



Molecule

MOLECULE HOLDINGS INC.

**NOTICE OF ANNUAL GENERAL MEETING OF
SHAREHOLDERS**

TO BE HELD ON APRIL 27, 2022

- AND -

MANAGEMENT INFORMATION CIRCULAR

MARCH 24, 2022

MOLECULE HOLDINGS INC.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

TO BE HELD ON APRIL 27, 2022

NOTICE IS HEREBY GIVEN that the annual general meeting (the “**Meeting**”) of the holders (“**Shareholders**”) of common shares (“**Common Shares**”) of Molecule Holdings Inc. (the “**Company**”) will be held at on April 27, 2022 at 3:00 p.m. (Toronto time). The Meeting will be accessible via teleconference at the following toll-free number 1-888-892-3255 for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the financial years ended October 31, 2021 and 2020, together with the auditors’ report thereon;
2. to elect the directors of the Company to hold office until the next general meeting of Shareholders;
3. to re-appoint McGovern Hurley LLP, Chartered Professional Accountants, as auditors of the Company to hold office until the next annual meeting of Shareholders and to authorize the board of directors of the Company to fix its remuneration; and
4. to transact such other business as may properly be brought before the Meeting or any postponement or adjournments thereof.

Accompanying this Notice of Meeting is the Information Circular and a copy of the audited financial statements of the Company for the financial year ended October 31, 2021 and 2020, together with the auditors’ report thereon. Information relating to all of the items above are set forth in the Information Circular. The Board has fixed the close of business on March 21, 2022 (the “**Record Date**”) as the record date for the determination of holders of Common Shares entitled to notice of the Meeting and any adjournments thereof.

Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of our Shareholders, colleagues and the broader community, the Meeting will be accessible via teleconference at the following toll-free number: 1-888-892-3255.

It is recommended that Shareholders dial in at least fifteen (15) minutes before the Meeting starts in order to allow ample time to check into the Meeting.

To join the Meeting via teleconference, please dial: 1-888-892-3255. Please note that you will not be able to vote via live teleconference. If you intend to listen to the Meeting via teleconference you must vote on the matters prior to the Meeting by completing your proxy in accordance with the instructions contained herein and in the proxy.

If you are a Registered Shareholder, please exercise your right to vote by dating, signing and returning the accompanying form of proxy to Computershare Trust Company of Canada, the transfer agent and registrar of the Company. To be valid, completed proxy forms must be dated, completed, signed and deposited with the Company's transfer agent and registrar, Computershare Trust Company of Canada: (i) by mail using the enclosed return envelope or one addressed to

Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (ii) by hand delivery to Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (within Canada, the United States or Internationally); (iv) by telephone at 1-866-732-8683 (within Canada and the United States) or 1-312-588-4290 (Internationally); or (v) through the Internet at www.investorvote.com. You will require your 15-digit control number found on your proxy form.

Your proxy or voting instruction form must be received in each case no later than 3:00 p.m. (Toronto time) on April 25, 2022 (or, if the Meeting is adjourned or postponed, 48 hours (Saturdays, Sundays and holiday excepted) prior to the time of holding the Meeting) in accordance with the delivery instructions above. We encourage you to complete the enclosed form of proxy or voting instruction form as soon as possible so that as large a representation as possible may be had at the Meeting.

DATED at Toronto, Ontario, this 24th day of March, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "David Reingold"

David Reingold
President and Chief Executive Officer

MOLECULE HOLDINGS INC.
ANNUAL GENERAL MEETING OF SHAREHOLDERS
MANAGEMENT INFORMATION CIRCULAR

The information presented in this management information circular (the “**Information Circular**”) is given as of March 24, 2022 unless otherwise indicated.

II. GENERAL PROXY INFORMATION

SOLICITATION OF PROXIES

This Information Circular is furnished in connection with the **solicitation by and on behalf of the management of the Company of proxies** to be used at the annual general meeting of the Company (the “**Meeting**”) of shareholders (the “**Shareholders**”) to be held on April 27, 2022 commencing at 3:00 p.m. (Toronto time), or at such other time or place to which the Meeting may be postponed or adjourned. Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of our Shareholders, colleagues and the broader community, the Meeting, including any and all adjournments or postponements of the Meeting, will be accessible via teleconference at the following toll-free number: 1-888-892-3255 for the purposes set forth in the accompanying Notice of Annual General Meeting of Shareholders (the “**Notice of Meeting**”). Although it is expected that the solicitation of proxies will be primarily by mail, certain officers, directors, employees and service providers of the Company may solicit proxies by telephone, electronic mail, facsimile, personally or by any other means of electronic communication. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The head office of the Company is located at 591 Reynolds Road, Lansdowne, Ontario K0E 1L0. The Company will bear the costs of the proxy solicitation.

No person is authorized to give any information or to make any representation not contained in this Information Circular, and if given or made, such information or representation should not be relied upon as having been authorized. This Information Circular does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of any offer or proxy solicitation. Neither delivery of this Information Circular nor any distribution of the securities referred to in this Information Circular shall, under any circumstances, create an implication that there has been no change in the information set forth herein since the date of this Information Circular.

APPOINTMENT OF PROXYHOLDER

The persons named in the enclosed form of proxy are officers or directors of the Company (the “**Management Proxyholders**”).

A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON, WHO NEED NOT BE A SHAREHOLDER OF THE COMPANY, TO REPRESENT THEM AT THE MEETING MAY DO SO by inserting such other person’s name in the blank space provided in

the form of proxy and depositing the completed proxy with the Company's registrar and transfer agent, Computershare Trust Company of Canada, as instructed below. A proxy can be executed by the Shareholder or his attorney duly authorized in writing, or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized.

In addition to any other manner permitted by law, a proxy may be revoked before it is exercised by instrument in writing executed and delivered in person or by fax, as described below, any time up to and including the last business day preceding the day of the Meeting or any adjournment.

VOTING BY PROXY

Common shares in the capital of the Company ("**Common Shares**") represented by a properly executed proxy will be voted for, against or be withheld from voting, as the case may be, on each matter referred to in the Notice of Meeting in accordance with the instructions of the Shareholder on any ballot that may be called for and if the Shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

If a Shareholder does not specify a choice and the Shareholder has appointed one of the Management Proxyholders as proxyholder, the Management Proxyholder will vote in favour of the matters specified in the Notice of Meeting and in favour of all other matters proposed by management at the Meeting.

The enclosed form of proxy also gives discretionary authority to the person named therein as proxyholder with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting. At the date of this Information Circular, management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

DEPOSIT OF PROXY

Proxies must be deposited: (i) by mail using the enclosed return envelope or one addressed to Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (ii) by hand delivery to Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1; (iii) by facsimile to 1-866-249-7775 (within Canada, the United States or Internationally); (iv) by telephone at 1-866-732-8683 (within Canada and the United States) or 1-312-588-4290 (Internationally); or (v) through the Internet at www.investorvote.com. You will require your 15-digit control number found on your proxy form.

The Proxies must be deposited by not later than 3:00 p.m. (Toronto time) on April 25, 2022 or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to the time of such adjourned Meeting, unless the Chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

DISTRIBUTION TO NOBOS

In accordance with the requirements of National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), the Company will have distributed copies of the Notice of Meeting, this Information Circular and the form of proxy

(collectively, the “**Meeting Materials**”) directly to persons beneficially holding Common Shares (each a “**Non-Registered Holder**”) who have provided instructions to an intermediary (an “**Intermediary**”) that such Non-Registered Holder does not object to the Intermediary disclosing ownership information about the Non-Registered Holder (“**Non-Objecting Beneficial Owner**” or “**NOBO**”). The Company will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials to NOBOs.

These security holder materials are being sent to both Registered and Non-Registered holders of Common Shares. If you are a Non-Registered Holder, and the Company or its agent has sent these materials directly to you, your name and address and information about your holdings of Common Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for proxy enclosed with mailings to NOBOs.

The meeting materials distributed by the Company’s agent to NOBOs include a Voting Instruction Form. Please carefully review the instructions on the Voting Instruction Form for completion and deposit.

DISTRIBUTION TO OBOS

In addition, the Company will cause its agent to deliver copies of the meeting materials to the clearing agencies and Intermediaries for onward distribution to those Non-Registered Holders who have provided instructions to an Intermediary that the Non-Registered Holder objects to the Intermediary disclosing ownership information about the Non-Registered Holder (“**Objecting Beneficial Owner**” or “**OBO**”). The Company will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials to OBOs.

Intermediaries are required to forward the meeting materials to OBOs unless an OBO has waived his or her right to receive them. Intermediaries often use third-party service companies to forward the meeting materials to OBOs. Generally, those OBOs who have not waived the right to receive meeting materials will either:

- (i) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number of Common Shares beneficially owned by the OBO, but which is otherwise uncompleted. This form of proxy need not be signed by the OBO. In this case, the OBO who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services in the manner set out above in this Information Circular with respect to the Common Shares beneficially owned by such OBO; or
- (ii) more typically, be given a voting registration form which is not signed by the Intermediary and which, when properly completed and signed by the OBO and returned to the Intermediary or its service company, will constitute authority and instructions (often called a “**Voting Instruction Form**”) which the Intermediary must follow. Typically, the Voting Instruction Form will consist of a one page pre-printed form. The purpose of this procedure

is to permit the OBO to direct the voting of the Common Shares he or she beneficially owns.

Should a Non-Registered Holder who receives one of the above forms wish to appoint its own proxyholder other than a Management Proxyholder, the Non-Registered Holder should strike out the names of the persons named in the form and insert the Non-Registered Holder or such other person's name in the blank space provided. The Non-Registered Holders should carefully follow the instructions, including those regarding when and where the proxy or Voting Instruction Form is to be delivered.

An OBO may revoke a Voting Instruction Form or a waiver of the right to receive meeting materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary, except that an Intermediary is not required to act on a revocation of a Voting Instruction Form or of a waiver of the right to receive meeting materials and to vote which is not received by the Intermediary at least seven days prior to the Meeting.

REVOCABILITY OF PROXY

A Shareholder who has validly given a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered Shareholder or NOBO, his or her attorney authorized in writing or, if the registered Shareholder or NOBO is a corporation, a corporation under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date by signing and delivering the proxy to: (i) the offices of the Company or (ii) to Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the date of the Meeting, or any postponement or adjournment thereof at which the Proxy is to be used, or deposited with the chair of the Meeting on the day of the Meeting, or any postponement or adjournment thereof. A proxy can be revoked at any time up to and including the last business day preceding the day of the Meeting, or any adjournment of it, at which the proxy is to be used, or to the Chairperson of the Meeting on the day of the Meeting or any adjournment of it. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

Please note that you will not be able to vote via teleconference. If you intend to listen to the Meeting via teleconference you must vote on the matters prior to the Meeting by completing your proxy in accordance with the instructions contained herein and in the proxy.

VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company has fixed the close of business on March 21, 2022 as the record date (the “**Record Date**”) for the purposes of determining Shareholders entitled to receive the Notice and vote at the Meeting. As at the Record Date, 97,406,913 Common Shares carrying the right to one vote per share at the Meeting were issued and outstanding as fully paid and non-assessable.

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

To the knowledge of the directors and executive officers of the Company, as at the date of this Information Circular, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares.

III. PARTICULARS OF MATTERS TO BE ACTED UPON

1. Financial Statements and Auditor's Report

The audited consolidated financial statements of the Company for the years ended October 31, 2021 and 2020, together with the auditors' report thereon will be presented at the Meeting, provided, however, that no vote with respect thereto is required.

Under NI 54-101, a person or company who wishes to receive interim financial statements from the Company must deliver a written request for such material to the Company, together with a signed statement that the person or company is the owner of securities (other than debt instruments) of the Company. Shareholders who wish to receive interim financial statements are encouraged to send the enclosed return card, together with the completed form of proxy, in the addressed envelope provided, to the Company's registrar and transfer agent, Computershare Trust Company of Canada, Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1. The Company will maintain a supplemental mailing list of persons and companies wishing to receive interim financial statements. Additional information relating to the Company is available on SEDAR at www.sedar.com. Shareholders may contact the Company at 591 Reynolds Road, Lansdowne, Ontario K0E 1L0 to request copies of the Company's financial statements and management discussion and analysis ("MD&A").

Financial information is provided in the Company's comparative annual financial statements and MD&A for its most recently completed financial year, which are available on the Company's issuer profile on SEDAR at www.sedar.com.

2. Election of Directors

Shareholders have the option to (i) vote for all of the directors of the Company listed in the table below; (ii) vote for some of the directors and withhold for others; or (iii) withhold for all of the directors. The enclosed form of proxy permits Shareholders to vote for all nominees together or for each nominee on an individual basis.

The articles and by-laws of the Company provide that Board shall consist of a minimum of 1 director and a maximum of ten directors. At the Meeting, Management will propose that the Board be comprised of five directors. The Board presently consists of five directors, namely, André Audet, David Reingold, Philip Waddington, Amy Proulx and Lindsay Weatherdon and are each proposed for re-election. Each director elected will hold office until the next annual meeting of Shareholders or until his or her successor is duly elected or appointed pursuant to the by-laws of the Company unless their office is earlier vacated. The CBCA allows for the Board to appoint additional directors to the Board prior to the next annual meeting provided that the number appointed does not exceed one third of the number of existing directors.

COMMON SHARES REPRESENTED BY PROXIES IN FAVOUR OF MANAGEMENT NOMINEES BY WILL BE VOTED IN FAVOUR OF EACH OF THE PROPOSED NOMINEES BY THE MANAGEMENT PROXYHOLDER UNLESS A SHAREHOLDER

HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES. MANAGEMENT DOES NOT CONTEMPLATE THAT ANY OF SUCH NOMINEES WILL BE UNABLE TO SERVE AS DIRECTORS. HOWEVER, IF FOR ANY REASON, ANY OF THE PROPOSED NOMINEES DO NOT STAND FOR ELECTION OR ARE UNABLE TO SERVE AS SUCH, PROXIES IN FAVOUR OF MANAGEMENT NOMINEES WILL BE VOTED FOR ANOTHER NOMINEE IN THEIR DISCRETION UNLESS THE SHAREHOLDER HAS SPECIFIED IN HIS, HER OR ITS PROXY THAT HIS, HER OR ITS COMMON SHARES ARE TO BE WITHHELD FROM VOTING IN RESPECT OF ANY PARTICULAR NOMINEE OR NOMINEES.

Director Nominees

The following table sets out the name and place of residence of each of the persons proposed to be nominated for election as a director of the Company. In addition, the table sets forth the principal occupation or employment over the past 5 years, the year each person began to serve as a director of the Company and the number of Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them as of the date of this Information Circular. Each director elected at the Meeting will hold office until the next annual meeting of Shareholders or until his or her successor is elected or appointed, unless his or her office is earlier vacated according to the provisions of the by-laws of the Company and the CBCA. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Place of Residence⁽¹⁾	Position(s) Presently Held	Principal Occupation for the Past 5 Years⁽¹⁾	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed⁽²⁾	Percentage of Outstanding Common Shares⁽³⁾
André Audet ⁽⁴⁾⁽⁵⁾⁽⁷⁾ Mallorytown, Ontario, Canada	Chairman of the Board	Since incorporation on October 2019, Mr. Audet has been the founder of BUSL cider. Mr. Audet also acted as Chief Executive Officer of the Company from September 2018 to September 2020 and President and Chief Executive Officer of Molecule Inc. from incorporation in September 2018 to September 2020.	November 2002	9,238,170	9.48%
David Reingold ⁽⁴⁾⁽⁶⁾⁽⁷⁾ Toronto, Ontario Canada	President and Chief Executive Officer	Since September 2021, Mr. Reingold has been the President and Chief Executive Officer of the Company. Since January 2018, Mr. Reingold has also acted as principal at Roar Beverages Canada.	September 2020	1,837,500	1.89%

Name, Place of Residence ⁽¹⁾	Position(s) Presently Held	Principal Occupation for the Past 5 Years ⁽¹⁾	Director Since	Number of Common Shares Beneficially Owned, Directly or Indirectly, or Controlled or Directed ⁽²⁾	Percentage of Outstanding Common Shares ⁽³⁾
Philip Waddington Chelsea, Quebec Canada	Chief Operating Officer	Since September 2021, Mr. Waddington has acted as Chief Operating Officer of the Company. Mr. Waddington also acted in various other roles, including Chief Regulatory Officer and President and CEO of the Company, from November 2019 to September 2021. Mr. Waddington was the Chief Executive Officer of the Canadian Homeopathic Pharmaceutical Association from July 2014 to April 2018.	September 2020	2,437,500	2.50%
Amy Proulx ⁽⁵⁾⁽⁶⁾ Fenwick, Ontario Canada	Independent Director	Since August 2011, Ms. Proulx has been a Professor and Academic Program Coordinator of the Culinary Innovation and Food Technology programs at the Canadian Food and Wine Institute.	September 2020	1,000,000 ⁽⁸⁾	1.02%
Lindsay Weatherdon ⁽⁴⁾⁽⁵⁾⁽⁶⁾⁽⁷⁾ Burlington, Ontario Canada	Independent Director	Since April 1, 2022, Mr. Weatherdon has been Owner/Executive President at Concord National LLP. Prior thereto, Mr. Weatherdon was President of Concord President of Concord National Ontario & Quebec Divisions. Mr. Weatherdon has also acted as President and CEO of Braille Energy Systems Inc. since July 2019.	September 2020	1,000,000 ⁽⁹⁾	1.02%

Notes

- (1) The information as to province or state and country of residence and principal occupation, not being within the knowledge of the Company has been furnished by the respective directors individually.
- (2) The information as to Common Shares beneficially owned or over which a director exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective directors individually and is reported on a non-diluted basis.
- (3) Based on 97,406,913 Common Shares issued and outstanding on a non-diluted basis as at the date of this Information Circular.
- (4) Current member of the audit committee (the “**Audit Committee**”).
- (5) Current member of the corporate governance committee (the “**Governance Committee**”).
- (6) Current member of the compensation committee (the “**Compensation Committee**”).
- (7) Current member of the communications and investor relations committee (the “**Communications Committee**”).
- (8) Represents 600,000 Common Shares held directly and 400,000 Common Shares held in an investment account controlled by Ms. Proulx.
- (9) Represents 600,000 Common Shares held directly and 400,000 Common Shares held in an investment account controlled by Ms. Proulx.

As a group, the proposed directors beneficially own, control or direct, directly or indirectly, 15,513,170 Common Shares, representing 15.93% of the issued and outstanding Common Shares at of the date hereof, on a non-diluted basis. None of the proposed directors own or control greater than 10% of the Common Shares.

No proposed director is to be elected under any arrangement or understanding between the proposed director and any other person or company, except the directors and executive officers of the company acting solely in such capacity.

Corporate Cease Trade Orders

Other than as disclosed below, to the knowledge of the Company, no proposed director is as at the date of this Information Circular, or has been within the 10 years before the date of this Information

Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

- (a) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an “**Order**”), which Order was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer of such company; or
- (b) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

Mr. Audet served as an independent director of North Bud Farms Inc. (“**North Bud**”) until June 30, 2020. Prior to his resignation, on March 31, 2020, the Ontario Securities Commission (the “**OSC**”) granted a management cease trade order (the “**MCTO**”) under National Policy 12-203 - *Management Cease Trade Orders* for a failure by North Bud to file its annual audited financial statements, management’s discussion and analysis and related certifications for the year ended November 30, 2019. On June 2, 2020 the OSC issued a failure-to-file cease trade order (“**FFCTO**”) against North Bud. The FFCTO resulted in a halt in trading of North Bud’s shares until the required documents are filed. North Bud remains subject to the FFCTO. On March 15, 2022, North Bud announced that it is ceasing operations and will be unable to return to active trading status.

Bankruptcies, Penalties or Sanctions

Other than as disclosed below, to the knowledge of the Company, no proposed director:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets;
- (c) has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (d) has been subject to any penalties or sanctions imposed by a court or regulatory

body that would likely be considered important to a reasonable investor in deciding whether to vote for a proposed director.

On November 1, 2013, the Autorité des Marchés Financiers charged Mr. Audet with failing to report, within the prescribed time period, changes in his control over the securities of the Company. A sanction of \$21,000 payable by November 11, 2014 was imposed against Mr. Audet. Mr. Audet paid the fees in full within the prescribed timeline.

Conflicts of Interest

The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and to disclose any interests that they may have in any project or opportunity of the Company. If a conflict of interest arises at a meeting of the Board, any director in a conflict will disclose his interest and abstain from voting on such matter.

To the Company's knowledge, and other than disclosed herein, there are no known existing or potential conflicts of interest among the Company, its promoters, directors and officers or other members of management of the Company or of any proposed promoter, director, officer or other member of management as a result of their outside business interests, except that certain of the directors and officers serve as directors and officers of other companies, and therefore it is possible that a conflict may arise between their duties to the Company and their duties as a director or officer of such other companies.

Management recommends that Shareholders vote FOR the election of the directors.

3. Appointment of Auditor

Management proposes to nominate McGovern Hurley LLP, Chartered Professional Accountants, which firm has been the Company's auditor since the completion of the Company's reverse takeover by Molecule Inc. on September 16, 2020 (the "RTO"). An affirmative vote of the majority of the votes cast at the Meeting is sufficient for the appointment of an auditor. **Proxies in favour of management's nominees will be voted FOR the appointment of McGovern Hurley LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the close of the next annual meeting of Shareholders at remuneration to be fixed by the directors.**

The Board recommends that Shareholders vote FOR the appointment of the auditor of the Company and remuneration to be fixed by the directors.

IV. INTEREST OF CERTAIN PERSONS IN MATTERS TO BE ACTED UPON

No person or company who is, or at any time during the financial year ended October 31, 2021 was, a director or executive officer of the Company, a proposed management nominee for election as a director, or an associate or affiliate of any such director, executive officer or proposed nominee, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors.

V. DIRECTOR AND EXECUTIVE COMPENSATION

The following disclosure of compensation earned by certain executive officers and directors of the Company in connection with their office or employment with the Company is made in accordance with the requirements of National Instrument 51-102 – *Continuous Disclosure Obligations* and Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*. Disclosure is required to be made in relation to "Named Executive Officers", being those individuals who, at any time during the most recently completed financial year, served as the Chief Executive Officer, Chief Financial Officer and each of the Company's three most highly compensated executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation was, individually, more than \$150,000 (the "**Named Executive Officers**").

Compensation Discussion & Analysis

The compensation program of the Company has been designed to reward executives for reinforcing Molecule's business objectives and values, for achieving Molecule's performance objectives and for their individual performances. The program is designed to attract, motivate, reward and retain knowledgeable and skilled executives required to achieve the Company's corporate objectives and increase shareholder value. The main objective of the compensation program is to recognize the contribution of the executive officers to the overall success and strategic growth of the Company and reward management performance by aligning a component of the compensation with the Company's business performance and share value. The philosophy of the Company is to maintain a close monitoring over costs during its start-up phase and then to pay the management a total compensation amount that is competitive with other junior healthcare technology companies in Canada and is consistent with the experience and responsibility level of the management. The purpose of executive compensation is to reward the executives for their contributions to the achievements of the Company on both an annual and long term basis.

Elements of Compensation

The Board has adopted a compensation program that covers four key elements: (i) a base amount of salary and benefits; (ii) a performance-based cash bonus; (iii) long-term equity incentives, including stock options ("**Options**") and restricted share units ("**RSUs**"); and (iv) employee benefits. A description of the criteria used in each element of compensation is set forth below.

1. Base Salary

Each Named Executive Officer receives a base salary, which constitutes a significant portion of the Named Executive Officer's compensation package. Base salary is recognition for discharging day-to-day duties and responsibilities and reflects the Named Executive Officer's performance over time, as well as that individual's particular experience and qualifications. In setting base compensation levels, consideration is given to such factors as level of responsibility, experience, expertise and the amount of time devoted to the affairs of the Company. Subjective factors such as leadership, commitment and attitude are also considered.

A Named Executive Officer's base salary is reviewed by the Board on an annual basis and may be adjusted to take into account performance contributions for the year and to reflect sustained performance contributions over a number of years.

2. Annual Performance Bonus

In addition to base salary, each Named Executive Officer may receive an annual discretionary bonus. The Company's compensation philosophy is to encourage the maximization of shareholder value at all levels of the organization by making cash bonuses a component of compensation.

Annual bonuses may be awarded by the Board based on qualitative and quantitative performance standards, and are intended to reward performance of Named Executive Officers individually. The determination of a Named Executive Officer's performance may vary from year to year depending on economic conditions and conditions in the Company's industry, and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance.

Although no formal bonus plan of the Company has been implemented, each of the Named Executive Officers are eligible, at the discretion of the Board, to receive a performance based bonus at a level established by the Board. To date, no bonuses have been paid out to Named Executive Officers since completion of the RTO.

3. Equity Incentives

To encourage ownership interest in the Company and to further align the interests of management with the Shareholders, the Company has adopted, as a long-term incentive, an Option plan dated January 21, 2021 (the "**Option Plan**") and an RSU plan dated January 21, 2021 (the "**RSU Plan**"). Shareholders have not approved the Option Plan or the RSU Plan and are not being asked to do so at the Meeting as shareholder approval is not required under the policies of the Canadian Securities Exchange (the "**CSE**").

As at the date of this Information Circular, (i) 5,675,000 Options are outstanding under the Option Plan, with exercise prices ranging from \$0.10 to \$0.20 and expiry dates up to February 8, 2026; and (ii) no RSUs are outstanding under the RSU Plan as all awards of RSUs during the year ended October 31, 2021 vested and were settled via the issuance of Common Shares.

A summary of the material terms of the Option Plan and the RSU Plan are set out below:

Option Plan

The Option Plan was adopted by the Board in 2005, amended August 31, 2012, and further amended on January 21, 2021 and is administered by the Board.

The Option Plan is a 10% "rolling" plan pursuant to which the number of Common Shares which may be issuable pursuant to Options granted under the Option Plan, together with other Common Shares issuable pursuant to any other security based compensation arrangements of the Company or its subsidiaries (including the RSU Plan), is a maximum of 10% of the issued and outstanding

Common Shares at the time of the grant.

Participation in the Option Plan is restricted to directors, officers, consultants and employees of the Company and its subsidiaries, and employees of a person or corporation which provides management services (excluding investor relations services) to the Company.

Unless disinterested Shareholder approval is obtained, grants of Options under the Option Plan are subject to the following limits:

- the number of Common Shares issuable under the Option Plan to “Related Persons” (as such term is defined in National Instrument 45-106 – *Prospectus Exemptions*) (“**NI 45-106**”) (together with those Common Shares issuable pursuant to any other security based compensation arrangements of the Company or its subsidiaries, including the RSU Plan) shall not exceed 10% of the issued and outstanding Common Shares from time to time;
- the number of Common Shares issuable under the Equity Incentive Plan to any one Related Person (together with those Common Shares issuable pursuant to any other security-based compensation arrangements of the Company or its subsidiaries, including the RSU Plan) cannot exceed 5% of the Common Shares then issued and outstanding;
- the number of Common Shares issued to Related Persons within a one-year period under the Option Plan (together with those Common Shares issuable pursuant to any other security-based compensation arrangements of the Company or its subsidiaries, including the RSU Plan) cannot exceed 10% of the Common Shares then issued and outstanding; and
- the number of Common Shares issued to any one Related Persons and its associates under the Option Plan within a one-year period (together with those Common Shares that are issued pursuant to any other security-based compensation arrangements of the Company or its subsidiaries) cannot exceed 5% of the Common Shares then issued and outstanding.

The exercise price to purchase Common Shares under each Option granted will be fixed by the Board at the time of the grant of the Option, provided that the exercise price will be not less than the greater of the closing price of the Common Shares on the CSE (or any other stock exchange in which the Common Shares are then listed) on (A) the date of grant; and (B) the trading day immediately preceding the grant.

The expiry date of an Option will be determined by the Board at the time of the grant and such expiry date will not be later than the tenth anniversary of the date of the grant of the Option. Notwithstanding the foregoing, in the event that the term of an Option expires within a “blackout period”, such expiration date shall be automatically extended to the date that is the tenth day following the expiration of the blackout period.

Upon the optionee’s ceasing to be an eligible participant under the Option Plan, the Options will expire twelve (12) months from the date of termination. If the cessation of office, directorship, consulting arrangement or employment is by reason of death, the Option may be exercised by the optionee’s estate for up to one (1) year after such death, subject to the expiry date of such Options.

All Options granted under the Option Plan are non-assignable and not transferable.

RSU Plan

The RSU Plan was adopted by the Board on January 21, 2021 and is administered by the Board or the Compensation Committee, if so appointed.

Participation in the RSU Plan is restricted to directors, officers, consultants and employees of the Company and its subsidiaries.

Awards of RSUs under the RSU Plan are subject to the following limits:

- the maximum number of RSUs which may be reserved for issuance under the RSU Plan is limited to 10% of the issued and outstanding Common Shares on a rolling basis;
- the number of Common Shares issuable under the RSU Plan to any one participant shall not exceed 5% of the issued and outstanding Common Shares from time to time;
- the number of Common Shares issuable under the RSU Plan to any one consultant providing Investor Relations Activities (as defined by the policies of the CSE) shall not exceed 2% of the issued and outstanding Common Shares from time to time;
- unless disinterested Shareholder approval is obtained, the number of Common Shares issuable under the RSU Plan to insiders (together with those Common Shares issuable pursuant to any other security based compensation arrangements of the Company or its subsidiaries, including the Option Plan) shall not exceed 10% of the issued and outstanding Common Shares from time to time; and
- unless disinterested Shareholder approval is obtained, the number of Common Shares issuable under the RSU Plan to insiders within a one-year period (together with those Common Shares issuable pursuant to any other security based compensation arrangements of the Company or its subsidiaries, including the Option Plan) shall not exceed 10% of the issued and outstanding Common Shares from time to time.

Upon satisfaction of the vesting criteria for an RSU, each RSU awarded will conditionally entitle the holder thereof to receive (i) one Common Share (issued from treasury), (ii) a cash payment for an equivalent value to the fair market value of such Common Share, (iii) a combination of a cash payment and issuance of Common Shares; or (iv) in any other forms, at the sole discretion of the administrators of the RSU Plan.

The administrator of the RSU Plan will determine the grants of RSUs to participants in such amounts and upon such terms as they determine. The administrator also will, in its sole discretion, determine the vesting schedule for each grant of RSUs, provided that no RSU granted shall vest after December 31 of the third calendar year following the year of service for which such RSU was granted. Notwithstanding the foregoing, in the event that the date on which an RSU is scheduled to vest occurs during or within 10 business days after the last day of a “blackout period”, the vesting date for such RSU shall be automatically extended to the date that is the tenth business day following the expiration of the blackout period, provided that such date does not occur after

December 31 of the third calendar year following the year of service for which such RSU was granted.

All RSUs granted under the RSU Plan are non-assignable and not transferable.

4. Benefits

The Company makes available to all employees, including executives, a benefits program that consists of health, dental, life and disability coverage. Currently, Mr. Waddington is the only Named Executive Officer covered by the employee benefits program.

Compensation of Directors

Directors do not currently receive any compensation for their roles as directors of the Company. Directors who are also officers of the Company receive compensation in their capacity as officers, but will not be paid by the Company in their capacity as directors.

Compensation Risk

The Board considers and assesses the implications of risks associated with the Company's compensation policies and practices and devotes such time and resources as is believed to be necessary in the circumstances. The Company's practice of compensating its officers primarily through a mix of salary, bonus, benefits and equity incentives is designed to mitigate risk by: (i) ensuring that the Company retains such officers; and (ii) aligning the interests of its officers with the short-term and long-term objectives of the Company and its Shareholders. As at the date of this Information Circular, the Board had not identified risks arising from the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Compensation Governance

In order to assist the Board in fulfilling its oversight responsibilities with respect to compensation matters, the Board has established the Compensation Committee. The Compensation Committee is composed of Mr. David Reingold, Ms. Amy Proulx and Mr. Lindsay Weatherdon. Ms. Proulx and Mr. Weatherdon are "independent" as such term is defined in National Instrument 52-110 - *Audit Committees* ("NI 52-110").

The Compensation Committee meets on compensation matters as and when required with respect to executive compensation. The primary goal of the Compensation Committee as it relates to compensation matters is to ensure that the compensation provided to the Named Executive Officers and the Company's other senior officers is determined with regard to the Company's business strategies and objectives, such that the financial interest of the senior officers is aligned with the financial interest of shareholders, and to ensure that their compensation is fair and reasonable and sufficient to attract and retain qualified and experienced executives. The Compensation Committee is given the authority to engage and compensate any outside advisor that it determines to be necessary to carry out its duties.

Executive Compensation-Related Fees

No executive compensation-related fees were paid in 2020 and 2021.

Summary Compensation Table – Named Executive Officers and Directors

The following table sets forth information concerning the compensation earned during the fiscal years ended October 31, 2021 and October 31, 2020 by each director of the Board and Named Executive Officer.

The Company’s Named Executive Officers who are subject of this compensation discussion and analysis are: (i) David Reingold, current President and Chief Executive Officer; (ii) Jeffrey Stoss, current Chief Financial Officer; (iii) Philip Waddington, former President and Chief Executive Officer (until September 15, 2021); and (iv) Brendan Stutt, former Chief Financial Officer (until November 10, 2020).

Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
David Reingold ⁽¹⁾ President, Chief Executive Officer and Director	2021	91,000	Nil	Nil	Nil	Nil	91,000
	2020	15,750	Nil	Nil	Nil	Nil	15,750
Jeffrey Stoss ⁽²⁾ Chief Financial Officer	2021	129,071	Nil	Nil	Nil	Nil	129,071
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Philip Waddington ⁽³⁾ Chief Operating Officer and Director; Former President and Chief Executive Officer	2021	86,799	Nil	Nil	Nil	Nil	86,799
	2020	75,000	Nil	Nil	Nil	Nil	75,000
Brendan Stutt ⁽⁴⁾ Former Chief Financial Officer	2021	10,000	Nil	Nil	Nil	Nil	10,000
	2020	67,500	Nil	Nil	Nil	Nil	67,500
André Audet ⁽⁵⁾ Chair of the Board, Former President and Chief Executive Officer	2021	26,000	Nil	Nil	Nil	Nil	Nil
	2020	57,500	Nil	Nil	Nil	Nil	57,500
Amy Proulx ⁽⁶⁾ Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Lindsay Weatherdon ⁽⁶⁾ Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Keith Stein ⁽⁷⁾ Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Steve Mintz ⁽⁷⁾ Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil
Michael Fontaine ⁽⁷⁾ Former Director	2021	Nil	Nil	Nil	Nil	Nil	Nil
	2020	Nil	Nil	Nil	Nil	Nil	Nil

Notes

- Mr. Reingold was elected as a director on September 16, 2020 in connection with the RTO. Mr. Reingold was appointed as President and Chief Executive Officer of the Company on September 15, 2021, replacing Mr. Waddington. Mr. Reingold also provided consulting services to Molecule Inc., the Company’s wholly-owned subsidiary, prior to and following the RTO. Amounts in this table include compensation paid by Molecule as of the completion of the RTO.
- Mr. Stoss was appointed as Chief Financial Officer on November 10, 2020, replacing Mr. Stutt. The consulting fees above consist of fees to Positive Venture Group Inc. (“PVG”) and Consero Finance Services Ltd. (“Consero”) for finance outsource services, which include the fees for Mr. Stoss as CFO. See “Management Agreements – Termination and Change of Control Benefits” for additional information.
- Mr. Waddington replaced Mr. Audet as President and Chief Executive Officer replaced Mr. Audet as President and Chief Executive Officer following completion of the RTO. Mr. Waddington then resigned from his position as President and Chief Executive Officer of the Company as of December 31, 2019 and transitioned to the role of Chief Operating Officer. Amounts in this table include compensation paid by Molecule as of the completion of the RTO.

- (4) Mr. Stutt resigned as Chief Financial Officer of the Company on November 10, 2020, replaced by Mr. Stoss. Amounts in this table only include compensation paid to Mr. Stutt (i) in his role of CFO of the Company; and (ii) by Molecule as of the completion of the RTO.
- (5) Mr. Audet resigned as President and Chief Executive Officer following completion of the RTO, replaced by Mr. Waddington. Mr. Audet remains a director of the Company and Chair of the Board. Mr. Audet earned \$57,500 during the year ended October 31, 2020 in his capacity as President and Chief Executive Officer. No fees were paid to Mr. Audet in his capacity as a director. Amounts in this table include compensation paid by Molecule as of the completion of the RTO. All fees paid for Mr. Audet's services are paid to Woodcliff Capital Inc., a company controlled by Mr. Audet.
- (6) Appointed as a director of the Company following completion of the RTO.
- (7) Resigned as a director of the Company following completion of the RTO.

Stock Options and Other Compensation Securities

The Company granted the following security-based compensation securities for Named Executive Officers and Directors during the fiscal year ended October 31, 2021:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾⁽¹⁰⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
David Reingold President, Chief Executive Officer and Director	Stock Option	400,000 ⁽²⁾ (7.14%, 0.42%)	February 8, 2021	\$0.15	\$0.135	\$0.06	February 8, 2026
	RSU	612,500 ⁽²⁾ (N/A, 0.64%)	January 29, 2021	N/A	\$0.12	N/A ⁽⁹⁾	All vested on January 29, 2021
Jeffrey Stoss Chief Financial Officer	Stock Option	Nil ⁽³⁾	N/A	N/A	N/A	N/A	N/A
	RSU	187,500 ⁽³⁾ (N/A, 0.20%)	January 29, 2021	N/A	\$0.12	N/A ⁽⁹⁾	50% vested on March 31, 2021; 50% vested on June 30, 2021
Philip Waddington Chief Operating Officer and Director; Former President and Chief Executive Officer	Stock Option	400,000 ⁽⁴⁾ (7.14%, 0.42%)	February 8, 2021	\$0.15	\$0.135	\$0.06	February 8, 2026
	RSU	375,000 ⁽⁴⁾ (N/A, 0.24%)	January 29, 2021	N/A	\$0.12	N/A ⁽⁹⁾	50% vested on March 31, 2021; 50% vested on June 30, 2021
Brendan Stutt Former Chief Financial Officer	Stock Option	Nil ⁽⁵⁾	N/A	N/A	N/A	N/A	N/A
	RSU	733,333 ⁽⁵⁾	January 29, 2021	N/A	\$0.12	N/A ⁽⁹⁾	233,333 vested on January 29, 2021; 250,000 vested on March 31, 2021; 250,000 vested on June 30, 2021
André Audet Chair of the Board,	Stock Option	400,000 ⁽⁶⁾ (7.84%, 0.004%)	February 8, 2021	\$0.15	\$0.135	\$0.06	February 8, 2026

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾⁽¹⁰⁾	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Former President and Chief Executive Officer	RSU	504,167 ⁽⁶⁾ (N/A, 0.53%)	January 29, 2021	N/A	\$0.12	N/A	204,167 vested on January 29, 2021; 150,000 vested on March 31, 2021; 150,000 vested on June 30, 2021
Amy Proulx Director	Stock Option	400,000 ⁽⁷⁾ (7.84%, 0.004%)	February 8, 2021	\$0.15	\$0.135	\$0.06	February 8, 2026
	RSU	Nil ⁽⁷⁾	N/A	N/A	N/A	N/A	N/A
Lindsay Weatherdon Director	Stock Option	400,000 ⁽⁸⁾ (7.84%, 0.004%)	February 8, 2021	\$0.15	\$0.135	\$0.06	February 8, 2026
	RSU	Nil ⁽⁸⁾	N/A	N/A	N/A	N/A	N/A

Notes

- (1) The percentage of class is based on (i) (A) 5,600,000 outstanding Options or (B) nil outstanding RSUs, as applicable, and (ii) 95,379,326 issued and outstanding Common Shares as at October 31, 2021, respectively. As of the date of this Information Circular, there are currently 97,406,913 Common Shares, 5,675,000 Options and Nil RSUs issued and outstanding.
- (2) As of October 31, 2021, Mr. Reingold holds an aggregate of 400,000 Options and Nil RSUs.
- (3) As of October 31, 2021, Mr. Stoss holds an aggregate of Nil Options and Nil RSUs. During the year ended October 31, 2021, 187,500 RSUs were issued to PVG for finance outsources services, which include the fees of Mr. Stoss as CFO.
- (4) As of October 31, 2021, Mr. Waddington holds an aggregate of 700,000 Options and Nil RSUs. The 300,000 Options not reported in the above table were granted on July 12, 2019 and are exercisable into 300,000 Common Shares at an exercise price of \$0.10 until July 12, 2024.
- (5) As of October 31, 2021, Mr. Stutt holds an aggregate of 300,000 Options and Nil RSUs. The 300,000 Options not reported in the above table were granted on July 12, 2019 and are exercisable into 300,000 Common Shares at an exercise price of \$0.10 until July 12, 2024. The number of securities reported in this table include security-based compensation securities issued to Mr. Stutt following his resignation as CFO.
- (6) As of October 31, 2021, Mr. Audet holds an aggregate of 700,000 Options and Nil RSUs. The 300,000 Options not reported in the above table were granted on July 12, 2019 and are exercisable into 300,000 Common Shares at an exercise price of \$0.10 until July 12, 2024.
- (7) As of October 31, 2021, Ms. Proulx holds an aggregate of 400,000 Options and Nil RSUs.
- (8) As of October 31, 2021, Mr. Weatherdon holds an aggregate of 400,000 Options and Nil RSUs.
- (9) Each RSU granted during the fiscal year ended October 31, 2021 vested and was settled through the issuance of an equivalent number of Common Shares. Accordingly, on October 31, 2021, there were Nil RSUs outstanding and Nil securities underlying such RSUs.
- (10) Each Option granted has 1 Common Share underlying such Option. Each RSU granted has 1 Common Share underlying such RSU.

Exercise of Compensation Securities by Named Executive Officers and Directors

Named Executive Officers and Directors of the Company exercised the following compensation securities during the fiscal year ended October 31, 2021. All RSUs granted during the fiscal year ended October 31, 2021 were settled during the fiscal year via the issuance of Common Shares. Please refer to “*Director and Executive Compensation – Stock Options and Other Compensation Securities*”:

Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
David Reingold President, Chief Executive Officer and Director	RSU	612,500	Nil	January 29, 2021	\$0.12	\$0.12	\$73,500
Jeffrey Stoss Chief Financial Officer ⁽¹⁾	RSU	93,750	Nil	March 31, 2021	\$0.11	\$0.11	\$10,313
		93,750	Nil	June 30, 2021	\$0.095	\$0.095	\$8,906
Philip Waddington Chief Operating Officer and Director; Former President and Chief Executive Officer	RSU	187,500	Nil	March 31, 2021	\$0.11	\$0.11	\$20,625
		187,500	Nil	June 30, 2021	\$0.095	\$0.095	\$17,813
Brendan Stutt Former Chief Financial Officer	RSU	233,333	Nil	January 29, 2021	\$0.12	\$0.12	\$28,000
		250,000	Nil	March 31, 2021	\$0.11	\$0.11	\$27,500
		250,000	Nil	June 30, 2021	\$0.095	\$0.095	\$23,750
André Audet Chair of the Board, Former President and Chief Executive Officer	RSU	204,167	Nil	January 29, 2021	\$0.12	\$0.12	\$24,500
		150,000	Nil	March 31, 2021	\$0.11	\$0.11	\$16,500
		150,000	Nil	June 30, 2021	\$0.095	\$0.095	\$14,250

Note

(1) During the year ended October 31, 2021, 187,500 RSUs were issued to Positive Venture Group Inc. for finance outsources services, which includes the fees of Mr. Stoss as CFO.

Management Agreements – Termination and Change of Control Benefits

Other than as set out below, the Company has not entered into any other contract, agreement, plan or arrangement that provides for payments to a Named Executive Officer or a director at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement a change in control of the Company or a change in a Named Executive Officer’s or director’s responsibilities.

The following is a description of the material terms of each agreement or arrangement under which compensation was provided during the year ended October 31, 2021 or is payable in respect of services provided to the Company or any of its subsidiaries that were performed by a director or Named Executive Officer:

The Company agreed to an informal independent contractor arrangement with Mr. David Reingold effective August 1, 2021 with regards to his services as President and CEO of the Company. Pursuant to the arrangement, the Company agreed to pay Mr. Reingold an annual fee of \$120,000 per annum and shall continue indefinitely until terminated by either party. The current arrangement does not consider payment upon severance or a change of control of the Company. The Company intends to enter into a formal written agreement with Mr. Reingold during the during the fiscal year ended October 31, 2022.

The Company entered into a formal written agreement with Mr. Philip Waddington effective as of June 17, 2020 for his role as Chief Regulatory Officer. The agreement continues to be in effect despite Mr. Waddington now existing in the role of Chief Operating Officer. The Company agreed to pay Mr. Waddington a base salary of \$120,000 per annum and shall continue indefinitely until terminated by either party. Mr. Waddington also received a one-time bonus payable in Common Shares, which was satisfied prior to the fiscal year ended October 31, 2021. Upon termination without cause, the Company must provide Mr. Waddington with notice of termination or pay in lieu thereof, benefits, and severance pay, if applicable, in accordance with applicable employment standards legislation. Mr. Waddington is also prohibited from competing with the Corporation during any applicable notice period following the termination of his employment with the Corporation and from soliciting employees or clients or customers of the Corporation for a period of 12 months following the termination of his employment. The agreement does not contain change of control provisions. The Company intends to enter into an updated written agreement Mr. Waddington during the fiscal year ended October 31, 2022 with regards to his role as Chief Operating Officer.

On November 10, 2020, the Company entered into a master services agreement with PVG, pursuant to which PVG provides finance outsource services to the Company, including services provided by Mr. Jeff Stoss as Chief Financial Officer. Pursuant to the agreement, the Company agreed to pay PVG a total cash fee of \$140,500 for the initial twelve month period, which expired on October 31, 2021. The agreement was automatically renewed for a successive one year period on November 1, 2021. In July 2021, the agreement was assigned by PVG in connection with the acquisition of PVG by Consero.

The Company entered into an informal verbal arrangement with Mr. Andre Audet effective September 16, 2020 with regards to consulting services provided by Mr. Audet to the Company. The Company agreed to pay Mr. Audet a consulting fee, as determined by the Board from time to time in its reasonable discretion. The arrangement shall continue indefinitely until terminated by either party. The current arrangement does not consider payment upon severance or a change of control of the Company. The Company intends to enter into a formal written agreement with Mr. Audet during the fiscal year ended October 31, 2022.

VI. SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Common Shares to be issued upon exercise of outstanding Options or settlement of outstanding RSUs pursuant to the Company's equity incentive plans in effect as at October 31, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by security holders	5,600,000	\$0.13	3,937,932 ⁽¹⁾
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	5,600,000 ⁽²⁾	\$0.13	3,937,932

Notes

(1) Based on 95,379,326 Common Shares issued and outstanding on a non-diluted basis as at October 31, 2021.

(2) Following October 31, 2021, (i) the Company granted Options to purchase 575,000 Common Shares at an exercise price of \$0.15 until November 8, 2023; and (ii) 500,000 Options with an exercise price of \$0.70 expired.

VII. INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

As at the date of this Information Circular, no proposed nominee for election as a director of the Company, no individual who is an executive officer, director, employee or former executive officer, director or employee of the Company or any of its subsidiaries is indebted to the Company or any of its subsidiaries pursuant to the purchase of securities or otherwise. No guarantee, support agreement, letter of credit or other similar arrangement or understanding has been provided by the Company at any time since the beginning of the most recently completed financial year with respect to any indebtedness of any such person.

No individual who is, or at any time during the financial year ended October 31, 2021 was, a director or executive officer of the Company, a proposed management nominee for election as a director of the Company, or an associate of any such director, executive officer or proposed nominee, was indebted to the Company or any of its subsidiaries during the financial year ended October 31, 2021 or as at the date of this Information Circular in connection with security purchase programs or other programs.

VIII. CORPORATE GOVERNANCE DISCLOSURE

National Policy 58-201 - *Corporate Governance Guidelines* and National Instrument 58-101 - *Disclosure of Corporate Governance Practices* (“**NI 58-101**”) set out a series of guidelines for effective corporate governance. The guidelines address matters such as the composition and independence of corporate boards, the functions to be performed by boards and their committees, and the effectiveness and education of board members. Each reporting issuer, such as the Company, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. In addition, under the CBCA, the Company must disclose certain information on an annual basis regarding the diversity of the board of directors and senior management.

Maintaining a high standard of corporate governance is a priority for the Board and the Company’s management as both believe that effective corporate governance will help create and maintain shareholder value in the long term. A description of the Company’s corporate governance practices, which addresses the matters set out in NI 58-101 and the CBCA, is set out at Schedule “A” to this Circular.

IX. AUDIT COMMITTEE DISCLOSURE

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

Audit Committee Charter

An Audit Committee charter, the text of which is attached as Schedule “B” to this Information Circular, governs the Company’s Audit Committee.

Composition of Audit Committee

The Company's Audit Committee is comprised of three directors, André Audet, David Reingold and Lindsay Weatherdon. The Company is of the opinion that all of the members of the Audit Committee are "financially literate" (as such term is defined in NI 52-110). Reingold is not considered "independent" as defined in NI 52-110 as he is the President and Chief Executive Officer of the Company. Mr. Audet is not considered "independent" and he was an executive officer of the Company within the last three years; however, in accordance with the composition requirements for venture issuers under NI 52-110, Mr. Audet is not an executive officer, employee or control person of the Company or an affiliate.

Relevant Education and Experience

All the members of the Audit Committee have the education and/or practical experience required to understand and evaluate financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements.

André Audet

Mr. André Audet is a proven cannabis industry player as a Co-Founder of Tetra Bio-Pharma (TSXV:TBP, OTCQB:TBPMF). With over 25 years of experience in the financing of public companies, he provides strategic direction and oversight to guide company execution. Since 2003, he served as Chairman & CEO of the Company, prior to completion of the RTO, and President and CEO of Molecule Inc., a now wholly-owned subsidiary of the Company, from September 2018 to September 2020. From 1989 to 1999, he was a Vice-President at BMO Nesbitt Burns, where he specialized in private portfolios. He is also the founder of BUSL Cider, and is passionate about genuine, locally sourced, craft beverage production. Mr. Audet graduated in 1983 from the University of Ottawa and obtained a Bachelor of Commerce (Major in Finance).

David Reingold

Mr. David Reingold is a leader in the Canadian grocery industry, specializing in the health food sector. With over 25 years of brand building experience, David first built the Natural Life brand under the DMR Food Corporation (1990 to 2011) umbrella along with My Organic Baby (2004 to 2011), Canada's first full line of organic baby food. Both companies were sold to Clearly Canadian beverage Corporation in 2018 and 2019, respectively. In 2010, David created Central Roast brands, a clean snacking brand that was later sold to Greenspace Brands in 2015. Starting in January 2018, Mr. Reingold is also a principal with Roar Beverages, a low calorie, coconut water-based, electrolyte and vitamin-enhanced hydration drink, which is targeted to millennial females. Since September 2021, Mr. Reingold has acted as President and CEO of the Company. Mr. Reingold graduated from the Canadian Securities Course, 1985.

Lindsay Weatherdon

Mr. Lindsay Weatherdon has been working at Concord National LLP, one of Canada's leading Consumer Packaged Goods sales & marketing agencies, since 2002. He is currently Owner/Executive President at Concord National LLP and was previously President of Concord

National Ontario & Quebec Divisions. Since 2016, he also acts as President of Braille Energy Systems Inc and assumed the role of CEO in July 2019. Mr. Weatherdon has a diverse background in global sales, holding executive positions in Hardgoods Manufacturing, developing retail strategies across large box and warehouse club formats. Mr. Weatherdon graduated from Algonquin College, 1982-85, with a Business Major, Marketing.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year have any recommendations by the Audit Committee respecting the nomination and/or compensation of the Company's external auditors not been adopted by the Board.

Reliance on Certain Exemptions

The Company has not relied on the exemption contained in sections 2.4 or Part 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the Audit Committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

Pre-Approval Policies and Procedures

Pursuant to the terms of the Audit Committee Charter, the Audit Committee shall review pre-approve all non-audit services to be provided to the Company or its subsidiary entities by the Company's external auditor, subject to certain exceptions. Please refer to the Audit Committee Charter attached hereto as Schedule "B"

External Audit Service Fees (by Category)

The fees paid by the Company to its auditor in each of the last two fiscal years, by category, are as follows:

Financial Year Ending	Audit Fees⁽¹⁾ (\$)	Audit-Related Fees⁽²⁾ (\$)	Tax Fees⁽³⁾ (\$)	All Other Fees⁽⁴⁾ (\$)
October 31, 2021	\$25,000	Nil	Nil	\$1,060
October 31, 2020	\$8,000	Nil.	Nil.	\$4,100

Notes

(1) "Audit Fees" include the aggregate fees billed by the Company's external auditor for audit services.

(2) "Audit-Related Fees" include the aggregate fees billed for assurance and related services by the Company's external auditor that are reasonably related to the performance of the audit or review of the Company's financial statements and are not recorded under "Audit Fees".

(3) "Tax Fees" include the aggregate fees billed for professional services rendered by the Company's external auditor for tax compliance, tax advice and tax planning.

(4) "All Other Fees" include the aggregate fees billed for products and services provided by the Company's external auditor other than for services that are considered "Audit Fees", "Audit-Related Fees" or "Tax Fees".

Venture Issuer Exemptions

The Company is relying upon the exemption in section 6.1 of NI 52-110.

X. OTHER MATTERS WHICH MAY COME BEFORE THE MEETING

Management knows of no other matters to come before the Meeting other those as set forth in this Information Circular. However, if other matters that are not known to management should properly come before the Meeting, the accompanying proxy will be voted on such matters in accordance with the best judgment of the persons voting the proxy.

XI. ADDITIONAL INFORMATION

Except where otherwise indicated, information contained herein is given as of the 24th day of March, 2022.

Additional information relating to the Company is available under the Company's profile on SEDAR at www.sedar.com. Financial information is provided in the Company's audited financial statements and Management's Discussion and Analysis ("MD&A") for the years ended October 31, 2021 and 2020. In addition, copies of the Company's annual and interim financial statements and MD&A and this Information Circular may be obtained upon request to the Company. The Company may require the payment of a reasonable charge if the request is made by a person who is not a Shareholder.

XII. APPROVAL OF THE BOARD OF DIRECTORS

The contents of this Information Circular and the sending of it to each director of the Company, to the auditor of the Company, to the Shareholders and to the appropriate governmental agencies, have been approved by the directors of the Company.

The undersigned hereby certifies that the directors of the Company have approved the contents and the sending of this Information Circular.

DATED this 24th day of March, 2022.

BY ORDER OF THE BOARD OF DIRECTORS

(signed) "David Reingold"

David Reingold
President and Chief Executive Officer

**SCHEDULE “A”
STATEMENT OF CORPORATE GOVERNANCE PRACTICES**

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”) and the <i>Canada Business Corporations Act</i> (the “CBCA”)	Comments
Board of Directors	
1. Board of Directors—Disclose how the board of directors (the “ Board ”) of Molecule Holdings Inc. (the “ Company ” or “ Molecule ”) facilitates its exercise of independent supervision over management, including (i) the identity of directors that are independent, and (ii) the identity of directors who are not independent, and the basis for that determination.	The proposed Board shall consist of a total of five directors, two of whom are considered “independent” pursuant to National Instrument 52-110 – <i>Audit Committees</i> . The Board considers that Mr. Weatherdon and Ms. Proulx are independent. Messers Reingold and Waddington are not independent as Mr. Reingold is the President and Chief Executive Officer of the Company and Mr. Waddington is the Chief Operating Officer of the Company. Mr. Audet is not considered independent and he was an executive officer of the Company within the last three years.
2. Directorships—If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.	Mr. Weatherdon has been a director of (i) Focus Graphite Inc., a company listed on the TSX Venture Exchange (the “ TSXV ”), since April 5, 2019; and (ii) Braille Energy Systems Inc., a company listed on the TSXV, for over 10 years.
Orientation and Continuing Education	
3. Describe what steps, if any, the Board takes to orient new Board members, and describe any measures the Board takes to provide continuing education for directors.	<p>The Board has not adopted a formal policy on the orientation and continuing education of new and current directors. When a new director is appointed, the Board delegates individual directors the responsibility for providing an orientation and education program for any new director. This may be delivered through informal meetings between the new directors and the Board and senior management, complemented by presentations on the main areas of the Company’s business. When required the Board may arrange for topical seminars to be provided to members of the Board or committees of the Board. Such seminars may be provided by one or more members of the Board and management or by external professionals.</p> <p>Each director ultimately assumes responsibility for keeping himself or herself informed about the Company’s business and relevant developments outside the Company that affect its business. Management assists directors by providing them with regular updates on relevant developments and other information that management considers of interest to the Board. Directors may also attend other Board committee meetings if they are not active members, to broaden their knowledge base and receive additional information on the Company’s business and developments in areas where they are not commonly exposed.</p>
Ethical Business Conduct	
4. Describe what steps, if any, the Board takes to encourage and promote a culture of ethical business conduct.	The directors are required to abide by all relevant regulatory rules and regulations. The Board monitors compliance by requiring directors and officers to declare any conflicts of interest or any other situation that could represent a potential violation of any applicable rules and regulations. When applicable, the Board will receive reports from

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”) and the <i>Canada Business Corporations Act</i> (the “CBCA”)	Comments
	<p>management regarding any allegations of unethical conduct.</p> <p>To ensure that an ethical business culture is maintained and promoted, directors are encouraged to exercise their independent judgment. If a director has a material interest in any transaction or agreement that the Company proposes to enter into, such director is expected to disclose such interest to the Board in compliance with the applicable laws, rules and policies which govern conflicts of interest in connection with such transaction or agreement. Further, any director who has a material interest in any proposed transaction or agreement will be excluded from the portion of the Board meeting concerning such matters and will be further precluded from voting on such matters.</p>
Nomination of Directors	
<p>5. Disclose what steps, if any, are taken to identify new candidates for Board nomination, including: (i) who identifies new candidates, and (ii) the process of identifying new candidates.</p>	<p>The Board is responsible for the identification and assessment of potential directors. The nominees are generally identified as a result of recruitment efforts by the Board, including both formal and informal discussion among the directors and executive officers of the Company. While no formal nomination procedures are in place to identify new candidates, the Board does review the experience and performance of nominees for election to the Board. Members of the Board are canvassed with respect to the qualifications of a prospective candidate and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could complement and enhance current management. The Board also assesses any potential conflicts, independence or time commitment concerns that the candidate may present.</p>
Compensation	
<p>6. Disclose what steps, if any, are taken to determine compensation for the directors and officers, including: (i) who determines compensation, and (ii) the process of determining compensation.</p>	<p>The Board and Compensation Committee considerations compensation for the directors and executive officers on a regular basis. The process undertaken by the Board in respect of compensation is more fully described in the “<i>Compensation Discussion and Analysis</i>” section of the accompanying Information Circular.</p>
Other Board Committees	
<p>7. If the Board has standing committees other than the audit, compensation and nominating committees, identify the committees and describe their function.</p>	<p>The Board does not have any standing committees other than the Audit Committee, the Governance Committee, the Compensation Committee and the Communications Committee.</p> <p>From time to time, the Board forms <i>ad hoc</i> committees, as necessary. Given the size of the Company and the nature of its activities, the Board has not established other standing committees.</p>
Assessments	
<p>8. Disclose what steps, if any, that the Board takes to satisfy itself that the Board, its committees, and its individual directors are performing effectively.</p>	<p>The Board is currently responsible for assessing the effectiveness of the Board, the individual directors and its committees. However, the Board has not implemented a formal process for assessing its effectiveness. As a result of the Company’s size and stage of development, the Board has considered a formal assessment process to be unnecessary at this time.</p>

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”) and the <i>Canada Business Corporations Act</i> (the “CBCA”)	Comments
	<p>The Board may appoint a special committee of directors to evaluate the Board, its committees and assess the contribution of its individual directors and to recommend any modifications to the functioning and governance of the Board and its committees. To date, the Board has not appointed any such special committee of directors to perform such analysis.</p>
<p align="center">Director Term Limits and Mechanisms of Board Renewal</p>	
<p>9. Indicate whether the Company has adopted term limits for the directors on its Board or other mechanisms of Board renewal and, as the case may be, a description of those term limits or mechanisms or the reasons why it has not adopted them.</p>	<p>The Board has not adopted a formal policy relating to term limits or other mechanisms of board renewal because it has not felt that such mechanisms are appropriate given the Company’s size and stage of development. The Board is of the opinion that term limits may disadvantage the Company through the loss of beneficial contributions of its directors and a reduction in continuity on the Board.</p>
<p align="center">Policies Regarding the Representation of Designated Groups on the Board</p>	
<p>10. Indicate whether the Company has adopted a written policy relating to the identification and nomination of members of designated groups for directors and, if it has not adopted a written policy, the reasons why it has not adopted the policy.</p>	<p>The Board has not adopted a formal policy regarding the identification and nomination of directors who are women, Aboriginal peoples, persons with disabilities or members of visible minorities (“Designated Groups”). The Company recognizes the benefits of diversity within its Board, at the executive level and all levels of the organization, but does not believe that a formal policy would enhance the representation of Designated Groups on the board beyond the current recruitment and selection process.</p>
<p align="center">Consideration of the Representation of Designated Groups on the Board and in Executive Officer Positions</p>	
<p>11. Whether the Board or its nominating committee considers the level of the representation of designated groups on the Board in identifying and nominating candidates for election or re-election to the Board or when appointing members of senior management, and, as the case may be, how that level is considered or the reasons why it is not considered.</p>	<p>The Company evaluates the necessary competencies, skills, experience and other qualifications of each candidate as a whole and considers the representation of Designated Groups as one of many factors in the recruitment and selection of candidates for Board and executive officer positions.</p>
<p align="center">Targets Regarding the Representation of Designated Groups on the Board and in Executive Officer Positions</p>	
<p>12. Whether the Board has, for each group referred to in the definition <i>designated groups</i>, adopted a target number or percentage, or a range of target numbers or percentages, for members of the group to hold positions on the Board or in senior management by a specific date and</p> <ul style="list-style-type: none"> • for each group for which a target has been adopted, the target and the annual and cumulative 	<p>The Board has not adopted formal targets regarding members of Designated Groups being represented on the Board or holding executive officer positions. The representation of Designated Groups is one of many factors considered in the overall recruitment and selection process in respect of Board and senior management positions at the Company. The Board does not believe that formal targets would enhance the representation of Designated Groups on the board or in executive officer positions beyond the current recruitment and selection process.</p>

Governance Disclosure Requirement Under the Corporate Governance National Instrument 58-101 (“NI 58-101”) and the <i>Canada Business Corporations Act</i> (the “CBCA”)	Comments
<p>progress of the Corporation in achieving that target, and</p> <ul style="list-style-type: none"> for each group for which a target has not been adopted, the reasons why the corporation has not adopted that target. 	
<p align="center">Number of Members of Designated Groups on the Board and in Executive Officer Positions</p>	
<p>13. For each group referred to in the definition <i>designated groups</i>, the number and proportion, expressed as a percentage, of members of each group who hold positions on the Board.</p>	<p>There is currently one member of a Designated Group on the Board or in executive officer positions as Ms. Proulx is a woman.</p>

SCHEDULE "B"
AUDIT COMMITTEE CHARTER

Please see attached.

AUDIT COMMITTEE CHARTER

The following charter is adopted in compliance with *National Instrument 52-110 Audit Committees* (“**NI 52-110**”).

1. MANDATE AND OBJECTIVES

The mandate of the audit committee of the Corporation (the “**Committee**”) is to assist the board of directors of the Corporation (the “**Board**”) in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Corporation to regulatory authorities and shareholders, the Corporation’s systems of internal controls regarding finance and accounting and the Corporation’s auditing, accounting and financial reporting processes.

The objectives of the Committee are to:

- (i) serve as an independent and objective party to monitor the Corporation’s financial reporting and internal control system and review the Corporation’s financial statements;
- (ii) ensure the independence of the Corporation’s external auditors; and
- (iii) provide better communication among the Corporation’s auditors, the management and the Board.

2. COMPOSITION

The Committee shall be comprised of at least three (3) directors as determined by the Board. The majority of the members of the Committee shall be independent, within the meaning of NI 52-110.

At least one (1) member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices.

For the purposes of this Charter, the definition of “financially literate” is 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 presumably be expected to be raised by the Corporation’s financial statements.

The members of the Committee shall be elected by the Board at its first meeting following each annual shareholders’ meeting. Unless a Chairman is elected by the Board, the members of the Committee may designate a Chairman by a majority vote of all the Committee members.

3. MEETINGS AND PROCEDURES

- 3.1 The Committee shall meet at least four (4) times a year or more frequently if required.
- 3.2 At all meetings of the Committee, every question shall be decided by a majority of the votes cast. In the case of an equality of votes, the Chairman shall not be entitled to a second vote.

- 3.3 A quorum for meetings of the Committee shall be a majority of its members and the rules for calling, holding, conducting and adjourning meetings of the Committee shall be the same as those governing meetings of the Board.

4. DUTIES AND RESPONSIBILITIES

The following are the general duties and responsibilities of the Committee:

4.1 Financial Statements and Disclosure Matters

- a) review the Corporation's financial statements, MD&A and any press releases regarding annual and interim earnings, before the Corporation publicly discloses such information, and any reports or other financial information which are submitted to any governmental body or to the public;
- b) must be satisfied 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, other than the public disclosure referred to in subsection a) above and must periodically assess the adequacy of those procedures.

4.2 External Auditors

- a) recommend to the Board the selection and, where applicable, the replacement of the external auditors to be nominated annually as well the compensation of such external auditors;
- b) oversee the work and review annually the performance and independence of the external auditors who shall be ultimately accountable to the Board and the Committee as representatives of the shareholders of the Corporation;
- c) on an annual basis, review and discuss with the external auditors all significant relationships they may have with the Corporation that may impact their objectivity and independence;
- d) consult with the external auditors about the quality of the Corporation's accounting principles, internal controls and the completeness and accuracy of the Corporation's financial statements;
- e) review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
- f) review the audit plan for the year-end financial statements and intended template for such statements;
- g) review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, as well as any non-audit services provided by the external auditors to the Corporation or its subsidiary entities. The pre-approval requirement is satisfied with respect to the provision of non-audit services if:
 - i) the aggregate amount of all such non-audit services provided to the Corporation constitutes no more than 5% of the total amount of fees paid by the Corporation and its subsidiary entities to its external auditors during the fiscal year in which the non-audit services are provided;

- ii) such services were not recognized by the Corporation or its subsidiary entities as non-audited services at the time of the engagement; and
- iii) such services are promptly brought to the attention of the Committee by the Corporation and approved, prior to the completion of the audit, by the Committee or by one or more of its members to whom authority to grant such approvals has been delegated by the Committee.

The Committee may delegate to one or more independent members of the Committee the aforementioned authority to pre-approve non-audit services, provided the pre-approval of the non-audit services is presented to the Committee at its first scheduled meeting following such approval.

4.3 Financial Reporting Processes

- a) in consultation with the external auditors, review with management the integrity of the Corporation's financial reporting process, both internal and external;
- b) consider the external auditor's judgments about the quality and appropriateness of the Corporation's accounting principles as applied in its financial reporting;
- c) consider and approve, if appropriate, changes to the Corporation's auditing and accounting principles and practices as suggested by the external auditors and management;
- d) review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements;
- e) review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented;
- f) establish procedures for the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters and the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

