



**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**  
**AND**  
**MANAGEMENT INFORMATION CIRCULAR**

**IN RESPECT OF THE ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS OF GRAVITAS  
FINANCIAL INC. TO BE HELD ON APRIL 5, 2018**

Dated as of February 20, 2018



## NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the holders (the “**Shareholders**”) of common shares (the “**Shares**”) of Gravitas Financial Inc. (the “**Corporation**” or “**Gravitas**”) will be held at the offices of Gravitas Financial Inc., 333 Bay Street, 17<sup>th</sup> Floor, Toronto, Ontario on Thursday, April 5, 2018, at 10:00 a.m. (Toronto time), for the following purposes:

1. **TO RECEIVE** the audited consolidated financial statements of Gravitas for the financial year ended December 31, 2016, together with the auditor’s report thereon;
2. **TO ELECT** the board of directors of the Corporation;
3. **TO RE-APPOINT** MNP LLP as the auditors of the Corporation and authorize the board of directors of the Corporation to fix the remuneration of the auditors;
4. **TO CONSIDER** and, if deemed advisable, to pass, with or without variation, an ordinary resolution of the Shareholders to approve the Corporation’s new stock option plan, as more particularly described in the accompanying Management Information Circular (the “**Circular**”);
5. **TO CONSIDER** and, if deemed advisable, to pass, with or without variation, a special resolution, substantially in the form set forth in the Circular authorizing an amendment to the articles of the Corporation to potentially consolidate the Shares on a one (1) new common shares for up to ten (10) old common shares basis; and
6. **TO TRANSACT** such other business as may properly come before the Meeting or any adjournments or postponements thereof.

The nature of the business to be transacted at the Meeting is described in further detail in the accompanying Circular under the heading “Particulars of Matters to be Acted Upon Matters”.

The record date for the determination of Shareholders entitled to receive notice of, and to vote at, the Meeting or any adjournments or postponements thereof is February 20, 2018 (the “**Record Date**”). Shareholders whose names have been entered in the register of Shareholders at the close of business on the Record Date will be entitled to receive notice of, and to vote, at the Meeting or any adjournments or postponements thereof.

### **Notice-and-Access**

The Corporation is using the notice-and-access provisions (“**Notice-and-Access**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* and National Instrument 51-102 – *Continuous Disclosure Obligations*, for distribution of the Circular and related materials (“**Proxy-Related Materials**”) to non-registered (or beneficial) Shareholders (“**Non-Registered Shareholders**”). The Corporation is not using Notice-and-Access for delivery to Shareholders that hold their Common Shares directly in their respective names (“**Registered Shareholders**”). Registered Shareholders will receive paper copies of the Proxy-Related Materials by prepaid mail.

### **Website Where Meeting Materials are Posted**

Notice-and-Access allows reporting issuers to post electronic versions of Proxy-Related Materials through the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Non-Registered Shareholders. Electronic copies of the Circular, the annual financial statements of the Corporation for the year ended December 31, 2016 and management’s discussion and analysis of the Corporation’s results of operations and financial condition for the year ended December 31, 2016 may be found on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation’s profile and also on the Corporation’s website at [www.gravitasfinancial.com](http://www.gravitasfinancial.com). In relation to the Meeting, all Non-Registered Shareholders will receive the required

documentation under Notice-and-Access, which *will not* include a paper copy of the Circular. Registered Shareholders *will* receive a paper copy of the Circular.

### **Obtaining Paper Copies of Materials**

The Corporation anticipates that using Notice-and-Access will directly benefit the Corporation through a material reduction in both postage and material costs, and also promote environmental responsibility by decreasing the large volume of paper documents generated by printing Proxy-Related Materials. Shareholders with questions about the Notice-and-Access may call the Corporation's register and transfer agent, Computershare Investor Services Inc. at 1-866-962-0498 (toll-free). Shareholders may also obtain paper copies of Proxy-Related Material free of charge by contacting Computershare Investor Services Inc. at 1-866-962-0498 (toll-free) or by facsimile at 1-866-249-7775; or by internet at [www.investorvote.com](http://www.investorvote.com); or upon request to the Corporate Secretary of the Corporation.

A request for paper copies of Proxy-Related Materials which are required in advance of the Meeting should be made so that they are received by Computershare Investor Services Inc. or the Corporation, as applicable, by Thursday, March 15, 2018, in order to allow sufficient time for Non-Registered Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries before April 3, 2018, at 10:00 a.m. local time, being the date that is not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof (the "Proxy Deadline").

### **Voting**

All Shareholders are invited to attend the Meeting and may attend in person or may be represented by proxy.

### **FORM OF PROXY FOR REGISTERED SHAREHOLDERS**

Completed proxies, for registered Shareholders, must be returned to Computershare Investor Services Inc. (i) by mail to Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Ave., 8<sup>th</sup> Floor, Toronto, ON M5J 2Y1; or (ii) by facsimile at 1-866-249-7775; or (iii) by internet at [www.investorvote.com](http://www.investorvote.com); in any case, by no later than 10:00 am (Toronto time) on April 3, 2018, being the Proxy Deadline.

### **VOTING INSTRUCTION FORMS FOR NON-REGISTERED SHAREHOLDERS**

Non-Registered Shareholders who have not waived the right to receive the Proxy-Related Materials will either: (i) receive a voting instruction form; or (ii) be given a proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature) which is restricted to the number of Shares beneficially owned by the Non-Registered Shareholder, but which is otherwise not completed.

Non-Registered Shareholders should carefully follow the instructions that accompany the voting instruction form or the proxy, including those indicating when and where the voting instruction form or the proxy is to be delivered. Voting instructions must be deposited by the Proxy Deadline, however your voting instruction form may provide for an earlier date in order to process your votes in a timely manner. Voting instruction forms permit the completion of the voting instruction form online or by telephone. A Non-Registered Shareholder wishing to attend and vote at the Meeting in person should follow the corresponding instructions on the voting instruction form or, in the case of a proxy, strike out the names of the persons named in the proxy and insert the Non-Registered Shareholder's name in the space provided.

**DATED** this 20<sup>th</sup> day of February, 2018.

### **BY ORDER OF THE BOARD OF DIRECTORS**

*"Ernie Eves"*

Ernie Eves  
Chairman of the Board



## GENERAL

Unless otherwise indicated, “**Corporation**” or “**Gravitas**” refers to Gravitas Financial Inc. Unless otherwise noted, all dollar amounts are expressed in Canadian dollars and references to “\$” are to Canadian dollars.

The Corporation is using the notice-and-access provisions (“**Notice-and-Access**”) under National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* (“**NI 54-101**”) and National Instrument 51-102 – *Continuous Disclosure Obligations* (“**NI 51-102**”) for distribution of this Management Information Circular (the “**Circular**”) and related materials (the “**Proxy-Related Materials**”) to non-registered (or beneficial) holders (“**Non-Registered Shareholders**”) and using mailing of paper copies of Proxy-Related Materials to registered holders (“**Registered Shareholders**”) and, together with Non-Registered Shareholders, “**Shareholders**”) of common shares of the Corporation (the “**Shares**”). Further information on Notice-and-Access is contained below under the heading “**Solicitation of Proxies and Voting Instructions – Notice-and-Access**”. Shareholders are encouraged to read this information for an explanation of their rights.

## SOLICITATION OF PROXIES AND VOTING INSTRUCTIONS

### Solicitations of Proxies by Management

This Circular is furnished in connection with the solicitation of proxies by or on behalf of management of Gravitas, for use at the annual and special meeting (the “**Meeting**”) of Shareholders to be held on **Thursday, April 5, 2018 at 10:00 a.m. (Toronto time) at the offices of the Corporation, 333, Bay Street, 17<sup>th</sup> Floor, Toronto, Ontario**, and at all postponements or adjournments thereof, for the purposes set forth in the accompanying notice of the Meeting (the “**Notice of Meeting**”). It is expected that the solicitation of proxies will be primarily by mail, however, proxies may also be solicited by the officers, directors and employees of the Corporation and/or a proxy solicitation firm by telephone, electronic mail, facsimile or personally. These persons will receive no compensation for such solicitation other than their regular fees or salaries. The cost of soliciting proxies in connection with the Meeting will be borne directly by the Corporation.

The board of directors of Gravitas (the “**Board**”) has fixed the close of business on **February 20, 2018 as the Record Date**, being the date for the determination of the Registered Shareholders entitled to receive notice of, and to vote at, the Meeting. All duly completed and executed proxies must be received by the Corporation’s registrar and transfer agent, Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775, not later than 10:00 a.m. (Toronto time) on April 3, 2018, subject to adjournments or postponements of the date or time set for the Meeting. The Chairman of the Meeting has the discretion to accept late proxies.

### Notice-and-Access

As noted above, the Corporation is using Notice-and-Access for distribution of Proxy-Related Materials to Non-Registered Shareholders and is using mailing of paper copies of Proxy-Related Materials to Registered Shareholders. Notice-and-Access allows reporting issuers to post electronic versions of Proxy-Related Materials through the System for Electronic Document Analysis and Retrieval (“**SEDAR**”) and one other website, rather than mailing paper copies of such materials to Non-Registered Shareholders. Electronic copies of the Circular, the annual financial statements of the Corporation for the year ended December 31, 2016 (“**Financial Statements**”) and management’s discussion and analysis of the Corporation’s results of operations and financial condition for the year ended December 31, 2016 (“**MD&A**”) may be found on SEDAR at [www.sedar.com](http://www.sedar.com) under the Corporation’s profile and also on the Corporation’s website at [www.gravitasfinancial.com](http://www.gravitasfinancial.com). In relation to the Meeting, Non-Registered Shareholders will receive the required documentation under Notice-and-Access, which *will not* include a paper copy of the Circular. Registered Shareholders *will* receive paper copies of the Circular. **Shareholders are reminded to review this Circular before voting.**

Although this Circular, the Financial Statements and the MD&A will be posted electronically on-line as noted above, Registered Shareholders will receive paper copies of a “notice package” via prepaid mail containing a notice with information prescribed by NI 54-101 and NI 51-102, a form of proxy or voting instruction form, and supplemental mail list return card for Shareholders to request they be included in the Corporation’s supplementary mailing list for receipt of the Corporation’s annual financial statements for the 2017 fiscal year.

The Corporation anticipates that using Notice-and-Access will directly benefit the Corporation through a material reduction in both postage and material costs, and promotes environmental responsibility by decreasing the large volume of paper documents generated by printing Proxy-Related Materials.

Shareholders with questions about the Notice-and-Access may call the Corporation’s register and transfer agent, Computershare Investor Services Inc. at 1-866-962-0498 (toll-free). Shareholders may also obtain paper copies of Proxy-Related Material free of charge by contacting Computershare Investor Services Inc. at 1-866-962-0498 (toll-free) or by facsimile at 1-866-249-7775; or by internet at [www.investorvote.com](http://www.investorvote.com); or upon request to the Corporate Secretary of the Corporation.

A request for paper copies of Proxy-Related Materials which are required in advance of the Meeting should be made so that they are received by Computershare Investor Services Inc. or the Corporation, as applicable, by Thursday, March 15, 2018, in order to allow sufficient time for Non-Registered Shareholders to receive the paper copies and to return their proxies or voting instruction forms to intermediaries before April 3, 2018, at 10:00 a.m. local time, being the date that is not later than 48 hours (excluding Saturdays, Sundays and statutory holidays in the City of Toronto, Ontario) prior to the time set for the Meeting or any adjournments or postponements thereof (the “**Proxy Deadline**”).

#### **Appointment of Proxies**

The persons named in the enclosed form of proxy are officers and/or directors of the Corporation. A Shareholder desiring to appoint some other person, who need not be a Shareholder, to represent him or her at the Meeting, may do so by inserting such person’s name in the blank space provided in the enclosed form of proxy or by completing another proper form of proxy and, in either case, depositing the completed and executed proxy at the offices of Computershare Investor Services Inc., at the address provided herein, not later than the Proxy Deadline.

A Shareholder forwarding the enclosed form of proxy may indicate the manner in which the appointee is to vote with respect to any specific item by checking the appropriate space. If the Shareholder giving the proxy wishes to confer a discretionary authority with respect to any item of business, then the space opposite the item is to be left blank. The Shares represented by the form of proxy submitted by a Shareholder will be voted in accordance with the directions, if any, given in the form of proxy. To be valid, a form of proxy must be executed by a Shareholder or a Shareholder’s attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney.

#### **Voting of Proxies**

The Shares represented by the accompanying form of proxy (if properly executed and received at the offices of Computershare Investor Services Inc. at the address provided herein, not later than the Proxy Deadline), will be voted at the Meeting, and, where a choice is specified in respect of any matter to be acted upon, will be voted or withheld from voting or voted in favour or against, as applicable, in accordance with the specification made on any ballot that may be called for. In the absence of such specification, proxies in favour of management will be voted in favour of the resolutions described below. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting of Shareholders and with respect to other matters which may properly come before the Meeting. At the time of printing of this Circular, management knows of no such amendments, variations, or other matters to come before the Meeting. However, if any other matters that are not now known to management should properly come before the Meeting, the form of proxy will be voted on such matters in accordance with the best judgment of the named proxies.

#### **Revocation of Proxies**

A proxy given pursuant to this solicitation may be revoked at any time prior to its use. A Shareholder who has given a proxy may revoke the proxy by: (a) completing and signing a proxy bearing a later date and depositing it at the offices of Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775; (b) depositing an instrument in writing executed by the

Shareholder or by the Shareholder's attorney duly authorized in writing or, if the Shareholder is a body corporate, under its corporate seal or, by a duly authorized officer or attorney either with Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, fax number 1-866-249-7775, at any time up to and including the last business day preceding the day of the Meeting or any adjournment(s) or postponement(s) thereof or with the Chairman of the Meeting prior to the commencement of the Meeting on the day of the Meeting or any adjournment(s) or postponement(s) thereof; or (c) in any other manner permitted by law. Such instrument will not be effective in respect to any matter on which a vote has already been cast pursuant to such proxy.

### **Voting by Non-Registered Shareholders**

Only Registered Shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. Most Shareholders are Non-Registered Shareholders because the Shares they own are not registered in their names but are instead registered in the name of the brokerage firm, bank, or trust company through which they purchased the Shares. Shares beneficially owned by a Non-Registered Shareholder are registered either: (i) in the name of an intermediary ("**Intermediary**") that the Non-Registered Shareholder deals with in respect of the Shares; or (ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc. ("**CDS**") of which the Intermediary is a participant. In accordance with applicable securities law requirements, the Corporation will have distributed copies of the Notice of Meeting of Shareholders, this Circular and the form of proxy (collectively, the "**Meeting Materials**") to the clearing agencies and Intermediaries for distribution to Non-Registered Shareholders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Shareholders unless a Non-Registered Shareholder has waived the right to receive them. Intermediaries often use service companies to forward the Meeting Materials to Non-Registered Shareholders. Generally, Non-Registered Shareholders who have not waived the right to receive Meeting Materials will either: (a) be given a voting instruction form which is not signed by the Intermediary and which, when properly completed and signed by the Non-Registered Shareholder and returned to the Intermediary or its service company, will constitute voting instructions (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 majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**") in Canada. Broadridge typically prepares a machine-readable voting instruction form, mails those forms to Non-Registered Shareholders and asks Non-Registered Shareholders to return the forms to Broadridge or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of the shares to be represented at the Meeting. Sometimes, the voting instruction form will consist of a regular printed proxy form accompanied by a page of instructions which contains a removable label with a bar-code and other information. In order for this form of proxy to validly constitute a voting instruction form, the Non-Registered Shareholder must remove the label from the instructions and affix it to the form of proxy, properly complete and sign the form of proxy and submit it to the Intermediary or its service company in accordance with the instructions of the Intermediary or its service company. A Non-Registered Shareholder who receives a voting instruction form cannot use that form to vote his or her Shares at the Meeting; or (b) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of shares beneficially owned by the Non-Registered Shareholder, but which is otherwise not completed by the Intermediary. Because the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Shareholder when submitting the proxy. In this case, the Non-Registered Shareholder who wishes to submit a proxy should properly complete the form of proxy and deposit it with Computershare Investor Services Inc. (Attention: Proxy Department), 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, fax: 1-866-249-7775.

In either case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Shares they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, (or have another person attend and vote on behalf of the Non-Registered Shareholder), the Non-Registered Shareholder should strike out the persons named in the voting instruction form and insert the Non-Registered Shareholder or such other person's name in the blank space provided. **In either case, Non-Registered Shareholders should follow the instructions of their Intermediary, including those regarding when and where the voting instruction form is to be delivered.** A Non-Registered Shareholder may revoke a voting instruction form or a waiver of the right to receive Meeting Materials and to vote which has been given to an Intermediary at any time by written notice to the Intermediary provided that an Intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive Meeting Materials and to vote, which is not received by the Intermediary at least seven (7) days prior to the Meeting.

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

Other than as disclosed herein, no director or executive officer of the Corporation who has held such position at any time since the beginning of the Corporation's last financial year and associates or affiliates of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matters to be acted upon at the Meeting.

## VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

The authorized capital of the Corporation consists of an unlimited number of Shares. As at the Record Date, there were 72,601,305 Shares issued and outstanding. Each Share carries the right to one vote per share. Each holder of record of Shares at the close of business on the Record Date will be given a Notice of Meeting and will be entitled to vote at the Meeting the number of Shares of record held by him on the Record Date. To the knowledge of the directors and officers of the Corporation, as of the date hereof, the following persons beneficially own directly or indirectly, or exercise control or direction over securities carrying more than 10% of the voting rights attached to any class of outstanding voting securities of the Corporation entitled to be voted:

<u>Name of Shareholder</u>	<u>Number of Shares</u>	<u>Percentage of Shares<sup>(1)</sup></u>
David Carbonaro <sup>(3)</sup>	14,072,500	19.38%
Yuhua International Capital Corporation	13,068,950	18.00%
Vikas Ranjan <sup>(2)</sup>	9,988,500	13.76%
Vishy Karamadam <sup>(2)</sup>	9,988,500	13.76%

(1) On a non-diluted basis.

(2) A portion of the Shares are held by companies controlled by such person.

(3) 13,500,000 of these are shares not beneficially owned but over which Mr. Carbonaro has some direction, and are held in 2368798 Ontario Inc. and 2368799 Ontario Inc.

## PARTICULARS OF MATTERS TO BE ACTED UPON

### A. Presentation of the Annual Financial Statements

The Financial Statements together with the independent auditor's report thereon, and the MD&A will be presented at the Meeting, but no vote by the Shareholders with respect thereto is required or proposed to be taken.

### B. Election of Directors

The articles of Gravitas provide that Gravitas will have a minimum of one and a maximum of ten directors. Five directors will be voted in at the Meeting. **At the Meeting, Shareholders will be asked to vote FOR the election as directors of each of the proposed nominees whose names are set out below.** As of the date of this Circular, 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 designees will be voted for another nominee in their discretion unless the shareholder has specified in his or her proxy that his or her Shares are to be withheld from voting in the election of directors. Each nominee elected as a director will hold office until the next annual general meeting of Shareholders or sooner if a person ceases to be a director. The following table sets forth the individuals proposed to be nominated for election as directors.

<u>Name and Province of Residence</u>	<u>Principal Occupation</u>	<u>Director Since</u>	<u>Number of Shares Held</u>
ERNIE EVES <sup>(1), (2), (3)</sup> Ontario, Canada	Senior Business Executive	June 25, 2013	Nil
DAVID CARBONARO <sup>(4)</sup> Ontario, Canada	Co-Founder and Director, Gravitas Financial Inc.	July 13, 2011	14,072,500
VISHY KARAMADAM <sup>(5)</sup> Ontario, Canada	Co-Founder, Director, Executive Vice-President, Gravitas Financial Inc.	June 25, 2013	9,988,500
VIKAS RANJAN <sup>(3), (6)</sup> Ontario, Canada	Co-Founder, Director and President, Gravitas Financial Inc.	June 25, 2013	9,988,500
GERALD GOLDBERG, CPA, CA <sup>(3)</sup> Ontario, Canada	Chartered Professional Accountant, Partner, Schwartz, Levitsky, Feldman, LLP	May 5, 2016	Nil

(1) Chairman of the Board.

(2) Chairman of the Compensation Committee.

(3) Member of the Audit Committee.

- (4) 13,500,000 of these are shares not beneficially owned but over which Mr. Carbonaro has some direction, and are held in 2368798 Ontario Inc. and 2368799 Ontario Inc.
- (5) A portion of the Shares held by Mr. Karamadam are held by the family trust of Mr. Karamadam, where Mr. Karamadam is a beneficiary.
- (6) A portion of the Shares held by Mr. Ranjan are held by the family trust of Mr. Ranjan, where Mr. Ranjan is a beneficiary.

Further information about each proposed nominee is set out below:

#### *Ernie Eves*

Mr. Eves is the former Premier of the Province of Ontario. Prior to serving as Premier, he was the Deputy Premier of Ontario and Minister of Finance (Ontario). Mr. Eves has had a distinguished career in both the public and private sectors. Currently, he serves as an advisor and board member for several Canadian and international firms. Mr. Eves is a graduate of Osgoode Hall Law School and was called to the Ontario bar in 1972. In 1983 he was made a Queen's Counsel and in 2015 received an Honorary LL.D. from the University of Windsor.

#### *David Carbonaro*

Mr. Carbonaro serves as counsel at the law firm of Dentons Canada LLP and practices corporate finance and international law. He has advised several public companies, securities dealers and investment banks on corporate finance and international law matters across numerous sectors. Mr. Carbonaro holds an LL.B. from Osgoode Hall Law School.

#### *Vishy Karamadam*

Mr. Karamadam has over 20 years of management experience in areas ranging from Investment Research, Corporate Finance, Management Consulting, and Retail Banking Strategy. Mr. Karamadam is a co-founder of Ubika Research, and smallcappower.com. His previous experience includes work for blue chip organizations in Toronto, Canada and Mumbai, India and has strong exposure to the financial services industry. He holds a Bachelor in Technology Degree in Electronics & Communication Engineering, Masters in Management Studies (Finance) from University of Mumbai, India, and a Masters of Business Administration ("MBA") from McGill University.

#### *Vikas Ranjan*

Mr. Ranjan is a management and investment professional with over 20 years of experience in diverse areas of investment management, finance, and investment research. Mr. Ranjan is a co-founder of Ubika Research, and smallcappower.com. His previous experience includes various management positions in companies such as Bank of Montreal. He holds a BA in Economics (Hons.), Masters in Management Studies from University of Mumbai, India, and MBA in Finance from McGill University.

#### *Gerald Goldberg*

Mr. Goldberg is a Chartered Professional Accountant and a former senior partner at two major accounting firms. Mr. Goldberg has over 30 years' of audit experience and was the head of the public company audit division of a major firm. He has industry expertise in the service, distribution, retail, mining natural resource and oil & gas, real estate, "not-for-profit" entities, and manufacturing industries with a strong emphasis in taxation and business advisory services. He was active in corporate finance and development and was involved in the structure and design of numerous innovative financing instruments, tax shelters and syndications, both in Canada and the US. He was actively involved with the audit of various public Canadian, US, Chinese and other foreign companies listed in the US and Canada. Mr. Goldberg holds the designation of C.T.A. University of South Africa and is a member of the Institute of Chartered Accountants of Ontario and the Public Accountants Council of Ontario. Mr. Goldberg was and is a director and audit committee chairman of numerous Canadian and US public companies.

#### ***Cease Trade Orders or Bankruptcies***

As at the date of this Circular, none of the proposed directors is, or has been, within 10 years before the date of this Circular: (a) a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity: (i) was subject to a cease trade order (including any management cease trade order which applied to directors or executive officers of a company, whether or not the person is named in the order) or an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days (an "Order"); or (ii) was subject to an Order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (b) a director or executive officer of any 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. As at the date of this Circular, none of the proposed directors has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

As at the date of this Circular, none of the proposed directors has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

#### *Recommendation of the Board*

**THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR EACH OF THE PROPOSED NOMINEES FOR ELECTION AS DIRECTORS. Unless otherwise directed, it is the intention of the management designees to vote proxies in the accompanying form FOR the election of directors of each of the proposed nominees, as set forth above.** The election of directors must be approved by a majority of all votes cast by the Shareholders present at the Meeting in person or by proxy in order to be effective.

#### **C. Appointment of Auditors**

Shareholders will be asked to re-appoint MNP LLP as auditors of Gravititas to hold office until the next annual general meeting of Shareholders at remuneration to be fixed by the Board. MNP LLP was first appointed as the auditor of the Corporation on January 12, 2015.

#### *Recommendation of the Board*

**THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE FOR THE APPOINTMENT OF MNP LLP AS THE AUDITORS OF THE CORPORATION AND TO AUTHORIZE THE BOARD TO FIX THEIR REMUNERATION. Unless otherwise directed, it is the intention of the management designees to vote proxies in the accompanying form FOR the appointment of MNP LLP as auditors of the Corporation and to authorize the Board to fix their remuneration.** The re-appointment of the auditors and the authorization of the Board to fix their remuneration must be approved by a majority of the votes cast by the Shareholders present at the meeting in person or by proxy in order to become effective.

#### **D. Approval of the Stock Option Plan**

Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution approving the Corporation's new stock option plan (the "**Stock Option Plan**") annexed hereto as Schedule "B". The Board approved the Stock Option Plan on February 9, 2018.

The Stock Option Plan is a "rolling" plan under which up to 10% of the issued and outstanding Shares from time to time, subject to adjustment in certain circumstances, may be issued. The purpose of the Stock Option Plan is to provide compensation opportunities to directors, officers, employees and consultants to align their interests with those of shareholders and to assist in attracting and retaining individuals of exceptional ability. Subject to the requirements of the Stock Option Plan, the Board has the authority to select those directors, officers, employees and consultants to whom options will be granted, the number of options to be granted to each person and the price at which Shares may be purchased. The following information is intended to be a brief description of the Stock Option Plan and is qualified in its entirety by the full text of the Stock Option Plan.

- Eligible participants are employees, officers and directors of, or consultants to, the Corporation or its affiliates, which may be designated from time to time by the directors of the Corporation.
- The maximum number of Shares to be issued pursuant to the Stock Option Plan shall not exceed 10% of the issued and outstanding Shares at the time of the stock option grant.
- The Board determines the exercise price of each option at the time the option is granted, provided that such price is not lower than the greater of the closing market price of Shares on (a) the trading day prior to the date of grants of the stock option, and (b) the date of grant of the stock option, pursuant to the rules of the Canadian Securities Exchange (the "**Exchange**").

- The period of time during which a particular option may be exercised is determined by the Board, subject to any employment contract or consulting contract, provided that no such option term shall exceed 10 years.
- Options may terminate prior to expiry of the option term in the following circumstances: (i) on the death, disability or retirement of an optionee, options vested as at the date of such event are immediately exercisable until the earlier of 180 days from such date and expiry of the option term; and (ii) if an optionee ceases to be a director, officer, employee and consultant of the Corporation for any reason other than death, disability or retirement, including receipt of notice from the Corporation of the termination of his, her or its employment contract or consulting contract, options vested as at the date termination are exercisable until the earlier of 90 days following such date (which date may be extended by the Board to a date that is 12 months following such date) and expiry of the option term.
- In the event of (i) the Corporation accepts an offer to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned subsidiary) or in the event that holders of greater than 50% of the Corporation's outstanding Shares accept an offer made to all or substantially all of the holders of the Shares of the Corporation to purchase in excess of 50.1% of the current issued and outstanding Shares, or (ii) the Corporation accepts an offer to sell all or substantially all of its property and assets so that the Corporation shall cease to operate as an active business, then at the discretion of the Board at the time of grant or at any time thereafter, all unvested options shall, without any further action on behalf of the Corporation be automatically vested and may be exercised within a specified period thereafter.
- Options and rights related thereto held by an optionee are not to be assignable or transferable except on the death of the optionee.
- The Board may from time to time in its absolute discretion amend, modify and change the provisions of the Plan or any options granted pursuant to the Plan, provided that any amendment, modification or change to the provisions of the Plan or any options granted pursuant to the Plan shall not adversely alter or impair any option previously granted and be subject to regulatory approvals, including, where applicable, the approval of the Exchange in various circumstances as more particularly set forth in the Plan.
- The Board may discontinue the Plan at any time without consent of the participants under the Stock Option Plan provided that such discontinuance shall not adversely alter or impair any option previously granted.

As of February 20, 2018, the Corporation has 72,601,305 Shares issued and outstanding. Subject to shareholder approval of the Stock Option Plan, a total of 7,260,130 options are currently available to be granted pursuant to the Stock Option Plan. As of February 20, 2018, no options had been granted pursuant to the Stock Option Plan and 7,260,130 options were still available to be granted. It is anticipated that stock options will be issued by the Board imminently. It is the intent of the Corporation to terminate the 2012 Stock Option Plan (as defined below) upon the approval of the Stock Option Plan by the Shareholders.

***Resolution to Approve the Stock Option Plan***

Shareholders are being asked to pass the following resolution to approve the Stock Option Plan (the "**Stock Option Plan Resolution**"):

*"BE IT RESOLVED THAT: 1. the Stock Option Plan in the form attached as Schedule "B" to the Circular is hereby approved, adopted and confirmed; and 2. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, agreements and instruments, and to do or to cause to be done all such other acts and things, as such person determines to be necessary or desirable or required by any regulatory authority in order to carry out the intent of this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing."*

***Recommendation of the Board***

**THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE STOCK OPTION PLAN RESOLUTION. Unless otherwise directed, it is the intention of the management designees to vote proxies in the accompanying form IN FAVOUR of the Stock Option Plan resolution.** The Stock Option Plan Resolution must be approved by a majority of the votes cast by the Shareholders present at the meeting in person or by proxy in order to become effective.

#### **E. Approval of Share Consolidation**

The Corporation seeks Shareholder approval at the Meeting for a special resolution to consolidate (the “**Consolidation**”) all of the issued and outstanding Shares on the basis of one (1) post-Consolidation common share for up to ten (10) pre-Consolidation common shares, or a ratio that is less at the discretion of the Board, with the Consolidation to be implemented by the Board at any time prior to the next annual meeting of the Shareholders. Voting for this resolution does not automatically mean that the Consolidation will occur, rather a vote for this resolution will give the Board the authority, should they decide that it is in the best interest of the Corporation, to complete the Consolidation. The following table outlines the number of common shares that would exist following the Consolidation at various theoretical ratios. Any consolidation remains subject to all required regulatory approvals. As of the date of this Circular, there are 72,601,305 Shares issued and outstanding.

<b>Ratio</b>	<b>Number of Shares Post-Consolidation</b>
2 for 1	36,600,653
3 for 1	24,200,435
4 for 1	18,150,327
5 for 1	14,520,261
6 for 1	12,100,218
7 for 1	10,371,615
8 for 1	9,075,163
9 for 1	8,066,812
10 for 1	7,260,131

#### ***Reasons for the Consolidation***

Management of the Corporation believes that a Consolidation may provide flexibility in the capital structure of the Corporation in order to facilitate raising capital in the future while keeping the Corporation’s capital structure manageable.

#### ***Effect on Shares and Convertible Securities***

The Consolidation will not materially affect the percentage ownership in the Corporation by the Shareholders even though such ownership will be represented by a smaller number of Shares. The Consolidation will merely proportionately reduce the number of Shares held by the Shareholders.

The exercise or conversion price and/or the number of Shares issuable under any outstanding convertible securities, including under outstanding options, warrants, rights and any other similar securities will be proportionately adjusted upon the implementation of the Consolidation, in accordance with the terms of such securities, on the same basis as the consolidation of the Shares.

#### ***Fractional Shares***

If, as a result of a Consolidation, a Shareholder would otherwise be entitled to a fraction of a post-Consolidation common share in respect of the total aggregate number of pre-Consolidation common shares held by such Shareholder, no such fractional common share will be awarded. All fractions of post-Consolidation common shares will be rounded to the next lowest whole number if the first decimal place is less than five and rounded to the next highest whole number if the first decimal place is five or greater. Except for any change resulting from the rounding described above, the change in the number of post-Consolidation common shares outstanding that would result from the Consolidation will cause no change in the stated capital attributable to the Shares.

#### ***Certain Risks Associated with the Consolidation***

There can be no assurance that the total market capitalization of the Corporation (the aggregate value of all Shares at the market price then in effect) immediately after the Consolidation will be equal to or greater than the total market capitalization immediately before the Consolidation. In addition, there can be no assurance that the per share market price of the Shares following the Consolidation will remain higher than the per-share market price immediately before the Consolidation or equal or exceed the direct arithmetical result of the Consolidation. In addition, a decline in the market price of the Shares after the Consolidation may result in a greater percentage decline than would occur in the absence of a Consolidation and the liquidity of the Shares could be adversely affected. Further, there can be no assurance that, if the Consolidation is implemented, the margin terms associated with the purchase of Shares will improve or that the Corporation will be successful in receiving increased attention from institutional investors.

### ***Implementation, Notice of Consolidation and Letter of Transmittal***

Upon determining to proceed with the Consolidation, the Corporation will file articles of amendment to effect the Consolidation. Prior to the completion of a Consolidation, the Corporation will provide Registered Shareholders with a letter of transmittal for use in transmitting their share certificates to the Corporation's transfer agent in order to exchange old certificates for new certificates representing the number of common shares to which such Shareholder is entitled as a result of the Consolidation. No delivery of new certificates to a Shareholder will be made until the Shareholder has surrendered their current issued certificates. Until surrendered, each share certificate formally representing old common shares of the Corporation shall be deemed for all purposes to represent the number of new common shares to which the holder is entitled as a result of the Consolidation. No fractional shares will be issued in connection with the Consolidation.

The implementation of the special resolution is conditional upon the Corporation obtaining the necessary regulatory consents. The special resolution provides that the Board of Directors is authorized, in its sole discretion, to determine not to proceed with the proposed Consolidation, without further approval of the Shareholders. In particular, the Board of Directors may determine not to present the special resolution to the Meeting or, if the special resolution is presented to the Meeting and approved, may determine after the meeting not to proceed with completion of the proposed Consolidation and filing the articles of amendment.

Subject to applicable regulatory requirements, a Consolidation will be effective on the date on which articles of amendment of the Corporation are filed and certified by the Ministry, on which the directors of the Corporation determine to carry out the Consolidation. If a Consolidation is approved, no further action on the part of the Shareholders will be required in order for the Board to implement a Consolidation.

### ***Procedure for Non-Registered Shareholders***

Non-Registered Shareholders holding their Shares through a bank, broker or other nominee should note that such banks, brokers or other nominees may have different procedures for processing the Consolidation than those that will be put in place by the Corporation for Registered Shareholders. If you hold Shares with such bank, broker or other nominee and if you have questions in this regard, you are encouraged to contact your nominee to obtain instructions for processing the Consolidation.

### ***Resolution to Approve the Consolidation***

Shareholders are being asked to pass the following special resolution to approve the Consolidation (the "Consolidation Resolution"):

***"BE IT RESOLVED THAT: 1. the Board be authorized, subject to approval of the applicable regulatory authorities, to take such actions as are necessary to consolidate, at any time following the date of this resolution but prior to the next annual meeting of shareholders of the Corporation, all of the issued and outstanding common shares on the basis that up to ten (10) pre-consolidation common shares, or a ratio that is less at the discretion of the Board, be consolidated into one (1) post-consolidation common share; 2. despite the foregoing authorization, the Board may, at its absolute discretion, determine when such consolidation will take place and may further, at its discretion, determine not to effect such consolidation of all of the issued and outstanding common shares, in each case without requirement for further approval, ratification or confirmation by the Shareholders; 3. any director or officer of the Corporation is hereby authorized and directed, acting for, in the name of and on behalf of the Corporation, to execute or cause to be executed, under the seal of the Corporation or otherwise, and to deliver or to cause to be delivered, all such documents, agreements and instruments, and to do or to cause to be done all such other acts and things, as such person determines to be necessary or desirable or required by any regulatory authority in order to carry out the intent of this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing; and 4. notwithstanding the foregoing, the Board is hereby authorized, without further approval of or notice to the Shareholders, to revoke this special resolution at any time before it is acted upon."***

### ***Recommendation of the Board***

**THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOUR OF THE CONSOLIDATION RESOLUTION. Unless otherwise directed, it is the intention of the management designees to vote proxies in the accompanying form IN FAVOUR of the Consolidation Resolution. The Consolidation Resolution must be**

approved by an affirmative vote of not less than two-thirds (or 66-2/3%) of the votes cast by the Shareholders represented at the Meeting in person or by proxy.

### STATEMENT OF EXECUTIVE COMPENSATION

This Statement of Executive Compensation provides information regarding all significant elements of compensation paid, payable, awarded, granted, given or otherwise provided by the Corporation to (i) the Chief Executive Officer, (ii) the Chief Financial Officer, (iii) each of the three most highly compensated executive officers of the Corporation, or the three most highly compensated individuals acting in a similar capacity, other than the Chief Executive Officer and Chief Financial Officer at the end of most recently completed financial year whose total compensation was, individually, more than \$150,000; and (iv) each individual who would be a named executive officer under (iii) above but for the fact that the individual was neither an executive officer of the Corporation nor acting in a similar capacity at the end of that financial year (collectively, the “Named Executive Officers” or “NEOs”).

For the year ended December 31, 2017, the Named Executive Officers are: Vikas Ranjan, President; Vishy Karamadam, Executive Vice-President; David Carbonaro, NEO; Peter Liabotis, Chief Financial Officer (“CFO”); Ying Chen, former Interim Chief Financial Officer and Rishi Tibriwal, former Chief Financial Officer.

### Director and NEO Compensation

#### Table of Compensation excluding Compensation Securities

The following table provides a summary of the compensation, excluding compensation securities, for each of the Corporation’s NEOs and directors for the fiscal years ended December 31, 2017 and 2016.

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 (\$)
VIKAS RANJAN President	2017	300,000	-	-	-	24,000	324,000
	2016	150,000	-	-	-	24,000	174,000
VISHY KARAMADAM Executive Vice-President	2017	300,000	-	-	-	24,000	324,000
	2016	150,000	-	-	-	24,000	174,000
DAVID CARBONARO <sup>(2)</sup> NEO	2017	260,000	-	-	-	24,000	284,000
	2016	260,000	-	-	-	24,000	284,000
PETER LIABOTIS <sup>(2)</sup> CFO	2017	112,500	-	-	-	-	112,500
	2016	-	-	-	-	-	-
YING CHEN <sup>(3)</sup> Interim CFO	2017	-	-	-	-	-	-
	2016	-	-	-	-	-	-
RISHI TIBRIWAL <sup>(4)</sup> Former CFO	2017	15,000	22,500	-	-	-	37,500
	2016	185,400	-	-	-	-	185,400
ERNIE EVES <sup>(5)</sup> Director	2017	72,000	-	-	-	-	72,000
	2016	72,000	-	-	-	-	72,000
GERALD GOLDBERG <sup>(6)</sup> Director	2017	36,000	-	-	-	-	36,000
	2016	21,000	-	-	-	-	21,000

- (1) A company over which Mr. Carbonaro had some direction, received consulting fees of \$360,000 for the years ended December 31, 2017 and 2016.
- (2) Mr. Liabotis was appointed Chief Financial Officer of the Corporation on May 17, 2017. Mr. Liabotis received \$112,500 in compensation for the period from May 17, 2017 to December 31, 2017.
- (3) Ms. Ying Chen was appointed as interim Chief Financial Officer of the Corporation effective February 1, 2017 and resigned May 17, 2017. Ms. Chen received no compensation during this period.
- (4) Mr. Tibriwal resigned as Chief Financial Officer of the Corporation effective January 31, 2017. Mr. Tibriwal received a \$22,500 bonus during the fiscal year ended December 31, 2017 relating to the fiscal year ended December 31, 2016.
- (5) Mr. Eves is Chairman of the Board and Chairman of the Compensation Committee and has received director fees in those capacities. Mr. Eves is reimbursed for all reasonable travel and ancillary expenses.
- (6) Mr. Goldberg is a director of the Corporation and the Chair of the Audit Committee and has received director fees in those capacities. Mr. Goldberg is reimbursed for all reasonable travel and ancillary expenses.

#### Stock Options and Other Compensation Securities

As at December 31, 2017, no compensation securities were granted or issued to any of the NEOs or directors of the Corporation. There are no outstanding compensation securities as at December 31, 2017.

### ***Stock Option Plan and other Incentive Plans***

The Corporation proposes to implement a new stock option plan as described under the heading “Particulars of Matters to be Acted Upon – Approval of the Stock Option Plan”. It is the intent of the Corporation to terminate the 2012 Stock Option Plan upon the approval of the Stock Option Plan by the Shareholders.

The Corporation’s existing stock option plan (the “**2012 Stock Option Plan**”) was adopted by the board of directors on May 15, 2012 and approved by the Shareholders on June 1, 2012. Pursuant to the 2012 Stock Option Plan, the Board may, from time to time and at its discretion, grant to directors, officers, employees or consultants of the Corporation (the “**Beneficiaries**”) options to acquire common shares of the Corporation for a maximum of 10% of the number of outstanding Shares of the Corporation at the time of the grant.

Options are not transferable and are valid for five years from the date of grant. The exercise price per Share is fixed by the Board but cannot be less than the closing price of the shares on the Canadian Securities Exchange the day before the grant. Options granted to a Beneficiary who is no longer eligible under the 2012 Stock Option Plan will expire three months following the date such person ceases to be a Beneficiary for the purposes of the 2012 Stock Option Plan.

The Board may appoint a committee to administer the 2012 Stock Option Plan (the “**Plan Committee**”), If such a committee is not so appointed, the Board shall be deemed to constitute the Plan Committee. The exercise price per Share is fixed by the Plan Committee but shall not be less than the greater of the closing market prices of the Shares on (a) the trading day prior to the date of grant of the options; and (b) the date of the grants of the options.

The number of Shares which may be issued pursuant to options granted pursuant to the 2012 Stock Option Plan to any one person may not exceed 5% of the aggregate issued and outstanding Shares (calculated as at the time of grant of such option) in any 12-month period unless disinterested shareholder approval is obtained. No consultant nor any employee conducting investor relations activities may be granted options to acquire more than 2% of the issued and outstanding Common Shares (calculated as at the time of grant of such option) in any 12- month period.

The expiry date of each option shall be determined by the Board or the Plan Committee or, failing such determination and in any event, not later than that date which is five years after the grant of the option. The vesting of each option shall be determined by the Plan Committee, failing which, the options shall vest as to 25% immediately upon the date of grant and as to a further 25% in each of (i) one year, (ii) 18 months and (iii) two years, after the date of grant.

Options are not transferable except by will or the laws of succession and distribution. If the optionholder (a) dies, or (b) ceases to be eligible under the Plan (for any reason other than resignation termination for cause or resignation or failure to be re-elected as a Director), then generally, options that are entitled to be exercised may be exercised (subject to certain entitlements to exercise unvested options at the discretion of the Board or the 2012 Stock Option Plan) until the earlier of (i) one year or three months, respectively, of the applicable date, or (ii) the expiry date of the option. If the Corporation or its Shareholders receive and accept an offer to acquire all of the Shares or substantially all of the assets of the Corporation (the “**Sale Transaction**”), the Plan Committee may, in its sole discretion, deal with the options issued under the Plan in the manner it deems fair and reasonable, including accelerating the expiry date of the options, providing for cash compensation or exchanging options for options to acquire shares in the capital of the acquirer or resulting corporation in connection with the Sale Transaction.

The Plan Committee may at any time amend any provision of the Plan subject to obtaining any necessary approval of the applicable regulatory authorities, provided that any such amendment shall not adversely affect or impair any option previously granted to an optionee under the 2012 Stock Option Plan, without its consent.

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

Both Mr. Ranjan and Mr. Karamadam have an employment agreements in place with the Corporation, whereby they are entitled to a base salary of \$300,000 per annum plus a discretionary bonus to be determined by the Board. Further, each are entitled to a \$24,000 annual car allowance. Should either be terminated without cause, they shall be entitled to severance totalling 24 months of compensation, which includes salary, the amount of bonus paid during the proceeding year.

Mr. Liabotis has an employment agreement in place with the Corporation, whereby he is entitled to a base salary of \$180,000 per annum plus a discretionary bonus targeted to be between 10% and 30% of his base compensation.

### ***Oversight and Description of Director and NEO Compensation***

#### ***Directors***

Each of the non-employee directors of the Corporation is entitled to receive compensation based on their Board title, the committees that they serve on and their tenure on the Board. Mr. Eves is entitled to compensation totalling \$72,000 by virtue of the fact that he is both the Chairman of the Board and Chairman of the Compensation Committee as well as his long tenure on the Board. Mr. Goldberg is entitled to compensation totalling \$36,000 by virtue of the fact that he has been a director for two years and serves as Chair of the Audit Committee. No other retainers or fees are paid to any members of the Board. Non-employee Directors are reimbursed for all reasonable travel and ancillary expenses. The following table describes director compensation for the year ended December 31, 2017. Directors who are also officers of the Corporation are not entitled to any compensation for their services as a director.

#### ***Named Executive Officers***

The Board has overall responsibility for determining and implementing the Corporation’s philosophy with respect to executive compensation. The Board makes all compensation decisions for the NEOs, which currently consists of base cash compensation. The base cash compensation for each NEO is based on the position held, the individual’s demonstrated ability to perform the role, skill requirements, level of responsibility and market value of the role. The base cash compensation review of each NEO takes into consideration the current competitive market conditions, experience, proven or expected performance, and the particular skills of the NEO. Base compensation is not evaluated against a “peer group” and the Corporation does not use benchmarking or performance goals in determining executive compensation. The Corporation has not retained compensation consultants to advise on executive compensation but instead relies on the general experience of its members in setting base compensation amounts. The Corporation does not anticipate making any significant changes to its compensation policies and practices in the next financial year.

#### ***Pension Disclosure***

The Corporation does not have any pension plans.

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

The following table sets out certain details, as at December 31, 2017, regarding the Corporation’s compensation plans pursuant to which equity securities of the Corporation are authorized for issuance.

<b>Plan Category</b>	<b>Number of securities to be issued upon exercise of outstanding options, warrants, and rights</b>	<b>Weighted-average exercise price of outstanding options, warrants and rights</b>	<b>Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the second column)</b>
Equity compensation plans approved by Shareholders <sup>(1)</sup>	Nil	N/A	7,260,130
Equity compensation plans not approved by Shareholders <sup>(2)</sup>	N/A	N/A	N/A
<b>Total</b>	<b>Nil</b>	<b>N/A</b>	<b>7,260,130</b>

(1) The 2012 Stock Option Plan is the only equity compensation plan approved by Shareholders.

(2) The Corporation does not have any equity compensation plans not approved by Shareholders.

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

During the fiscal year ended December 31, 2017, and as at the date of this Circular, none of the directors, executive officers, employees (or former directors, executive officers or employees of the Corporation), each proposed nominee for election as a director of the Corporation (or any associate of a director, executive officer or proposed nominee) was or is indebted to the Corporation for any purpose, including the purchase of securities of the Corporation.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed persons of the Corporation, any proposed director of the Corporation, or any associate or affiliate of any informed person or proposed director has any material interest, direct or indirect, in any transaction since the beginning of the Corporation's most recently completed financial year, or in any proposed transaction which has materially affected or would materially affect the Corporation or any of its subsidiaries.

### MANAGEMENT CONTRACTS

None of the management functions of the Corporation or any of its subsidiaries are to any substantial degree performed other than by the directors or executive officers of the Corporation or a subsidiary.

### CORPORATE GOVERNANCE DISCLOSURE

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* and National Policy 58-201 – *Corporate Governance Guidelines* 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 Corporation, must disclose on an annual basis and in prescribed form, the corporate governance practices that it has adopted. The following is the Corporation's required annual disclosure of its corporate governance practices.

#### Board of Directors

Two of the Corporation's five Board members are individuals who qualify as independent. Each of Mr. Eves and Mr. Goldberg is deemed independent since in the Board's opinion, they are unrelated to management and free of all interests, business dealings or other relationships, which could or could conceivably be perceived as being able to significantly interfere with the ability of such directors to act in the best interests of the Corporation, other than the interest and relationship that arises from stock ownership. Mr. Carbonaro, Mr. Karamadam and Mr. Ranjan are deemed directors who are "not independent" since they are part of the senior management of the Corporation.

#### Directorships

The following table sets forth details regarding other public company directorships and committee appointments currently held by the Corporation's directors:

Director	Name of Reporting Issuer	Name of Exchange or Market	Position
Ernie Eves	Nighthawk Gold Corp.	TSX	Director & Compensation Committee
David Carbonaro	none	-	-
Vishy Karamadam	The Mint Corporation Prime City One Capital Corp.	TSXV NEX	Director and Audit Committee Director
Vikas Ranjan	The Mint Corporation	TSXV	Director
Gerald Goldberg	Capricorn Business Acquisitions Inc. Baymount Incorporated Prime City Capital One Corp. Leo Acquisition Corp. Gilla Inc.	NEX NEX NEX NEX OTCQB	Director Director Director Director Director

#### Orientation and Continuing Education

The directors keep up to date and receive copies of all the necessary and latest information during meetings of the Board or the Audit Committee. In addition, all directors have an office, or access to an office, at the Corporation's primary place of business allowing them to remain up to date on the Corporation's events. On account of the limited number of directors and the venture nature of the Corporation, no formal training system has been created.

#### Ethical Business Conduct

The Board acknowledges that it shall take on the responsibility of overseeing the competent and ethical operation of the Corporation. In order to guarantee that the directors exercise their judgment in an independent fashion when examining operations and contracts in which a director or a member of senior management has a significant interest, such transactions shall be reviewed and approved only by directors assembled together in a committee of the Board,



where the director who has such an interest shall refrain from participating in the discussions and from voting on the matter. In addition, the Corporation shall take steps to ensure that directors do not undertake any transactions involving the Corporation's stock when important information is about to be communicated.

### **Nomination of Directors and Compensation**

The President and/or the Chief Executive Officer of the Corporation will propose qualified candidates to fill vacant positions on the Board. In order to determine the compensation of the directors, the Board shall notably take into account the contribution made by the directors to the Corporation.

### **Board Committees**

There are two committees of the Board, the Audit Committee and the Compensation Committee.

### **Assessments**

Given the small size of the Corporation, it has limited human and financial resources, the Board, as a whole, is not subject to a formal evaluation. The members of the Board can always freely express their opinion and suggest changes if the contribution of a member is judged unsatisfactory.

## **AUDIT COMMITTEE**

### **Charter of the Audit Committee**

The text of the Audit Committee's charter is attached hereto as Schedule "A".

### **Composition of the Audit Committee**

The following are the current members of the Audit Committee:

<b>Name</b>	<b>Independence</b>	<b>Financial Literacy</b>
Gerald Goldberg (Chair)	Independent	Financially Literate
Ernie Eves	Independent	Financially Literate
Vikas Ranjan	Non-Independent	Financially Literate

### **Relevant Education and Experience**

The education and related experience of each of the members of the Audit Committee that is relevant to the performance of his responsibilities as a member of the Audit Committee is set out below:

*Gerald Goldberg (Chair)* is a Chartered Professional Accountant and a former senior with two major accounting firms.

*Ernie Eves* was the former Minister of Finance (Ontario) and in this capacity, was responsible for managing the fiscal, financial, and related regulatory affairs for the Province of Ontario.

*Vikas Ranjan* is a management and investment professional with over 20 years of experience in diverse areas of investment management, finance, and investment research. He holds a BA in Economics (Hons.), Masters in Management Studies from University of Mumbai, India, and MBA in Finance from McGill University.

### **Audit Committee Oversight**

At no time since the commencement of the Corporation's fiscal year ended December 31, 2017, was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### **Reliance on Certain Exemptions**

At no time since the commencement of the Corporation's financial year ended December 31, 2017, has the Corporation relied on the exemption provided under section 2.4 (De minimis Non-audit Services) of National Instrument 52-110 – *Audit Committees* ("NI 52-110") or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (Exemptions). However, the Corporation is not required to comply with Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of NI 52-110 given that it is a venture issuer as defined in NI 52-110.

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

The Audit Committee of the Corporation has adopted specific policies and procedures for the engagement of non-audit services as described in the Audit Committee’s charter attached hereto as Schedule “A”.

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

The aggregate fees billed by the Corporation’s external auditors during the fiscal years ended December 31, 2016 and 2015 were as follows:

<u>Fiscal Year</u>	<u>Audit Fees (\$)</u>	<u>Audit Related Fees (\$)</u>	<u>Tax Fees (\$)</u>	<u>All Other Fees (\$)</u>
2016	286,800	-	25,600	-
2015	254,920	-	-	-

**OTHER MATTERS TO BE ACTED UPON**

There are no other matters to be considered at the Meeting which are known to the directors or senior officers of the Corporation at this time. However, if any other matters properly come before the Meeting, it is the intention of the persons named in the form of proxy accompanying this Circular to vote the same in accordance with their best judgment of such matters exercising discretionary authority with respect to amendments or variations of matters identified in the Notice of Meeting, and other matters which may properly come before the Meeting or any adjournment thereof.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information regarding the Corporation is provided in the Proxy-Related Materials. Shareholders of the Corporation may contact the Corporation at 333 Bay Street, Suite 1700, Toronto, Ontario M5H 2R2 to request copies of the Financial Statements MD&A.

**DIRECTORS’ APPROVAL**

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

**DATED** as of the 20<sup>th</sup> day of February 2018.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Ernie Eves”*

---

Ernie Eves  
Chairman of the Board

## **SCHEDULE “A” AUDIT COMMITTEE CHARTER**

### **Purpose**

The audit committee is a standing committee of the board of directors. Its primary duty is to assist the board of directors in fulfilling its supervisory role with regard to the following:

1. The completeness of the consolidated financial statements and the information provided to shareholders and to other persons concerned.
2. The Corporation’s compliance with financial regulatory requirements.
3. The accuracy and effectiveness of the internal control mechanisms implemented and maintained by management.
4. The competency, independence and performance of the external auditor who must report to the audit committee, to the board of directors and to the shareholders.

### **Composition**

The audit committee is comprised of at least three directors, including one chairman, who are named by the board of directors every year after the annual meeting. The majority of the committee members must not be officers or other employee of the Corporation or of an affiliate.

Each committee member must meet the requirements in matters of independence, financial knowledge and experience, the requirements of the applicable laws that govern the Corporation and the rules of the Stock Exchanges on which the Corporation’s shares are listed as well as the requirements of competent securities authorities.

The board of directors may, at any time, terminate a committee member’s duties or replace him or her and it must fill vacant positions on the committee.

### **Structure and functioning**

The chairman of the board, the chairman of the committee or two members of the committee may call a committee meeting at any time. The committee meets as required but not less than four times per year. Quorum is reached where two members are present at committee meetings, irrespective of their status, and the composition thereof must comply with the requirements of the *Canada Business Corporations Act*.

The chairman of the committee, in cooperation with the chairman of the board, draws up the agenda for each committee meeting taking into account the items appearing in the committee’s activity program which is approved each year by the board of directors. At each meeting, the committee may also sit privately with only the committee members in attendance. The committee may retain the services of special consultants, where it deems it expedient, at the expense of the Corporation.

The chairman of the committee or the person appointed by him or her submits a committee activity report to the board of directors after each meeting and makes recommendations to the board of directors regarding issues that require board approval.

Each year, the committee reviews this charter and the items appearing in the committee activity program and, where necessary, recommends changes to the board of directors so that it will approve them. The committee will prepare a report to be attached to the proxy documents regarding the annual meeting.

Together with the board of directors, the committee evaluates and considers the committee’s annual performance.

### **Duties and responsibilities of the audit committee and review**

1. Review the unaudited interim consolidated financial statements and management’s analysis of the financial situation and operating results with management and the external auditors by addressing, in particular, with the external auditors, questions that must be the subject matter of discussion pursuant to the generally accepted auditing standards that apply to the Corporation.
2. Review the press releases announcing the Corporation’s financial results.
3. Review with management and the external auditors, after completion of the annual audit:
  - (a) the audited annual consolidated financial statements;
  - (b) the audit of the annual consolidated financial statements made by the external auditor as well as the latter’s report thereon;
  - (c) management’s analysis of the financial situation and operating results;
  - (d) any material change that had to be made to the external audit plan;
  - (e) any material question brought to management’s attention during the audit, including any restriction on the scope of activities or access to information;
  - (f) any question related to the performance of the audit that must be the subject matter of discussion pursuant to the generally accepted auditing standards that apply to the Corporation.
4. Ensure that the external auditor is convinced that judgment and accounting estimates made by management as well as the accounting principles chosen by management reflect the adequate application of generally accepted accounting principles.

5. Review the Corporation's main accounting policies and methods with management and the external auditor.
6. Ensure the independence of the external auditor, given the requirements in respect thereto provided by the laws governing the Corporation and by the applicable rules of the Stock Exchanges on which the Corporation's shares are listed. At least once a year, the external auditor submits a written statement to the committee outlining all its relations with the Corporation; the committee reviews it with him or her and, where necessary, recommends that the board take the requisite measures to ensure the independence of the external auditors and their responsibility toward the committee and the board.
7. Evaluate the performance of the external auditor and recommend to the board the appointment or, where it deems it expedient, the replacement of the external auditor subject to shareholder approval.
8. Consider, review and approve the services offered by the external auditor and the fees to be paid to the external auditors with regard to the audit, to the related services rendered and to other services that are provided for by law and that comply with the guidelines established by the board limiting the recourse to the services of the external auditor.
9. Review with the external auditor and management the general scope of the annual audit plan and the resources that the external auditor will devote to the audit.
10. Require that management implement and maintain appropriate internal control mechanisms and review, evaluate and approve such mechanisms.
11. Review and discuss with the chief executive officer and chief financial officer the certificates related to the communication of the financial information and to the controls which such officers must file with securities authorities pursuant to the law.
12. Discuss the qualifications required to be a financial expert and determine if a committee member is a financial expert and ensure that the committee members have the financial knowledge.
13. Approve the methods established to deal with complaints, including anonymous complaints made by employees, regarding issues related to accounting, internal control and audit.
14. Review the Corporation's practices to ensure that any transaction made with affiliates and likely to adversely affect the solvency or the stability of the Corporation is identified.
15. Perform the other duties or exercise the powers that the board may, on a timely basis, entrust or assign to the committee as well as any other duty which the law, regulations or the applicable rules of the Stock Exchanges might impose on an audit committee.

## SCHEDULE "B"

### GRAVITAS FINANCIAL INC. STOCK OPTION PLAN

#### ARTICLE I PURPOSE

##### 1.1 Purpose

The purpose of the Plan is to advance the interests of the Corporation by attracting, retaining and motivating persons as directors, officers, key employees and consultants of the Corporation and its Affiliated Corporations and providing them with a greater incentive to develop and promote the growth and success of the Corporation by granting to them options to purchase shares in the capital of the Corporation.

#### ARTICLE II INTERPRETATION

##### 2.1 Definitions

For the purposes of the Plan, unless they are otherwise defined elsewhere herein, the following terms have the following meanings, respectively:

“**Affiliate**” has the meaning set forth in the *Securities Act* (Ontario).

“**Affiliated Corporation**” is a corporation which is an “affiliate” (as such term is defined in the *Securities Act* (Ontario)) of the Corporation.

“**Applicable Law**” means the requirements relating to the administration of stock option plans under the applicable corporate and securities laws of Ontario and Canada, any stock exchange or quotation system on which the Shares are listed or quoted and the applicable laws of any foreign country or jurisdiction which apply to Options granted under the Plan.

“**Board**” means the board of directors of the Corporation..

“**Business Day**” means a day that is not a Saturday, a Sunday or a statutory or legal holiday in Toronto, Ontario.

“**Cause**” means any act or omission by the Optionee which would in law permit an employer to, without notice or payment in lieu of notice, terminate the Optionee’s employment or services, and shall include, without limitation, the meaning attributed thereto in the employment agreement or consulting agreement, as may be applicable, of such Optionee.

“**Committee**” has the meaning set forth in Section 3.1(c).

“**Consultant Optionee**” means an individual, other than an Employee Optionee or an Executive Optionee, that: (a) is engaged to provide on a *bona fide* basis consulting, technical, management or other services to the Corporation or to an Affiliated Corporation under a written contract between the Corporation or the Affiliated Corporation and the individual or a consultant company or consultant partnership of the individual; and (b) in the Corporation’s reasonable opinion, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or that of an Affiliated Corporation; and shall include, other than for the purposes of Sections 4.9, 4.11 and 4.12, any registered retirement savings plans or registered retirement income funds established by or for the individual consultant (or under which the individual consultant is a beneficiary); for purposes of this paragraph, “**consultant company**” means, for an individual consultant, a company of which the individual consultant is an employee or shareholder and “**consultant partnership**” means, for an individual consultant, a partnership of which the individual consultant is an employee or partner.

“**Corporation**” means Gravitas Financial Inc. and includes any successor corporation thereto.

“**Date of Grant**” means, for any Option, the date specified by the Board at the time it grants the Option or, if no such date is specified, the date upon which the Option was granted.

“**Disability**” means the mental or physical state of the Optionee such that, as a result of illness, disease, mental or physical disability or similar cause, the Optionee has been unable to fulfil his or her obligations as an employee or consultant of the Corporation or an Affiliated Corporation either for any consecutive six-month period or for any period of nine months (whether or not consecutive) in any consecutive 12-month period, provided that, where the Optionee has entered into a written employment or consulting agreement with the Corporation or an Affiliated Corporation, “**Disability**” will have the meaning attributed to that term, or the term equivalent in concept, contained in that employment or consulting agreement.

“**Disinterested Shareholder Approval**” means approval by a majority of the votes cast by all the Corporation’s shareholders at a duly constituted shareholders’ meeting, excluding votes attached to Shares beneficially owned by Insiders who are service providers or their associates.

“**Eligible Person**” means a Consultant Optionee, Employee Optionee or Executive Optionee.

“**Employee Optionee**” means a current full-time or part-time employee or contract employee of the Corporation or of an Affiliated Corporation and shall include, other than for the purposes of Sections 4.9, 4.11 and 4.12, any registered retirement savings plans or registered income funds established by or for the employee (or under which such employee is the beneficiary) and a Holding Company of such individual.

“**Exchange**” means the stock exchange or quotation system and, where the context permits, includes all other stock exchanges and quotation systems designated by the Board, on which the Shares are or may be listed or quoted from time to time (provided that if, for the purposes of the Plan it is necessary to have reference to a single Exchange, then such Exchange shall be any stock exchange or quotation system on which the Shares are then listed or quoted as designated by the Board).

“**Executive Optionee**” means a current director or an officer of the Corporation or of an Affiliated Corporation and shall include, other than for the purposes of Sections 4.9, 4.11 and 4.12, any registered retirement savings plans or registered retirement income funds established by or for the individual director or officer (or under which such director or officer is the beneficiary) and a Holding Company of such individual.

“**Exercise Price**” has the meaning set forth in Section 4.2.

“**Fair Market Value**” means, at any date in respect of Shares,

- (a) in the event such Shares are not listed or quoted for trading on any stock exchange or quotation system, an amount, determined by the Board in its sole discretion, to be reflective of the cash price which would be obtained as at the relevant date if the Shares which are the subject of a transaction of purchase and sale were sold without compulsion to a willing and knowledgeable purchaser acting at arm’s length (as such term is defined in the Income Tax Act (Canada)); or
- (b) the greater of the closing market price of such Shares on the Exchange (i) the trading day prior to the date of grant of the Option, and (ii) the date of grant of the Option.

“**Holding Company**” means a corporation wholly-owned and controlled by an Optionee.

“**Insider**” has the meaning set forth in the *Securities Act* (Ontario).

“**Option**” means a right granted to an Eligible Person to purchase Shares on the terms of the Plan.

“**Optionee**” means the Eligible Person to whom an Option has been granted.

“**Option Agreement**” has the meaning set forth in Section 4.5.

“**Outstanding Shares**” means at the relevant time, the number of issued and outstanding Shares of the Corporation from time to time.

“**Person**” means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association or organization, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted.

“**Plan**” means this stock option plan of the Corporation (as the same may be amended or varied from time to time).

“**Public Company**” means a corporation, any portion of the shares of which is freely tradeable to and between members of the public without the requirement of filing a prospectus or similar document and the shares of which are traded on a published market (being any market on which shares are traded or quoted for trading if the prices at which they have been traded or quoted on that market are regularly published in a newspaper or business or financial publication of general and regular paid circulation).

“**Retirement**” means retirement from active employment with the Corporation or an Affiliated Corporation at or after the age of 65 or, with the consent for the purposes of the Plan of such officer of the Corporation or an Affiliated Corporation as may be designated by the Board, at or after such earlier age and upon the completion of such years of service as the Board may specify.

“**Shares**” means the common shares in the capital of the Corporation as constituted from time to time or, in the event of an adjustment contemplated by Section 5.1, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment.

“**Termination Date**” means:

- (a) in the case of an Employee Optionee or Executive Optionee whose employment or term of office with the Corporation or an Affiliated Corporation, as the case may be, terminates in the circumstances set out in Sections 4.11 or 4.12, the date that is designated by the Corporation or an Affiliated Corporation, as the case may be, as the last day of the

Optionee's employment or term of office with the Corporation or an Affiliated Corporation, as the case may be, and "**Termination Date**" specifically does not mean the date on which any period of contractual or reasonable notice that the Corporation or an Affiliated Corporation, as the case may be, may be required by contract or at law to provide to the Optionee would expire;

- (b) in the case of an Executive Optionee who received Options in his or her capacity as a director of the Corporation or an Affiliated Corporation, the date which is the earliest of (i) the date that such Executive Optionee resigns as a director of the Corporation or an Affiliated Corporation; (ii) the date that such Executive Optionee is not re-elected as a director; and (iii) the date that such Executive Optionee is removed from the board of directors of the Corporation or an Affiliated Corporation; and
- (c) in the case of a Consultant Optionee whose consulting agreement or arrangement with the Corporation or an Affiliated Corporation, as the case may be, terminates in the circumstances set out in Sections 4.11 or 4.12, the date that is designated by the Corporation or an Affiliated Corporation, as the case may be, as the date on which the Optionee's consulting agreement or arrangement is terminated, and "**Termination Date**" specifically does not mean the date on which any period of notice of termination that the Corporation or an Affiliated Corporation, as the case may be, may be required to provide to the Optionee under the terms of the consulting agreement or arrangement would expire;

or such later date as may be determined by the Board in the case of Options granted to a specific Optionee.

"**transfer**" includes any sale, exchange, assignment, gift, bequest, disposition, hypothecation, mortgage, charge, pledge, encumbrance, grant of security interest or other arrangement by which possession, legal title or beneficial ownership passes from one Person to another, or to the same Person in a different capacity, whether or not voluntary and whether or not for value, and any agreement to effect any of the foregoing; and the words "**transferred**", "**transferring**" and similar words have corresponding meanings.

"**Vesting Schedule**" has the meaning set forth in Section 4.4.

## 2.2 Certain Rules of Interpretation

In this Plan and the Schedules:

- (a) **Time** – Time is of the essence in and of this Agreement.
- (b) **Calculation of Time** – Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends. Where the last day of any such time period is not a Business Day, such time period shall be extended to the next Business Day following the day on which it would otherwise end.
- (c) **Business Days** – Whenever any action to be taken or payment to be made pursuant to this Agreement would otherwise be required to be made on a day that is not a Business Day, such action shall be taken or such payment shall be made on the first Business Day following such day.
- (d) **Currency** – Unless otherwise specified, all references to amounts of money in this Agreement refer to the lawful currency of Canada.
- (e) **Headings** – The descriptive headings preceding Articles and Sections of this Agreement are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles or Sections. The division of this Agreement into Articles and Sections shall not affect the interpretation of this Agreement.
- (f) **Including** – Where the word "**including**" or "**includes**" is used in this Agreement, it means "including without limitation" or "includes without limitation".
- (g) **Plurals and Gender** – The use of words in the singular or plural, or referring to a particular gender, shall not limit the scope or exclude the application of any provision of this Agreement to such persons or circumstances as the context otherwise permits.
- (h) **Statutory References** – Any reference to a statute shall mean the statute in force as at the date of this Agreement (together with all regulations promulgated thereunder), as the same may be amended, re-enacted, consolidated or replaced from time to time, and any successor statute thereto, unless otherwise expressly provided.
- (i) **Discretion** - Whenever the Board or, where applicable, the Committee is to exercise discretion in the administration of the terms and conditions of the Plan, the term "**discretion**" means the sole and absolute discretion of the Board or the Committee, as the case may be.

- (j) **Control** – In the Plan, a Person is considered to be “controlled” by a Person if:
- (i) in the case of a corporation or similar entity,
    - (A) voting securities of the first-mentioned Person carrying more than 50% of the votes ordinarily exercisable at meetings of shareholders of the corporation are held, otherwise than by way of security only, by or for the benefit of the other Person; and
    - (B) the votes carried by such securities are entitled, if exercised, to elect a majority of the directors of the first-mentioned Person;
  - (ii) in the case of a partnership that does not have directors, other than a limited partnership, the second-mentioned Person holds more than 50% of the interests in the partnership; or
  - (iii) in the case of a limited partnership, the general partner is the second-mentioned Person.

### ARTICLE III ADMINISTRATION

#### 3.1 Administration

- (a) If any of the Shares are listed or quoted for trading on the Exchange, the Plan shall be administered by the Board in accordance with the rules and policies of the Exchange in respect of employee stock option plans. The Board shall receive recommendations of management and shall determine and designate from time to time those Eligible Persons to whom an Option should be granted, the number of Shares which will be optioned from time to time to any Eligible Person and the terms and conditions of the Option.
- (b) Subject to Applicable Law, Section 3.1(c) and the limitations of the Plan, the Plan will be administered by the Board and the Board has the sole and complete authority, in its discretion, to:
- (i) determine which Persons are Eligible Persons;
  - (ii) grant Options to Eligible Persons;
  - (iii) determine the terms, limitations, restrictions and conditions upon such grants;
  - (iv) interpret and construe the terms and conditions of the Plan and the Options;
  - (v) adopt, amend and rescind such administrative guidelines and other rules relating to the Plan as the Board may from time to time deem advisable; and
  - (vi) make all other determinations and to take all other actions in connection with the implementation and administration of the Plan as the Board may deem necessary or advisable.

The Board may correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any agreement relating thereto in the manner and to the extent it shall deem necessary to effectuate the purpose and intent of the Plan. The Committee may adopt special guidelines and provisions for Persons who are residing in, or subject to, the taxes of, any jurisdiction outside of Canada (including, without limitation, countries, states, provinces and localities) to comply with applicable tax, and securities and other laws and may impose any limitations and restrictions that it deems necessary to comply with the applicable tax, securities and other laws of such jurisdiction outside of Canada.

Any decision, interpretation or other action made or taken in good faith by or at the direction of the Corporation, the Board or the Committee or any of its members arising out of or in connection with the Plan shall be within the absolute discretion of all and each of them, as the case may be, and shall be final, binding and conclusive on the Corporation, Optionees and their respective heirs, executors, administrators, successors and permitted assigns.

The Board’s interpretation, construction or determination of its guidelines and rules will be conclusive and binding upon all parties concerned. The day-to-day administration of the Plan may be delegated to such officers and employees of the Corporation or of an Affiliated Corporation as the Board may in its sole discretion determine.

- (c) To the extent permitted by Applicable Law, the Board may, from time to time, delegate to a committee (the “**Committee**”) of the Board all or any of the powers conferred on the Board under the Plan. In such event, the Committee will exercise the powers delegated to it by the Board in the manner and on the terms authorized by the Board. Any decision made or action taken by the Committee arising out of or in connection with the administration or interpretation of the Plan in this context is final and conclusive. If the Committee is appointed,



the Board shall designate one of the members of the Committee as chairman and the Committee shall hold meetings, subject to the by-laws of the Corporation, at such times and places as it shall deem advisable; including, without limitation, by telephone conference or by written consent to the extent permitted by Applicable Law. A majority of the Committee members shall constitute a quorum. All determinations of the Committee shall be made by a majority of its members. Any decision or determination reduced to writing and signed by all the Committee members in accordance with the by-laws of the Corporation shall be fully as effective as if it had been made by a vote at a meeting duly called and held. The Committee shall keep minutes of its meetings and shall make such rules and regulations for the conduct of its business as it shall deem advisable.

### 3.2 Shares Available under the Plan

- (a) Options may be granted by the Corporation in accordance with the terms of the Plan to Optionees to purchase such number of Shares as the Board may determine from time to time. Notwithstanding the foregoing, the maximum number of Shares which may be issued under the Plan is that number which is equal to ten percent (10%) of the total number of issued and outstanding Shares of the Corporation at any given time.
- (b) Any Shares subject to an Option which has been granted under the Plan and which is cancelled or terminated for any reason without having been exercised will be added back to the number of Shares reserved for issuance under the Plan and such Shares will again be available for grant under the Plan. No fractional Shares may be issued, and the Board may determine the manner in which any fractional Share value will be treated.

### 3.3 Eligibility

Participation in the Plan shall be limited to Eligible Persons. Participation shall be voluntary and the extent to which any Eligible Person shall be entitled to participate in the Plan shall be, subject to the terms of the Plan and Applicable Law, determined in the sole and absolute discretion of the Board. Eligibility to participate does not confer upon any Optionee any right to be granted Options pursuant to the Plan.

## ARTICLE IV OPTIONS

### 4.1 Grants

- (a) The Board may, from time to time, subject to the provisions of the Plan and such other terms and conditions as the Board may prescribe, grant Options to any Eligible Person.
- (b) Subject to the Plan, the Board may impose limitations, restrictions and conditions, in addition to those set out in the Plan, that are applicable to the exercise of an Option, including, without limitation, the nature and duration of any restrictions applicable to a sale or other disposition of Shares acquired upon exercise of an Option and the nature of events, if any, that may cause any Optionee's rights in respect of Shares acquired upon exercise of an Option to be forfeited and the duration of the period of such forfeiture.
- (c) An Eligible Person may receive Options on more than one occasion under the Plan and may receive separate Options on any one occasion.

### 4.2 Exercise Price

Subject to Applicable Law and to adjustment from time to time in accordance with Section 5.1, the exercise price (the "**Exercise Price**") of an Option granted pursuant to the Plan will be as determined by the Board at such time as such Option is allocated under the Plan but in any event shall not be less than the Fair Market Value.

### 4.3 Term of Options

Subject to any accelerated termination as set forth in the Plan, Options must expire no later than ten (10) years after the Date of Grant or such lesser period as applicable regulatory authorities or Applicable Law may require.

### 4.4 Vesting of Options

- (a) The Board may determine, in its sole discretion, in respect of an Option, when an Option will become exercisable and the extent to which an Option will vest or will be exercisable in instalments (the "**Vesting Schedule**") and such Vesting Schedule shall be set forth in the applicable Option Agreement. For example, the Board may, in its sole discretion, provide that the vesting of an Option be dependent on the passage of time and/or on the achievement of specified milestones or thresholds. Options will generally vest and therefore be exercisable as to one-third of the Shares under such Option on each of the first, second and third year anniversary of the Date of Grant of the Option. The Board may accelerate the date upon which an Option or any instalment thereof becomes exercisable.

- (b) Once a portion of an Option vests and becomes exercisable, it shall remain exercisable until expiration or termination of such Option in accordance with, among other sections, Section 4.6, unless otherwise specified by the Board in connection with the grant of such Option.

#### 4.5 Option Agreements

Each Option must be confirmed by an agreement (an “**Option Agreement**”), in the form of the option agreement attached hereto as **Exhibit “A”** (as may be amended by the Board from time to time, and with such changes thereto as may be necessary for any particular Option to a particular Optionee), signed by the Corporation and by the Optionee.

#### 4.6 Exercise of Option

- (a) Each Option grant or any part thereof may be exercised at any time or from time to time, in whole or in part, for up to the total number of Shares with respect to which it is then exercisable.
- (b) In order to exercise an Option, an Optionee shall deliver to the Corporation at its registered office (or other office designated in writing by the Corporation to the Optionee), a completed Notice of Exercise substantially in the form attached hereto as **Exhibit “B”**. Such notice shall specify the number of Shares the Optionee desires to purchase and shall be accompanied by payment in full of the Exercise Price for such Shares. Subject to the provisions of the immediately following sentence, payment may be made by bank draft or certified cheque payable to the order of the Corporation at the time of exercise. Upon receipt of payment in full, the number of Shares in respect of which the Option is exercised will be duly issued as fully paid and non-assessable.

#### 4.7 Misconduct of Optionee

In the event that the Board determines in good faith that an Optionee has:

- (a) used for profit or materially harmed the Corporation by disclosing to unauthorized Persons confidential information or trade secrets of the Corporation;
- (b) materially breached any contract with or materially violated any fiduciary obligation to the Corporation or become involved with a competitor of the Corporation; or
- (c) engaged in any illegal insider trading or other unlawful activity in relation to the Corporation;

then, effective as of the date notice of such misconduct is given by the Corporation to such Optionee, any further rights to exercise the Options granted to such Optionee shall be forfeited, unless the Board shall determine otherwise.

#### 4.8 Prohibition on Transfer of Options and Shares

- (a) An Option is personal to the Optionee and is non-assignable and non-transferable, and subject to Section 4.9, such Option shall be exercisable during the Optionee’s lifetime only by the Optionee to which such Option has been granted. No Optionee may deal with any Option or any interest in it now or hereafter held by the Optionee except in accordance with the Plan. A purported transfer of any Option will not be valid and the Corporation will not be required to issue any Shares upon the attempted exercise thereof.
- (b) Shares issued upon exercise of Options are subject to transfer and resale restrictions pursuant to the constating documents of the Corporation, any existing shareholders agreement and Applicable Law. The Optionee is responsible for obtaining such legal advice as may be appropriate in connection with any transfer or resale of Options and Shares issued upon the exercise thereof.

#### 4.9 Death, Disability or Retirement of Optionee

If,

- (a) an Employee Optionee or an Executive Optionee dies or becomes Disabled while an employee, director or officer of the Corporation or an Affiliated Corporation, as the case may be;
- (b) a Consultant Optionee’s consulting agreement or arrangement with the Corporation or an Affiliated Corporation, as the case may be, is terminated by reason of the death or Disability of such Optionee; or
- (c) the employment or term of office of an Employee Optionee or an Executive Optionee with the Corporation or an Affiliated Corporation, as the case may be, terminates due to Retirement,

then

- (d) the executor, administrator or other legal representative of such Optionee’s estate or such Optionee, as the case may be, may exercise any Options granted to such Optionee to the extent that such Options were exercisable

at the date of such death, Disability or Retirement and the right to exercise such Options shall terminate on the earlier of:

- (i) the date that is 180 days from the date of such Optionee's death, Disability or Retirement; and
- (ii) the date of expiration specified in the Option Agreement or in the resolution of the Board granting such Option, as the case may be,

provided that any Options granted to such Optionee that were not exercisable at the date of the death, Disability or Retirement shall immediately expire and be cancelled on such date; and

- (e) such Optionee's eligibility to receive further grants of Options under the Plan shall cease as of the date of such Optionee's death, Disability or Retirement, as the case may be.

#### **4.10 Termination of Employment or Services by Reason other than Death, Disability or Retirement**

- (a) Where, in the case of an Employee Optionee or Executive Optionee, an Optionee's employment or term of office with the Corporation or an Affiliated Company ceases by reason of the Optionee's death, Disability or Retirement, then the provisions of Section 4.9 shall apply.
- (b) Where, in the case of an Employee Optionee or Executive Optionee, an Optionee's employment or term of office with the Corporation or an Affiliated Corporation terminates by reason of:
  - (i) termination by the Corporation or an Affiliated Corporation without Cause (whether such termination occurs with or without any or adequate reasonable notice, or with or without any or adequate compensation in lieu of such reasonable notice);
  - (ii) voluntary resignation by such Optionee; or
  - (iii) in the case of an Executive Optionee who received Options in his or her capacity as a director of the Corporation or an Affiliated Corporation, the failure of such Executive Optionee to be re-elected as a director or the removal of such Executive Optionee from the board of directors of the Corporation or an Affiliated Corporation,

then any Options granted to such Optionee that are exercisable at the Termination Date shall continue to be exercisable until the earlier of: (A) the date that is 90 days following the Termination Date (which date may be extended by the Board at any time prior to the Termination Date to the date that is 12 months following the Termination Date); and (B) the date of expiration specified in the Option Agreement or in the resolution of the Board granting such Option, as the case may be. Any Options granted to such Optionee that are not exercisable at the Termination Date shall immediately expire and be cancelled on the Termination Date.

- (c) Where, in the case of an Employee Optionee or Executive Optionee, such Optionee's employment or term of office with the Corporation or an Affiliated Corporation is terminated by the Corporation or an Affiliated Corporation for Cause, then any Options granted to such Optionee, whether or not exercisable at the Termination Date, shall immediately expire and be cancelled on the Termination Date contemporaneously with such termination.
- (d) Where, in the case of a Consultant Optionee, such Optionee's consulting agreement or arrangement terminates by reason of:
  - (i) termination by the Corporation or an Affiliated Corporation for any reason other than for material breach of the consulting agreement or arrangement (whether or not such termination is effected in compliance with any termination provisions contained in such Optionee's consulting agreement or arrangement); or
  - (ii) voluntary termination by such Optionee,

then any Options granted to such Optionee that are exercisable at the Termination Date shall continue to be exercisable until the earlier of: (A) the date that is 90 days following the Termination Date (which date may be extended by the Board at any time prior to the Termination Date to the date that is 12 months following the Termination Date); and (B) the date of expiration specified in the Option Agreement or in the resolution of the Board granting such Option, as the case may be. Any Options granted to such Optionee that are not exercisable at the Termination Date shall immediately expire and be cancelled on such date.

- (e) Where, in the case of a Consultant Optionee, such Optionee's consulting agreement or arrangement is terminated by the Corporation or an Affiliated Corporation for material breach of the consulting agreement or arrangement (whether or not such termination is effected in compliance with any termination provisions

contained in such Optionee's consulting agreement or arrangement), then any Options granted to such Optionee, whether or not such Options are exercisable at the Termination Date, shall immediately expire and be cancelled on the Termination Date contemporaneously with such termination.

- (f) Unless the Board, in its discretion, otherwise determines at any time and from time to time, Options shall not be affected by any change of employment or consulting arrangement within or among the Corporation or an Affiliated Corporation for so long as an Employee Optionee continues to be an employee of the Corporation or an Affiliated Corporation, or for so long as the Executive Optionee continues to be a director or officer of the Corporation or an Affiliated Corporation, or for so long as the Consultant Optionee continues to be engaged as a consultant to the Corporation or an Affiliated Corporation, as the case may be. For greater certainty, if an Optionee ceases to be an Executive Optionee but remains an Employee Optionee, the Options granted to such Optionee shall not be affected by such change.

#### **4.11 Change of Control**

Notwithstanding anything contained to the contrary in this Plan, the Board may, at the time of issuance of the Option or at any time prior to the exercise of the Option, amend the Option to provide that in the event that:

- (a) the Corporation accepts an offer to amalgamate, merge or consolidate with any other corporation (other than a wholly-owned subsidiary) or in the event that holders of greater than 50% of the Corporation's outstanding Shares accept an offer made to all or substantially all of the holders of the Shares of the Corporation to purchase in excess of 50.1% of the current issued and outstanding Shares, or
- (b) the sale by the Corporation of all or substantially all of the assets of the Corporation, either as an entirety or substantially as an entirety, so that the Corporation shall cease to operate as an active business,

then all of the unvested Options shall, without any further action on behalf of the Corporation, be automatically vested. Each Optionee shall thereafter be entitled to exercise all of such Options at any time up to and including, but not after the earlier of: (i) the close of business on that date which is thirty (30) days following the date of acceptance by the Corporation of such transaction; and (ii) the close of business on the expiration date of the Option. Upon the expiration of such thirty (30) day period, all rights of the Optionee to such Options or to the exercise of same (to the extent not theretofore exercised) shall *ipso facto* terminate and have no further force or effect whatsoever.

#### **4.12 Discretion to Permit Exercise**

Notwithstanding the provisions of Sections 4.9 and 4.10, the Board may, in its sole discretion, at any time prior to or following the events contemplated in such Sections, permit the exercise of any or all Options held by an Optionee in the manner and on the terms authorized by the Board, provided that the Board shall not, in any case, authorize the execution of an Option pursuant to this Section beyond the date of expiration specified in the Option Agreement or in the resolution of the Board granting such Option, as the case may be.

#### **4.13 Limits on Grants**

No Options shall be issued to any Eligible Person if such issuance could result, at any time, in:

- (a) the aggregate number of Options granted under this Plan, together with any securities issued or granted pursuant to any of the Corporation's other share compensation arrangements, to any one Consultant Optionee in a 12-month period exceeding 2% of Outstanding Shares, calculated at the date an Option is granted to such Consultant; or
- (b) the aggregate number of Options granted under this Plan, together with any securities issued or granted pursuant to any of the Corporation's other share compensation arrangement, to all Eligible Persons retained to provide investor relation services in any 12-month period exceeding 2% of Outstanding Shares, calculated at the date an Option is granted to any such Eligible Person.

#### **4.14 Terms or Amendments Requiring Disinterested Shareholder Approval**

The Corporation will be required to obtain Disinterested Shareholder Approval prior to any of the following actions becoming effective:

- (a) the Plan, together with all of the Corporation's other share compensation arrangements, could result at any time in the aggregate number of Options granted to any one Optionee in a 12-month period exceeding 5% of Outstanding Shares, calculated on the date an Option is granted to such Optionee; or
- (b) any reduction in the Exercise Price of an Option previously granted to an Insider.

**ARTICLE V  
GENERAL**

**5.1 Capital Adjustments**

- (a) The existence of any Options shall not affect in any way the right and power of the Corporation or its shareholders to make, authorize or determine any adjustment, recapitalization, reorganization, or any other change in the Corporation's capital structure or its business, or any amalgamation, combination, merger or consolidation involving the Corporation, to create or issue any bonds, debentures, Shares or other securities of the Corporation or to determine the rights and conditions attaching thereto, to effect the dissolution or liquidation of the Corporation or any sale or transfer of all or any part of its assets or business, or to effect any other corporate act or proceeding, whether of a similar character or otherwise, whether or not any such action referred to in this Section 5.1(a) would have an adverse effect on the Plan or any Option granted hereunder.
- (b) If there is any change in the outstanding Shares by reason of a stock dividend, or split, recapitalization, consolidation, combination or exchange of shares or other similar corporate change, subject to any prior approval required of applicable regulatory authorities, the Board will make appropriate substitution or adjustment in:
  - (i) the Exercise Price of unexercised Options;
  - (ii) the number or kind of shares or other securities reserved for issuance pursuant to the Plan; and
  - (iii) the number and kind of shares subject to unexercised Options theretofore granted and in the Exercise Price of those shares,

provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional shares. The determination of the Board as to any adjustment, or as to there being no need for adjustment, will be final and binding on all parties concerned.

**5.2 Conditions of Exercise**

The Plan and Options are subject to the requirement that if at any time the Board determines that: (a) the listing, registration or qualification of the Shares subject to such Option upon any stock exchange or quotation system or under any provincial, state or federal law, or that the consent or approval of any governmental body, stock exchange or quotation system or of the holders of the Shares generally, is necessary or desirable, as a condition of, or in connection with the granting of such Option or the issuance of Shares upon the exercise thereof; or (b) the grant of an Option or the issuance of Shares upon the exercise thereof is in conflict with or is inconsistent with Applicable Law, no such Option may be granted or exercised in whole or in part unless such listing, registration, qualification, consent or approval has been effected or obtained or such conflict or inconsistency is no longer outstanding, each free of any conditions not acceptable to the Board. The Optionees shall, to the extent applicable, co-operate with the Corporation in relation to such registration, qualification or other approval and shall have no claim or cause of action against the Corporation or any of its officers or directors as a result of any failure by the Corporation to obtain or to take any steps to obtain any such registration, qualification, or approval.

**5.3 Amendment and Termination**

- (a) The Board may amend, suspend or terminate the Plan or any portion of it at any time in accordance with Applicable Law and subject to any required regulatory, Exchange or shareholder approval. However, subject to the terms hereof, unless consent is obtained from the Optionee affected, no amendment, suspension or termination may alter or impair any Options, or any rights related to Options, that were granted to that Optionee prior to the amendment, suspension or termination.
- (b) If the Plan is terminated, the provisions of the Plan and any administrative guidelines and other rules adopted by the Board and in force at the time of termination of the Plan will continue in effect as long as any Option remains outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or to any outstanding Option that the Board would have been entitled to make if the Plan were still in effect.
- (c) Subject to Applicable Law and to any necessary prior approval of applicable regulatory authorities and with the consent of the affected Optionee, the Board may amend or modify any outstanding Option in any manner, including, without limitation, by changing the date or dates as of which, or the price at which, an Option becomes exercisable, so long as the Board would have had the authority to grant initially the Option as so modified or amended. The Board shall not, in the event of any such advancement or extension, be under any obligation to advance or extend the date on or by which Options may be exercised by any other Optionee.

#### **5.4 Status as Shareholder**

Optionees shall not have any rights as a shareholder with respect to Shares until:

- (a) full payment of the Exercise Price for the Shares has been made to the Corporation; and
- (b) the Optionee becomes a party to any existing shareholders agreement by executing and delivering to the Corporation an assumption agreement, in form and substance satisfactory to the Corporation whereby the Optionee agrees to be bound by any existing shareholders agreement.

Upon becoming a shareholder of the Corporation, an Optionee may only transfer Shares in accordance with and subject to Applicable Law and the constating documents of the Corporation.

#### **5.5 Withholding Taxes**

The exercise of each Option granted under the Plan is subject to the condition that if at any time the Corporation determines, in its discretion, that the satisfaction of withholding tax or other withholding liabilities is necessary or desirable in respect of such exercise, such exercise is not effective unless such withholding has been effected to the satisfaction of the Corporation. In such circumstances, the Corporation may require that an Optionee pay to the Corporation, in addition to and in the same manner as the Exercise Price for the Shares, such amount as the Corporation is obliged to remit to the relevant taxing authority in respect of the exercise of the Option. Any such additional payment is due no later than the date as of which any amount with respect to the Option exercised first becomes includable in the gross income of the Optionee for tax purposes.

#### **5.6 Non-Exclusivity and Corporate Action**

- (a) Subject to any required regulatory or shareholder approval, nothing contained herein will prevent the Board from adopting other additional compensation arrangements for the benefit of any Optionee.
- (b) Nothing contained in the Plan or in the Options shall be construed so as to prevent the Corporation or any subsidiary of the Corporation from taking corporate action which is deemed by the Corporation or the subsidiary to be appropriate or in its best interest, whether or not such action would have an adverse effect on the Plan.

#### **5.7 Employment and Board of Directors Position Non-Contractual**

The granting of an Option to an Optionee under the Plan does not confer upon the Optionee any right to continue in the employment of the Corporation or any Affiliated Corporation or as a member of the Board, as the case may be, nor does it interfere in any way with the rights of the Optionee or of the Corporation's rights to terminate the Optionee's employment or consulting arrangements at any time or of the shareholders' right to elect one or more directors of the Corporation.

#### **5.8 Indemnification**

Every member of the Board will at all times be indemnified and saved harmless by the Corporation from and against all costs, charges and expenses whatsoever including any income tax liability arising from any such indemnification, that such Board member may sustain or incur by reason of any action, suit or proceeding, taken or threatened against the Board member, otherwise by the Corporation, for or in respect of any act done or omitted by the Board member in respect of the Plan, such costs, charges and expenses to include any amount paid to settle such action, suite or proceeding or in satisfaction of any judgement rendered therein.

#### **5.9 Notices**

All written notices to be delivered by the Optionee to the Corporation may be delivered personally, by facsimile or by registered mail, addressed as follows: 333 Bay Street, Suite 1700, Toronto, Ontario M5H 2R2, Attention: Chief Financial Officer.

Any notice delivered by the Optionee pursuant to the terms of the Option shall not be effective until actually received by the Corporation at the above address. Any notice to be delivered to the Optionee shall be effective when delivered personally (effective at the time of delivery), by facsimile transmission (effective one day after transmission) or by registered mail to the last address of the Optionee on the records of the Corporation (which shall be deemed effective the third Business Day after mailing).

#### **5.10 Governing Law**

This Plan is created under and is to be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

#### **5.11 Effective Date**

This Second Amended and Restated Stock Option Plan will become effective as of February 1, 2018 upon its adoption by resolution of the Board and approval of shareholders of the Corporation.

**EXHIBIT "A"**  
**OPTION AGREEMENT**

**Optionee:** \_\_\_\_\_  
(Name)  
\_\_\_\_\_  
(Address)

**Grant:** \_\_\_\_\_  
Maximum Number of Shares

**Option Exercise Price:** \$ \_\_\_\_\_ per Share

**Date of Grant:** \_\_\_\_\_, 20\_\_\_\_

**Expiry Date:** \_\_\_\_\_, 20\_\_\_\_

**Vesting Schedule:**

Instalment	Date of Vesting (Milestone)	Number of Optioned Shares Vested	Cumulative Number of Optioned Shares Vested
1			
2			
3			
4			

This Option Agreement is made under and is subject in all respects to the Stock Option Plan enacted on February 1, 2018 (and as may be supplemented and amended from time to time) (the "Plan") of Gravitas Financial Inc. (the "Corporation"), and the Plan is deemed to be incorporated in and to be part of this Option Agreement. The Optionee is deemed to have notice of and to be bound by all of the terms and provisions of the Plan as if the Plan was set forth in full herein (including the restrictions on transfer of the Options and the Shares issuable upon exercise thereof). In the event of any inconsistency between the terms of this Option Agreement and the Plan, the terms of this Option Agreement shall prevail. The Plan contains provisions respecting termination and/or voiding of the Plan or the Option.

This Option Agreement evidences that the Optionee named above is entitled, subject to and in accordance with the Plan, to purchase up to but not more than the maximum number of Shares set out above at the option Exercise Price set out above upon delivery of an exercise form as annexed hereto duly completed and accompanied by certified cheque or bank draft for the aggregate Exercise Price.

The Optionee hereby agrees that: (a) any rule, regulation or determination, including the interpretation by the Board of the Plan, the Option granted hereunder and the exercise thereof, is final and conclusive for all purposes and binding on all Persons including the Corporation or Affiliated Corporation, as the case may be, and the Optionee; and (b) the grant of the Option does not affect in any way the right of the Corporation or any Affiliate Corporation to terminate the employment, retainer or office, as the case may be, of the Optionee.

This Option Agreement has been made in and is to be construed under and in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

This Option Agreement is not effective until countersigned by the Corporation and accepted by the Optionee.

**Dated:** \_\_\_\_\_, 20\_\_\_\_.

**GRAVITAS FINANCIAL INC.**

Per: \_\_\_\_\_  
Name:  
Title:

I have read the foregoing Option Agreement and hereby accept the Option to purchase Shares in accordance with and subject to the terms and conditions of such Option Agreement and the Plan. I understand that I may review the complete Plan by contacting the Secretary of the Corporation. I agree to be bound by the terms and conditions of the Plan governing the option.

Accepted: \_\_\_\_\_, 20\_\_\_\_.

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

**EXHIBIT "B"**  
**NOTICE OF EXERCISE**

**To Exercise the Option, Complete and Return this Form**

The undersigned Optionee (or his or her legal representative(s) permitted under the Stock Option Plan enacted on February 7, 2018 (and as the same may be supplemented and amended from time to time) (the "**Plan**") of Gravitas Financial Inc. hereby irrevocably elects to exercise the Option for the number of Shares as set forth below:

(a) Number of Options to be Exercised: \_\_\_\_\_

(b) Option Exercise Price per Share: \$ \_\_\_\_\_

(c) Aggregate Purchase Price

*[(a) multiplied by (b) ]:* \$ \_\_\_\_\_

and hereby tenders a certified cheque or bank draft for such aggregate Exercise Price, and directs such Shares to be issued and registered in the name of the undersigned, all subject to and in accordance with the Plan. Unless otherwise defined herein, any capitalized terms used herein shall have the meaning ascribed to such terms in the Plan.

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

\_\_\_\_\_  
**Witness**

\_\_\_\_\_  
**Name of Optionee:**

**Address of Optionee:**  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_