased Participant. No Award granted



hereunder shall be pledged, hypothecated, charged, transferred, assigned or otherwise encumbered or disposed of on pain of nullity.

- (7) **Participant's Entitlement.** Except as otherwise provided in this Plan or unless the Board permits otherwise, upon any Subsidiary of the Corporation ceasing to be a Subsidiary of the Corporation, Awards previously granted under this Plan that, at the time of such change, are held by a Person who is a director, executive officer, employee or Consultant of such Subsidiary of the Corporation and not of the Corporation itself, whether or not then exercisable, shall automatically terminate on the date of such change.

#### **Section 4.2 General Conditions Applicable to RSUs**

Each RSU shall be subject to the following conditions:

- (1) **Termination for Cause and Resignation.** Upon a Participant ceasing to be an Eligible Participant for Cause or as a result of his or her resignation from the Corporation or a Subsidiary, the Participant's participation in the Plan shall be terminated immediately, all RSUs credited to such Participant's Account that have not vested shall be forfeited and cancelled, and the Participant's rights that relate to such Participant's unvested RSUs shall be forfeited and cancelled on the Termination Date.
- (2) **Death, Leave of Absence or Termination of Service.** Except as otherwise determined by the Board from time to time, at its sole discretion, upon a Participant electing a voluntary leave of absence of more than twelve (12) months, including maternity and paternity leaves, or upon a Participant ceasing to be Eligible Participant as a result of (i) death, (ii) retirement, (iii) Termination of Service for reasons other than for Cause, (iv) his or her employment or service relationship with the Corporation or a Subsidiary being terminated by reason of injury or disability or (v) becoming eligible to receive long-term disability benefits, all unvested RSUs in the Participant's Account as of such date relating to a Restriction Period in progress shall remain outstanding and in effect pursuant to the terms of the applicable RSU Agreement, and
- (a) If the Board determines that the vesting conditions are not met for such RSUs, then all unvested RSUs credited to such Participant's Account shall be forfeited and cancelled and the Participant's rights that relate to such unvested RSUs shall be forfeited and cancelled; and
- (b) If the Board determines that the vesting conditions are met for such RSUs, the Participant shall be entitled to receive pursuant to Section 3.5 that number of Shares equal to the number of RSUs outstanding in the Participant's Account in respect of such Restriction Period multiplied by a fraction, the numerator of which shall be the number of completed months of service of the Participant with the Corporation or a Subsidiary during the applicable Restriction Period as of the date of the Participant's death, retirement, termination or Eligibility Date and the denominator of which shall be equal to the total number of months included in the applicable Restriction Period (which calculation shall be made as of the date that the applicable RSUs are to be settled) and the Corporation shall (i) issue such number of Shares to the Participant or the liquidator, executor or administrator, as the case may be, of the estate of the Participant, as soon as practicable thereafter, but no later than the end of the Restriction Period, and (ii) debit the corresponding number of RSUs from the Account of such Participant's or such deceased Participants', as the case may be, and the Participant's rights to all other Shares that relate to such Participant's RSUs shall be forfeited and cancelled. The terms of Section 4.5 shall apply insofar as the

Participant or the liquidator, executor or administrator, as the case may be, of the estate of the Participant shall be reasonably entitled to complete a Notice of Redemption and elect an RSU Cash Equivalent prior to the redemption of vested RSUs by the Corporation pursuant to this Section 4.2(2)(b).

- (3) **General.** For greater certainty, where (i) a Participant's employment or service relationship with the Corporation or a Subsidiary is terminated pursuant to Section 4.2(1) or Section 4.2(2) hereof or (ii) a Participant elects for a voluntary leave of absence pursuant to Section 4.2(2) hereof following the satisfaction of all vesting conditions in respect of particular RSUs but before receipt of the corresponding distribution or payment in respect of such RSUs, the Participant shall remain entitled to such distribution or payment.

## **ARTICLE 5 ADJUSTMENTS AND AMENDMENTS**

### **Section 5.1 Adjustment to Shares Subject to Outstanding Awards**

At any time after the grant of an Award to a Participant and prior to the expiration of the term of such Award or the forfeiture or cancellation of such Award, in the event of (i) any subdivision of the Shares into a greater number of Shares, (ii) any consolidation of Shares into a lesser number of Shares, (iii) any reclassification, reorganization or other change affecting the Shares, (iv) any merger, amalgamation or consolidation of the Corporation with or into another corporation, or (v) any distribution to all holders of Shares or other securities in the capital of the Corporation, of cash, evidences of indebtedness or other assets of the Corporation (excluding an ordinary course dividend in cash or shares, but including for greater certainty shares or equity interests in a subsidiary or business unit of the Corporation or one of its subsidiaries or cash proceeds of the disposition of such a subsidiary or business unit) or any transaction or change having a similar effect, then the Board shall in its sole discretion, subject to the required approval of any Stock Exchange, determine the appropriate adjustments or substitutions to be made in such circumstances in order to maintain the economic rights of the Participant in respect of such Award in connection with such occurrence or change, including, without limitation:

- (a) adjustments to the exercise price of such Award without any change in the total price applicable to the unexercised portion of the Award;
- (b) adjustments to the number of Shares to which the Participant is entitled upon exercise of such Award; or
- (c) adjustments to the number of kind of Shares reserved for issuance pursuant to the Plan.

### **Section 5.2 Change of Control**

- (1) In the event of a potential Change of Control, the Board shall have the power, in its sole discretion, to modify the terms of this Plan and/or the Awards to assist the Participants to tender into a take-over bid or participating in any other transaction leading to a Change of Control. For greater certainty, in the event of a take-over bid or any other transaction leading to a Change of Control, the Board shall have the power, in its sole discretion, to provide that any or all Awards shall thereupon terminate, provided that any such outstanding Awards that have vested shall remain exercisable until consummation of such Change of Control. If, however, the potential Change of Control referred to in this Section 5.2 is not completed within the time specified therein (as the same may be extended), then the original terms applicable to Awards which vested pursuant to this

Section 5.2 shall be reinstated notwithstanding this Section 5.2 or the definition of "Change of Control".

- (2) If the Corporation completes a transaction constituting a Change of Control and within twelve (12) months following the Change of Control a Participant who was also an officer or employee of, or Consultant to, the Corporation prior to the Change of Control has their position, employment or consulting agreement terminated, or the Participant is constructively dismissed, then all unvested Awards shall immediately vest and become exercisable, and remain open for exercise until the earlier of their expiry date as set out in the Award Agreement.

### **Section 5.3 Amendment or Discontinuance of the Plan**

- (1) The Board may suspend or terminate the Plan at any time, or from time to time amend or revise the terms of the Plan or any granted Award without the consent of the Participants provided that such suspension, termination, amendment or revision shall:
  - (a) not adversely alter or impair the rights of any Participant, without the consent of such Participant except as permitted by the provisions of the Plan;
  - (b) be in compliance with applicable law and with the prior approval, if required, of the shareholders of the Corporation, the TSXV, or any other regulatory body having authority over the Corporation; and
  - (c) be subject to shareholder approval, where required by law or the requirements of the TSXV provided that the Board may, from time to time, in its absolute discretion and without approval of the shareholders of the Corporation make the following amendments to this Plan:
    - (i) any amendment to the vesting provision, if applicable, or assignability provisions of the Awards;
    - (ii) any amendment to the expiration date of an Award that does not extend the terms of the Award past the original date of expiration of such Award;
    - (iii) any amendment regarding the effect of termination of a Participant's employment or engagement;
    - (iv) any amendment necessary to comply with applicable law or the requirements of the TSXV or any other regulatory body;
    - (v) any amendment of a "housekeeping" nature, including to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan;
    - (vi) any amendment regarding the administration of the Plan;
    - (vii) any amendment to add provisions permitting the grant of Awards settled otherwise than with Shares issued from treasury, or adopt a clawback provision applicable to equity compensation; and

- (viii) any other amendment that does not require the approval of the shareholders of the Corporation under Section 5.3(2).
- (2) Notwithstanding Section 5.3(1), the Board shall be required to obtain shareholder approval to make the following amendments:
- (a) any increase to the maximum number of Shares issuable under the Plan, except in the event of an adjustment pursuant to Article 5;
  - (b) any amendment which extends the expiry date of any Award, or the Restriction Period of any RSU beyond the original expiry date or Restriction Period;
  - (c) any amendment which increases the maximum number of Shares that may be (i) issuable to Insiders at any time; or (ii) issued to Insiders under the Plan and any other proposed or established Share Compensation Arrangement in a one-year period, except in case of an adjustment pursuant to Article 5;
  - (d) any amendment to the number of Shares that may be made issuable pursuant to Awards made to employees and Non-Employee Directors within any one year period;
  - (e) any amendment to the limits on Awards to Non-Employee Directors set out in Section 2.5(4); and
  - (f) any amendment to the definition of an Eligible Participant under the Plan;

provided that Shares held directly or indirectly by Insiders benefiting from the amendments shall be excluded when obtaining such shareholder approval.

## **ARTICLE 6 MISCELLANEOUS**

### **Section 6.1 Use of an Administrative Agent and Trustee**

The Board may in its sole discretion appoint from time to time one or more entities to act as administrative agent or trustee to administer the Awards granted under the Plan and to act as trustee to hold and administer the assets that may be held in respect of Awards granted under the Plan, the whole in accordance with the terms and conditions determined by the Board in its sole discretion. The Corporation and the administrative agent will maintain records showing the number of Awards granted to each Participant under the Plan.

### **Section 6.2 Tax Withholding**

- (1) Notwithstanding any other provision of this Plan, all distributions, delivery of Shares or payments to a Participant (or to the liquidator, executor or administrator, as the case may be, of the estate of the Participant) under the Plan shall be made net of such withholdings, including in respect of applicable taxes and source deductions, as the Corporation determines. If the event giving rise to the withholding obligation involves an issuance or delivery of Shares, then, the withholding may be satisfied in such manner as the Corporation determines, including by (a) having the Participant elect to have the appropriate number of such Shares sold by the Corporation, the Corporation's transfer agent and registrar or any trustee appointed by the Corporation pursuant to Section 6.1 hereof, on behalf of and as agent for the Participant as soon as permissible and practicable, with the proceeds of such sale being delivered to the Corporation, which will in turn remit such amounts

to the appropriate governmental authorities, or (b) any other mechanism as may be required or determined by the Corporation as appropriate.

- (2) Notwithstanding Section 6.2(1), the applicable tax withholdings may be waived where a Participant directs in writing that a payment be made directly to the Participant's registered retirement savings plan in circumstances to which subsection 100(3) of the regulations made under the Tax Act apply.

### **Section 6.3 Clawback**

Notwithstanding any other provisions in this Plan, any Award which is subject to recovery under any law, government regulation or stock exchange listing requirement, will be subject to such deductions and clawback as may be required to be made pursuant to such law, government regulation or stock exchange listing requirement (or any policy adopted by the Corporation pursuant to any such law, government regulation or stock exchange listing requirement) or any policy adopted by the Corporation. Without limiting the generality of the foregoing, the Board may provide in any case that outstanding Awards (whether or not vested or exercisable) and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards will be subject to forfeiture and disgorgement to the Corporation, with interest and other related earnings, if the Participant to whom the Award was granted violates (i) a non-competition, non-solicitation, confidentiality or other restrictive covenant by which he or she is bound, or (ii) any policy adopted by the Corporation applicable to the Participant that provides for forfeiture or disgorgement with respect to incentive compensation that includes Awards under the Plan. In addition, the Board may require forfeiture and disgorgement to the Corporation of outstanding Awards and the proceeds from the exercise or disposition of Awards or Shares acquired under Awards, with interest and other related earnings, to the extent required by law or applicable stock exchange listing standards, including any related policy adopted by the Corporation. Each Participant, by accepting or being deemed to have accepted an Award under the Plan, agrees to cooperate fully with the Board, and to cause any and all permitted transferees of the Participant to cooperate fully with the Board, to effectuate any forfeiture or disgorgement required hereunder. Neither the Board nor the Corporation nor any other person, other than the Participant and his or her permitted transferees, if any, will be responsible for any adverse tax or other consequences to a Participant or his or her permitted transferees, if any, that may arise in connection with this Section 6.3.

### **Section 6.4 Securities Law Compliance**

- (1) The Plan (including any amendments to it), the terms of the grant of any Award under the Plan, the grant of any Award, and the Corporation's obligation to sell and deliver Shares in respect of any Awards, shall be subject to all applicable federal, provincial, state and foreign laws, rules and regulations, the rules and regulations of applicable Stock Exchanges and to such approvals by any regulatory or governmental agency as may, as determined by the Corporation, be required. The Corporation shall not be obliged by any provision of the Plan or the grant of any Award hereunder to issue, sell or deliver Shares in violation of such laws, rules and regulations or any condition of such approvals.
- (2) No Awards shall be granted, and no Shares shall be issued, sold or delivered hereunder, where such grant, issue, sale or delivery would require registration of the Plan or of the Shares under the securities laws of any jurisdiction or the filing of any prospectus for the qualification of same thereunder, and any purported grant of any Award or purported issue or sale of Shares hereunder in violation of this provision shall be void.
- (3) The Corporation shall have no obligation to issue any Shares pursuant to this Plan unless upon official notice of issuance such Shares shall have been duly listed with a Stock Exchange. Shares

issued, sold or delivered to Participants under the Plan may be subject to limitations on sale or resale under applicable securities laws.

#### **Section 6.5 Reorganization of the Corporation**

The existence of any Awards shall not affect in any way the right or power of the Corporation or its shareholders to make or authorize any adjustment, reclassification, recapitalization, reorganization or other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation or to create or issue any bonds, debentures, shares or other securities of the Corporation or the rights and conditions attaching thereto or to affect the dissolution or liquidation of 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.

#### **Section 6.6 Quotation of Shares**

So long as the Shares are listed on one or more Stock Exchanges, the Corporation must apply to such Stock Exchange or Stock Exchanges for the listing or quotation, as applicable, of the Shares underlying the Awards granted under the Plan, however, the Corporation cannot guarantee that such Shares will be listed or quoted on any Stock Exchange.

#### **Section 6.7 Governing Laws**

The Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

#### **Section 6.8 Severability**

The invalidity or unenforceability of any provision of the Plan shall not affect the validity or enforceability of any other provision and any invalid or unenforceable provision shall be severed from the Plan.

#### **Section 6.9 Section 409A of the Tax Code**

It is intended that any payments under the Plan to US Taxpayers shall be exempt from or comply with Section 409A of the Code, and all provisions of the Plan shall be construed and interpreted in a manner consistent with the requirements for avoiding taxes and penalties under Section 409A of the Code.

## **SCHEDULE E**

### **RSU PLAN RESOLUTION**

#### **WHEREAS:**

- A. The Board of Directors (the "**Board**") of Mimi's Rock Corp. (the "**Corporation**") approved on June 10, 2019 the adoption of the restricted share unit plan (the "**RSU Plan**") for the benefit of any employee, officer, director, or consultant of the Corporation or any affiliate of the Corporation;
- B. The maximum number of common shares of the Corporation ("**Common Shares**") available for issuance under the RSU Plan shall not exceed 10% of the issued and outstanding Common Shares from time to time less the number of Common Shares reserved for issuance under all other security based compensation arrangements of the Corporation;

#### **NOW THEREFORE BE IT RESOLVED THAT:**

- 1. The RSU Plan, substantially in the form disclosed in the management information circular of the Corporation dated June 10, 2019, be and is hereby approved, ratified and confirmed; and
- 2. Any one director or officer of the Corporation be and is hereby authorized and directed to do such things and to execute and deliver all such instruments, deeds and documents, and any amendments thereto, as may be necessary or advisable in order to give effect to the foregoing resolution.

**SCHEDULE F**

**AUDIT & RISK COMMITTEE CHARTER**

See attached.



## MIMI'S ROCK CORP.

### AUDIT & RISK COMMITTEE CHARTER

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the audit & risk committee (the "**Committee**") of the board of directors (the "**Board**") of Mimi's Rock Corp. (the "**Corporation**").

#### 1. Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- (a) financial reporting and disclosure requirements;
- (b) ensuring that an effective risk management and financial control framework has been implemented and tested by management of the Corporation; and
- (c) external and internal audit processes.

#### 2. Composition and Membership

- (a) The Board will appoint the members of the Committee (the "**Members**"). The Members will be appointed to hold office until the next annual general meeting of shareholders of the Corporation or until their successors are appointed. The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A Member may resign at any time and a Member will automatically cease to be a Member upon ceasing to be a director.
- (b) The Committee will consist of at least three directors. Each Member will meet the criteria for financial literacy established by applicable laws and the rules of any stock exchanges upon which the Corporation's securities are listed, including National Instrument 52-110 – *Audit Committees* and each Member will meet the criteria for independence established by the aforementioned laws and rules. In addition, each director will be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.
- (c) The Board will appoint one of the Members to act as the chair of the Committee (the "**Chair**"). The Chair may appoint an individual to act as the secretary at any Committee meeting. The secretary of the Committee meeting will maintain minutes of the meetings and deliberations of the Committee. The secretary need not be a Member in order to act as the secretary of a Committee meeting.

#### 3. Meetings

- (a) Meetings of the Committee will be held at such times and places as the Chair may determine, but in any event not less than four (4) times per year. Twenty-four (24) hours advance notice of each meeting will be given to each Member orally, by telephone, by facsimile or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by telephone.
- (b) At the request of the external auditors of the Corporation, the Lead Independent Director, the Chair, the Chief Executive Officer or the Chief Financial Officer of the Corporation or

any Member, the Chair will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.

- (c) The Chair, if present, will act as the Chair of meetings of the Committee. If the Chair is not present at a meeting of the Committee the Members in attendance may select one of the members to act as Chair of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chair will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolutions signed by all Members.
- (e) The Committee may invite from time to time such persons as it sees fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee. The Committee may meet in camera without members of management in attendance for a portion of each meeting of the Committee as may be determined by the Chair of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chair, with the assistance of the secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of the Corporation to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

#### **4. Duties and Responsibilities**

The duties and responsibilities of the Committee as they relate to the following matters are as follows:

##### **4.1 Financial Reporting and Disclosure**

- (a) The Committee shall review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and any guidance with respect to earnings per share to be given, prior to the public disclosure of such information, with such documents to indicate whether such information has been reviewed by the Board or the Committee.
- (b) The Committee shall review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such information.
- (c) The Committee shall review with management of the Corporation, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Corporation's financial position and the results of its operations in accordance with IFRS, as applicable.
- (d) The Committee shall seek to ensure that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the

Corporation's financial statements, periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration.

- (e) The Committee shall review the minutes from each meeting of the Responsible Parties, established pursuant to the Corporation's corporate disclosure policy, since the last meeting of the Committee.

#### **4.2 Internal Controls and Audit**

- (a) The Committee shall review the adequacy and effectiveness of the Corporation's system of internal control and management information systems through discussions with management and the external auditor to ensure that the Corporation maintains: (i) the necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Corporation's transactions; (ii) effective internal control systems; and (iii) adequate processes for assessing the risk of material misstatement of the financial statement and for detecting control weaknesses or fraud. From time to time the Committee shall assess whether it is necessary or desirable to establish a formal internal audit department having regard to the size and stage of development of the Corporation at any particular time.
- (b) The Committee shall satisfy itself that management has established adequate procedures for the review of the Corporation's disclosure of financial information extracted or derived directly from the Corporation's financial statements.
- (c) The Committee shall satisfy itself, through discussions with management, that the adequacy of internal controls, systems and procedures has been periodically assessed in order to ensure compliance with regulatory requirements and recommendations.
- (d) The Committee shall review and discuss the Corporation's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
- (e) The Committee shall review, and in the Committee's discretion make recommendations to the Board regarding, the adequacy of the Corporation's risk management policies and procedures with regard to identification of the Corporation's principal risks and implementation of appropriate systems to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Corporation.
- (f) The Committee shall recommend the appointment, or if necessary, the dismissal of the head of the Corporation's internal or external audit process.

#### **4.3 External Audit**

- (a) The Committee shall recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of the Corporation.
- (b) The Committee shall ensure the external auditors report directly to the Committee on a regular basis.
- (c) The Committee shall review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards.
- (d) The Committee shall review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors.

- (e) The Committee shall review the audit plan of the external auditors prior to the commencement of the audit.
- (f) The Committee shall establish and maintain a direct line of communication with the Corporation's external and internal auditors.
- (g) The Committee shall meet in camera with only the auditors, with only management, and with only the members of the Committee at every Committee meeting where, and to the extent that, such parties are present.
- (h) The Committee shall oversee the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditor team.
- (i) The Committee shall oversee the work of the external auditors appointed by the shareholders of the Corporation with respect to preparing and issuing an audit report or performing other audit, review or attest services for the Corporation, including the resolution of issues between management of the Corporation and the external auditors regarding financial disclosure.
- (j) The Committee shall review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of the Corporation, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences.
- (k) The Committee shall discuss with the external auditors their perception of the Corporation's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto.
- (l) The Committee shall discuss with the external auditors their perception of the Corporation's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks.
- (m) The Committee shall review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.
- (n) The Committee shall review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

#### **4.4 Risk Management Oversight**

- (a) The Committee shall periodically review, with the Corporation's management team, the Corporation's systems to monitor and manage major business risks and legal and ethical compliance programs. The Committee shall receive regular reports on compliance systems and procedures and reports on the Corporation's risk management policies and procedures.

- (b) The Committee shall review and consider, at least annually, the Corporation's approach to managing cyber-related risks.
- (c) The Committee shall review and recommend to the Board for approval the risk related disclosure in the Corporation's annual information form, financial statements and related management's discussion and analysis.

#### **4.5 Compliance with Legal and Regulatory Requirements**

- (a) The Committee shall review reports from the Corporation's secretary, legal counsel and other management members on: legal or compliance matters that may have a material impact on the Corporation; the effectiveness of the Corporation's compliance policies; and any material communications received from regulators.
- (b) The Committee shall review management's evaluation of and representations relating to compliance with applicable law and management's plans to remediate any deficiencies identified.

#### **4.6 Associated Responsibilities**

- (a) The Committee shall review and approve the Corporation's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Corporation.

#### **4.7 Non-Audit Services**

- (a) The Committee shall pre-approve all non-audit services to be provided to the Corporation or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such member or members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

### **5. Oversight Function**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that the Corporation's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of management and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Corporation, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Corporation's financial information or public disclosure.

## **6. Reporting**

The Chair will report to the Board at each Board meeting on the Committee's activities since the last Board meeting. The Committee will annually review and approve the Committee's report for inclusion in the annual information form. The secretary will circulate the minutes of each meeting of the Committee to the members of the Board.

## **7. Access to Information and Authority**

The Committee will be granted unrestricted access to all information regarding the Corporation that is necessary or desirable to fulfill its duties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Corporation's expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve any such firm's fees and other retention terms without prior approval of the Board. The Committee also has the authority to communicate directly with internal and external auditors.

## **8. Review of Charter**

The Committee will annually review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.