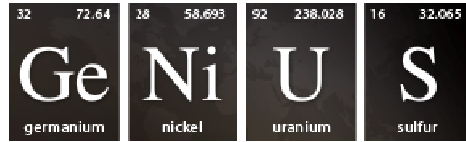


## Notice of Annual Meeting of Shareholders to be held on Thursday, June 22, 2017

Place:	Lavery, de Billy, L.L.P. 1 Place Ville-Marie, Suite 4000 Montréal, Québec H3B 4M4
Time:	10 a.m. (Montréal Time)

## and Management Information Circular

**YOUR VOTE AS A SHAREHOLDER IS IMPORTANT**



## NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN THAT the annual meeting of the shareholders (the “Meeting”) of Genius Properties Ltd. (the “Corporation”) will be held at the offices of Lavery, de Billy, L.L.P., 1 Place Ville-Marie, Suite 4000, Montréal, Québec on Thursday, June 22, 2017 at 10 a.m. (Montréal time) for the following purposes:

1. to receive the financial statements of the Corporation for the fiscal year ended December 31, 2016 and the auditors' report thereon;
2. to elect the directors of the Corporation for the forthcoming year;
3. to reappoint Raymond Chabot Grant Thornton LLP, Chartered Accountants, as auditors and to authorize the directors to fix the auditors' remuneration; and
4. to transact such other business as may properly be brought before the Meeting, or any adjournment or adjournments thereof.

The management information circular (the “Circular”) and the form of proxy (the “Proxy”) prepared in respect of the Meeting accompany this notice. The enclosed Circular contains supplementary information on matters to be discussed at the Meeting, as detailed under the heading “Matters to be Acted Upon at the Meeting”, and is hereby deemed to be an integral part of this notice.

Your participation is important to us. In the event you cannot attend, we urge you to express your support by voting, using your Proxy in advance of the Meeting, on the various proposals that will be put forward at the Meeting.

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Computershare Investor Services Inc., at 1500 University Street, 7th Floor, Montréal, Québec H3A 3S8, no later than 4:00 p.m. (Montréal Time) on June 20, 2017.

You are entitled to vote at the meeting and any postponement or adjournment thereof if you owned common shares of the Corporation at the close of business on May 18, 2017 (the “Record Date”). For more information on how you may vote, please refer to the section titled “Voting Information” of the Circular.

Montréal, Québec, May 18, 2017.

BY ORDER OF THE BOARD OF DIRECTORS

*(s) Guy Goulet*

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Guy Goulet, President and Chief Executive Officer

## MANAGEMENT INFORMATION CIRCULAR

This management information circular (the “Circular”) is provided in connection with the solicitation of proxies by the management (“Management”) of Genius Properties Ltd. (the “Corporation” or “Genius”) for use at the annual meeting (the “Meeting”) of the holders of common shares of the Corporation (the “Shares” and the holders of the Shares, the “Shareholders”) to be held on June 22, 2017 at the time and place and for the purposes set forth in the accompanying notice of meeting (“Notice of Meeting”) and at any adjournment thereof. Unless otherwise noted, information in this Circular is given as at May 18, 2017. If you cannot attend the Meeting in person, complete and return the enclosed form of proxy (“Proxy”) following the instructions therein.

The enclosed Proxy is being solicited by the management of the Corporation and the costs of this solicitation will be borne by the Corporation. The solicitation will be conducted primarily by mail but proxies may also be solicited personally by officers, employees or agents of the Corporation, without additional compensation. The Corporation shall, upon request, reimburse brokers and other persons holding Shares of the Corporation on their behalf or on behalf of nominees, for reasonable costs incurred in sending the proxy documents to Shareholders.

### VOTING INFORMATION

#### *Who can vote?*

You have the right to vote if you owned Shares of the Corporation on May 18, 2017 (the “Record Date”). Each Share you own entitles you to one vote.

Pursuant to the by-laws of the Corporation, business may be transacted at the Meeting if not less than two persons are present in person, each being a Shareholder entitled to vote thereat or a duly appointed proxy or representative representing not less than 5% of the outstanding Shares carrying voting rights at the Meeting.

#### *How to vote?*

You can vote in person or by proxy. Voting by proxy means you are giving someone else the authority to attend the Meeting and vote your Shares for you (called your proxyholder).

#### **REGISTERED SHAREHOLDERS**

You are a “Registered Shareholder” if the Shares are registered in your name. This means that your name appears in the Shareholders’ register maintained by our transfer agent, Computershare Trust Company of Canada (“Computershare”). You will have received a Proxy from Computershare. Complete, sign and mail your Proxy in the postage prepaid envelope provided or fax it to the number indicated on the form.

#### **NON REGISTERED SHAREHOLDERS**

You are a “Non Registered (or Beneficial) Shareholder” if your bank, trust company, securities broker or other financial institution or intermediary (your nominee) holds your Shares for you in a nominee account. You will have received a request for voting instructions from your broker. Follow the instructions on your voting instruction form to vote by telephone, Internet or fax, or complete, sign and mail the voting instruction form in the postage prepaid envelope provided. **For more information, including how Non Registered Shareholders can vote in person at the Meeting, see the information below under the heading “Advice to Non Registered Shareholders” of this Circular.**

***What if I complete the Proxy enclosed with this Circular?***

The persons named in the enclosed Proxy are directors and officers of the Corporation. When you vote by Proxy, you are giving them the authority to vote your Shares for you according to your instructions.

***Can I appoint someone else to vote my Shares?***

**Yes. You can also appoint someone else to be your proxyholder. This person does not need to be a Shareholder.** Strike out the names that are printed on the Proxy and print the name of the person you are appointing as your proxyholder in the space provided. Complete your voting instructions, sign and date the Proxy. Make sure the person you are appointing is aware that he or she has been appointed and attends the Meeting on your behalf. Your proxyholder should see a representative of Computershare when he or she arrives at the Meeting.

***What do I do with my completed Proxy?***

To be effective, we must receive your completed Proxy no later two full business days before the Meeting, or any adjournment or adjournments thereof, as applicable. You may also bring the Proxy to the Meeting and deliver it to the chairman of the Meeting prior to the commencement of the Meeting. The Proxy shall be in writing and executed by the Shareholder or such Shareholder's attorney authorized in writing, or if such Shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney, as applicable.

Late Proxies may be accepted or rejected by the chairman of the Meeting at his discretion and he is under no obligation to accept or reject a late Proxy. The chairman of the Meeting may waive or extend the Proxy cut-off without notice.

***How will my Shares be voted if I give my Proxy?***

With respect to matters specified in the Proxy, if no voting instructions are provided, the nominees named in the accompanying Proxy will vote Shares represented by the Proxy FOR the approval of such matters.

The nominee named in your Proxy will vote or withhold from voting in accordance with your instructions on any ballot that may be called for. The Proxy will confer discretionary authority on the nominee with respect to matters identified in the Proxy for which a choice is not specified and any other matter that may properly come before the Meeting or any postponement or adjournment thereof, whether or not the matter is routine and whether or not the matter is contested.

Management does not know and cannot foresee at the present time any amendments or new points to be brought before the Meeting or any adjournment thereof. **If such amendments or new points were to be properly brought before the Meeting, or any adjournment thereof, the persons named in the enclosed Proxy will vote on such matters in the way they consider advisable.**

***How can I revoke my Proxy ?***

You may revoke your Proxy at any time prior to its use by sending an instrument in writing executed by you or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized in writing, at the same address where the Proxy was sent and within the delays mentioned therein or two business days preceding the date the Meeting resumes if it is adjourned, or remit to the chairman of the Meeting on the day of the Meeting or any adjournment thereof if applicable.

***Where can I access the Financial Materials of the Corporation?***

Financial statements and MD&A (the “Financial Materials”) are available electronically online at [www.sedar.com](http://www.sedar.com) or on the Corporation’s website at [www.geniusproperties.ca](http://www.geniusproperties.ca). Delivery in electronic format, rather than paper, reduces costs to the Corporation and benefits the environment.

***Who counts the votes?***

The Corporation’s transfer agent, Computershare, counts and tabulates the votes. This is done independently of the Corporation to preserve the confidentiality of individual Shareholder votes. Proxies are referred to the Corporation only in cases where a Shareholder clearly intends to communicate with Management or when it is necessary to do so to meet the requirements of applicable law.

For general Shareholder enquiries, you can contact the transfer agent:

by mail:

Computershare Investor Services Inc.  
100 University Avenue, 8<sup>th</sup> floor  
Toronto (Ontario) M5J 2Y1

or by telephone:

within Canada and the United States at  
1-800-564-6253

or at

1500 Robert-Bourassa Street, Suite 700  
Montréal (Québec) H3A 3S8

or by fax:

within Canada and the United States at  
1-888-453-0330

***Advice to Non Registered Shareholders***

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of Shareholders do not hold Shares in their own name. Shareholders who hold their Shares through their brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only proxies deposited by Shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent, Computershare, as registered holders of Shares will be recognized and acted upon at the Meeting.

If Shares are listed in an account statement provided to a Shareholder by a broker, those Shares will, in all likelihood, not be registered in the Shareholder’s name. Such Shares will more likely be registered under the name of the Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Shares for the broker’s clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

Regulation 54-101 *respecting Communication with Beneficial Owner of Reporting Issuers* (“**Regulation 54-101**”) requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of Shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the Proxy provided directly to registered Shareholders by the Corporation. However, its purpose is limited to instructing the Registered Shareholder (*i.e.*, the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder.

This Circular and accompanying materials are being sent to both registered Shareholders and Beneficial Shareholders. Beneficial Shareholders fall into two categories - those who object to their identity being known to the issuers of securities which they own (“**Objecting Beneficial Owners**”, or “**OBO’s**”) and those who do not object to their identity being made known to the issuers of the securities they own (“**Non-Objecting Beneficial Owners**”, or “**NOBO’s**”). Subject to the provision of Regulation 54-101 issuers may request and obtain a list of their NOBO’s from intermediaries via their transfer agents. If you are a Beneficial Shareholder, and the Corporation or its agent has sent these materials directly to you, your name, address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding the Shares on your behalf. By choosing to send these materials to you directly, the Corporation (and not the intermediary holding on your behalf) has assumed responsibility for delivering these materials to you and executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Shares registered in the name of his or her broker (or his or her broker’s agent), a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Shareholder and vote the Shares as proxyholder for the registered Shareholder by entering his or her own name in the blank space on the proxy form provided to him or her by his or her broker (or his or her broker’s agent) and return it to that broker (or that broker’s agent) in accordance with the broker’s instructions (or the agent’s instructions).

**All references to Shareholders in the Notice of Meeting, Circular and the accompanying Proxy are to registered Shareholders of the Corporation as set forth on the list of registered Shareholders of the Corporation as maintained by the registrar and transfer agent of the Corporation, Computershare, unless specifically stated otherwise.**

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

Other than as disclosed herein, Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, of any director or executive officer of the Corporation who has held that position at any time since the beginning of the Corporation’s last financial year, or of any proposed nominee for election as director of the Corporation or any associate or affiliate of any of the foregoing, other than the election of directors or the appointment of auditors.

#### **AUTHORIZED CAPITAL STOCK, VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Shares and an unlimited number of preferred shares (issuable in series). As of May 18, 2017, 18,479,077 Shares of the Corporation are issued and outstanding and no preferred shares are issued and outstanding. The holders of Shares of record are entitled to vote such Shares at the Meeting on the basis of one vote for each Share held, the Shares being the only class of Shares entitled to vote at the Meeting.

The holders of Shares of record at the close of business on the Record Date are entitled to vote such Shares at the Meeting on the basis of one vote for each Share held, except to the extent that:

- (a) such person transfers his or her Shares after the Record Date; and
- (b) the transferee of those Shares produces properly endorsed Share certificates or otherwise establishes his ownership to the Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his name be included on the Shareholders’ list.

Set out below are the names of all persons or entities who, to the knowledge of the directors or executive officers of the Corporation, beneficially own, directly or indirectly, or exercise control or direction over, voting securities carrying more than 10% of the voting rights attached to all issued and outstanding securities of the Corporation.

Name <sup>(1)</sup>	Number of Shares	% of Shares
Stéphane Leblanc <sup>(2)</sup>	3,065,806	16.55%
Louis Lessard <sup>(3)</sup>	2,166,436	11.72%

(1) The information as to the number of common shares beneficially owned or over which control is exercised has been provided by the shareholder as of May 18, 2017.

(2) Of these shares, 3,056,706 are held indirectly by 9248-7792 Québec Inc., a holding company controlled by Mr. Leblanc.

(3) 1,600,000 of these shares are held indirectly by Centre Financier de la Cité and 566,436 by Investissements MSL Inc., both holding companies controlled by Mr. Lessard.

## **MATTERS TO BE ACTED UPON AT THE MEETING**

### **1. PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The Corporation's audited consolidated annual financial statements for the financial year ended December 31, 2016 and the auditors' report thereon will be presented to the Meeting but will not be subject to a vote.

### **2. ELECTION OF DIRECTORS**

Management of the Corporation is supervised by the board of directors (hereinafter called the "**Board of Directors**" or "**Board**"), composed of a minimum of 3 and a maximum of 10 directors in accordance with the Corporation's By-laws. The members of the Board are elected annually at each annual meeting of Shareholders to hold office until the next annual meeting unless, prior thereto, such director resigns, or the office of such director becomes vacant by death, removal, or other cause. A total of three nominees are being proposed as directors for election by the Shareholders at the Meeting for the current year, each to hold office until the next annual meeting of Shareholders or until such person's successor is elected or appointed. You can vote for all of these proposed directors, vote for some of them and withhold for others, or withhold for all of them.

**Unless otherwise directed, the persons named in the enclosed Proxy intend to VOTE FOR the election of each of the proposed nominees whose names are set out below. The proposal requires the approval of a majority of the votes cast at the Meeting.**

If any proposed nominee is unable to serve as a director or withdraws his name, the individuals named in your Proxy reserve the right to nominate and vote for another individual in their discretion.

Each of the nominees has provided the information as to the Shares of the Corporation he or she beneficially owns or over which he exercises control or direction, as at May 18, 2017.

All nominees have served continuously as director of the Corporation since their appointment or first election in such capacity.

The following tables set out information about each director's summary career profile, their Board committee memberships, meeting attendance during the most recently completed financial year, directorships and the number of securities of the Corporation they hold.

Name	Principal Occupation
<p><b>GUY GOULET</b> Québec, Canada</p> <p>Director since: April 6, 2017</p> <p><b>Not Independent</b></p> <p>Common Shares : 11,000 Options : nil</p>	<p>President and Chief Executive Officer of the Corporation.</p> <p>Guy Goulet, geological engineer, graduated from Ecole Polytechnique de Montréal in 1986, he has been active in the mining sector for more than 30 years and is a member of the Ordre des Ingénieurs du Québec. From 1995 to 2000 he has been a member of the Board and CEO of five publicly traded Canadian mining companies. He has been co-credited for the restart of the Wrightbar gold mine in Val d'Or, Québec in 1996. In parallel, he has conducted in collaboration with Hydro-Québec (LTD division) and Group STAS the only project leading to the production of lithium metal from high purity lithium carbonate. From 2000 to 2008, he served as co-founder, president and chairman of H2O Innovation Inc., a water treatment company that manufactures and installs integrated systems for various markets. He joined Maya Gold &amp; Silver Inc. as President and CEO in November 2008 and was also co-credited for the restart of the Zgounder silver mine in Morocco. During his career, Mr. Goulet capital raised over \$125 million through the TSX.V.</p> <p>Other directorship: Maya Gold &amp; Silver Inc.</p>
<p><b>HUBERT VALLÉE</b> <sup>(1)</sup> Québec, Canada</p> <p>Director since: 2016</p> <p><b>Independent</b></p> <p>Common Shares : 74,666<sup>(2)</sup> Options : 60,000</p>	<p>President and Chief Executive Officer of Lamêlée Iron Ore Ltd.</p> <p>Mr. Vallée graduated from Laval University in Engineering. He joined Québec Cartier Mining as Project Engineer and was promoted to Director of Operations for its Pellet Plant in 2001. He managed the Iron Ore Company of Canada's Pellet Plant in Sept-Iles before joining Domtar Inc. as CEO of its pulp mill in Lebel-sur-Quévillon. He joined Consolidated Thompson in 2006 and was one of the key people who made this project happen. After the sale of Consolidated Thompson Cliffs, Mr. Vallée acted as VP Project Development for Phase II of Bloom Lake operation. He has also been involved as Senior Vice President, Project Development, at Century Iron Mines.</p> <p>Other directorship: Lamêlée Iron Ore Ltd.</p>



Name	Principal Occupation
<p><b>JOHN BOOTH</b> London, United Kingdom Proposed Director <b>Independent</b> Common Shares : nil Options : nil</p>	<p>Mr. John G Booth holds a BSc, LLB, JD and LLM in international finance, tax and environmental law from King's College, University of London. He has over 25 years of international finance experience as an investment banker, broker, strategy consultant, fund manager, director and chief executive officer. He has worked with Merrill Lynch International, ICAP, ABN AMRO Bank NV, CIBC, the World Bank, Climate Change Capital and Conservation Finance International focusing on structured finance for most of his career. He has co-founded three financial services businesses, the most recent being Midpoint Holdings Ltd. which he listed on the TSX Venture Exchange (the "TSXV"), where he served as CEO until December of 2015 and where he continues as a director. Mr. Booth is also the non-executive Chairman of the Board of Directors of Laramide Resources Ltd. (Toronto Stock Exchange &amp; Australian Securities Exchange), and was the European Bank for Reconstruction and Development nominee to the board of Tirex Resources Ltd. (TSXV) for four and half years. He also served as a director of the Ottawa RiverKeeper charity for five years.</p> <p>Other directorships: Tirex Resources Ltd., Laramide Resources Ltd., Midpoint Holdings Ltd., Maya Gold &amp; Silver Inc. and Club Energy Inc.</p>

(1) Member of the Audit Committee.

(2) These 74,666 Shares are registered to 9288-1846 Québec Inc., a corporation controlled by Mr. Vallée.

As of the date hereof, the directors of the Corporation, as a group, beneficially own, or exercise control or direction, directly or indirectly, over 85,666 Shares, or 0.46% of the issued and outstanding Shares.

#### Corporate Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Corporation, none of the foregoing nominees for election as a director of the Corporation:

- (a) is, or within the last ten years has been, a director, chief executive officer or chief financial officer of any company that:
  - (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under applicable securities legislation, and which in all cases was in effect for a period of more than 30 consecutive days (an "Order"), which Order was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; 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 of such company; or
- (b) is, or within the last ten years has been, a director or executive officer of any company that, while the proposed director 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; or

- (c) has, within the last ten years, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or become subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold his assets.

To the knowledge of the Corporation, none of the nominees for election as director of the Corporation 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
- (a) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable security holder in deciding whether to vote for a proposed director.

You can vote for the election of all the nominees described above, vote for the election of some of them and withhold from voting for others, or withhold from voting for all of them. Unless otherwise instructed, the persons named in the accompanying Proxy will VOTE FOR the election of each of the nominees described above as director of the Corporation. Management does not expect that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed Proxy reserve the right to vote for another nominee in their discretion.

### **3. APPOINTMENT OF AUDITORS**

Management proposes that Raymond Chabot Grant Thornton LLP, Chartered Accountants, be reappointed as auditors of the Corporation for the 2017 fiscal year and that the directors be authorized to fix their remuneration.

Except where authority to vote on the appointment of the auditors of the Corporation is withheld, persons named in the accompanying Proxy will VOTE FOR the appointment of Raymond Chabot Grant Thornton LLP, Chartered Accountants, as auditors of the Corporation for the 2017 fiscal year and FOR their remuneration to be fixed by the directors of the Corporation.

### **DIRECTORS AND NAMED EXECUTIVE OFFICERS COMPENSATION**

The information contained below is provided as required under Form 51-102F6V for Venture Issuers, as such term is defined in *National Instrument 51-102 respecting Continuous Disclosure Obligations*.

For purposes of this Circular, Named Executive Officer (“NEOs”) of the Corporation means, at any time during the most recently completed financial year:

- (i) The Corporation’s chief executive officer (“CEO”);
- (ii) The Corporation’s chief financial officer (“CFO”);
- (iii) The most highly compensated executive officer other than the CEO and CFO at the end of the most recently completed financial year whose total compensation was more than \$150,000 for that financial year; and
- (iv) Each individual who would be a named executive officer under paragraph (iii) but for the fact that the individual was not an executive officer of the Corporation, and was not acting in a similar capacity, at the end of the most recently completed financial year.

During the Corporation's fiscal year ended December 31, 2016, the following individuals were NEOs of the Corporation:

- Jimmy Gravel, previous CEO;
- Liette Nadon, previous CFO; and
- Stéphane Leblanc, previous CEO and current CFO.

#### NAMED EXECUTIVE OFFICER AND DIRECTOR COMPENSATION, EXCLUDING COMPENSATION SECURITIES

The following table details all compensation paid to the Corporation's NEOs and directors for the fiscal years ended December 31, 2015 and December 31, 2016:

Table of Compensation Excluding Compensation Securities							
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 (\$)
Stéphane Leblanc <sup>(1)</sup> CFO	2015	187,600 <sup>(2)</sup>	-	-	-	-	187,600
	2016	114,750 <sup>(2)</sup>	-	-	-	-	114,750
Jimmy Gravel	2015	-	-	-	-	-	-
	2016	27,000	-	-	-	-	27,000
Hubert Vallée	2015	-	-	-	-	-	-
	2016	-	-	-	-	-	-
Marc Duchesne	2015	-	-	-	-	-	-
	2016	-	-	-	-	-	-
Liette Nadon <sup>(3)</sup>	2015	33,850 <sup>(45)</sup>	-	-	-	-	33,850
	2016	48,000 <sup>(4)</sup>	-	-	-	-	48,000
Frank Guillemette <sup>(5)</sup>	2015	-	-	-	-	-	-
	2016	-	-	-	-	-	-
Maxime Lemieux	2015	-	-	-	-	-	-
	2016	-	-	-	-	-	-
Neil Novak <sup>(6)</sup>	2015	-	-	-	-	-	-
	2016	-	-	-	-	-	-

(1) Mr. Stéphane Leblanc was appointed as interim President and CEO in December, 2014. His mandate as President, CEO and director of the Corporation terminated on September 12, 2016. He has been acting as the Corporation's interim CFO since January 1, 2017.

(2) These amounts were paid to 9248-7792 Québec Inc., a management corporation controlled by Mr. Leblanc, and represent mainly consulting fees.

(3) Mrs. Nadon acted as CFO from March 26, 2015 to December 31, 2016.

(4) These amounts were paid to Gestion LL Nadon inc., a management corporation controlled by Mrs. Nadon, and represent mainly consulting fees.

(5) Mr. Guillemette acted as President and Director of the Corporation from September 12, 2016 to September 29, 2016.

(6) Mr. Novak resigned as director of the Corporation on October 14, 2016.

#### STOCK OPTIONS AND OTHER COMPENSATION SECURITIES

The following table lays out all compensation securities granted or issued to the Corporation's NEOs and directors by the Corporation during the fiscal year ended December 31, 2016 for services provided or to be provided, directly or indirectly, to the Corporation:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, number of Underlying Securities and Percentage of Class <sup>(1)(2)(3)(4)</sup>	Date of Issue or Grant	Issue Conversion or Exercise Price (\$)	Closing Price of Security or Underlying Security on Date of Grant (\$)	Closing Price of Security or Underlying Security at Year End (\$)	Expiry Date
Stéphane Leblanc <sup>(5)</sup> CFO	Options	80,000	Sept. 9, 2016	0,25	0,125	0,20	Sept. 9, 2021
Jimmy Gravel	Options	80,000	Sept. 9, 2016	0,25	0,125	0,20	Sept. 9, 2021
Hubert Vallée	Options	60,000	Sept. 9, 2016	0,25	0,125	0,20	Sept. 9, 2021
Marc Duchesne	Options	60,000	Sept. 9, 2016	0,25	0,125	0,20	Sept. 9, 2021
Liette Nadon <sup>(6)</sup>	-	-	-	-	-	-	-
Frank Guillemette <sup>(7)</sup>	-	-	-	-	-	-	-
Maxime Lemieux	Options	40,000	Sept. 9, 2016	0,25	0,125	0,20	Sept. 9, 2021
Neil Novak <sup>(8)</sup>	Options	40,000	Sept. 9, 2016	0,25	0,125	0,20	Sept. 9, 2021

(1) None of the compensation securities have been re-priced, cancelled and replaced, had its term extended, or otherwise been materially modified, in the most recently completed financial year.

(2) As of the date of this Circular 100% of the Options granted during the most recently completed financial year are vested.

(3) As at December 31, 2016, all outstanding Options were exercisable and exchangeable without restrictions or conditions.

(4) As at December 31, 2016, the following persons held the following number of Options to acquire as many Shares: 570,000

(5) Mr. Stéphane Leblanc was appointed as interim President and CEO in December, 2014. His mandate as President, CEO and director of the Corporation terminated on September 12, 2016. He has been acting as the Corporation's interim CFO since January 1, 2017.

(6) Mrs. Nadon acted as CFO from March 26, 2015 to December 31, 2016.

(7) Mr. Guillemette acted as President and Director of the Corporation from September 12, 2016 to September 29, 2016.

(8) Mr. Novak resigned as director of the Corporation on October 14, 2016.

All the figures are presented following the share consolidation completed on February, 1, 2017 on a basis of five pre-consolidation shares for one post-consolidation.

No compensation securities were exercised by the Corporation's NEOs and directors during the fiscal year ended December 31, 2016.

### Stock Option Plan

The Corporation adopted a new stock option plan on July 11, 2016 (the "Plan").

The objective of the Plan is to provide for and encourage ownership of Shares of the Corporation by its directors, officers, key employees and consultants and those of any subsidiary companies so that such persons may increase their stake in the Corporation and benefit from increases in the value of the Shares. The Plan is designed to be competitive with the benefit programs of other companies in the industry. Management believes that the Plan is a significant incentive for the directors, officers, key employees and consultants to continue and to increase their efforts in the Corporation's operations to the mutual

benefit of both the Corporation and such individuals.

Some of the material attributes of the Plan are as follows:

- options may be granted to directors, employees, management Corporation employees and consultants;
- the exercise price of options granted shall be determined by the Board in accordance with the policies of the Canadian Securities Exchange (the “CSE”);
- under the Plan, the aggregate number of Shares reserved for issuance shall not exceed ten percent (10%) of the Shares issued and outstanding from time to time;
- no single participant may be issued options representing greater than five percent (5%) of the number of outstanding Shares in any 12 month period; the number of Shares reserved under option for issuance to any one consultant of the Corporation may not exceed two percent (2%) of the number of outstanding Shares in any 12 month period;
- options shall not be granted if the exercise thereof would result in the issuance of more than two percent (2%) of the issued Shares of the Corporation in any twelve-month period to any one consultant of the Corporation (or any of its subsidiaries);
- the aggregate number of options granted to persons employed in investor relation activities must not exceed two percent (2%) of the outstanding Shares in any 12 month period unless the CSE permits otherwise. Options issued to consultants providing investor relations services must vest in stages over 12 months with no more than one quarter of the options vesting in any three month period;
- the Board may determine the term of the options, but the term shall in no event be greater than ten years from the date of issuance;
- generally, the options expire three months from the date on which a participant ceases to be a director, officer, employee, management Corporation employee or consultant of the Corporation; and
- terms of vesting of the options, the eligibility of directors, officers, employees, management Corporation employees and consultants to receive options and the number of options issued to each participant shall be determined at the discretion of the Board, subject to the policies of the CSE.

## OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE COMPENSATION

### *Compensation Program Objectives*

The objectives of the Corporation’s executive compensation program are as follows:

- to attract, retain and motivate talented executives who create and sustain the Corporation’s continued success;
- to align the interests of the Corporation’s executives with the interests of the Corporation’s Shareholders; and
- to provide total compensation to executives that is competitive with that paid by other companies of comparable size engaged in similar business in appropriate regions.

Overall, the executive compensation program aims to design executive compensation packages that meet executive compensation packages for executives with similar talents, qualifications and responsibilities at companies with similar financial, operating and industrial characteristics.

### ***Purpose of the Compensation Program***

The Corporation's executive compensation program has been designed to reward executives for reinforcing the Corporation's business objectives and values, and for their individual performances.

### ***Elements of Compensation Program***

The executive compensation program consists of a combination of base salary, performance bonus and stock options.

### ***Purpose of Each Element of the Executive Compensation Program***

The base salary of a NEO is intended to attract and retain executives by providing a reasonable amount of non-contingent remuneration.

In addition to a fixed base salary, each NEO is eligible to receive a bonus meant to motivate the NEO and is determined on a case by case basis. Awards under this plan are made by way of cash payments only, which payment are made at the end of the financial year.

Stock options are generally awarded to NEO on an annual basis. The granting of stock options upon hire aligns NEO's rewards with an increase in shareholder value over the long term. The use of stock options encourages and rewards performance by aligning an increase in each NEO's compensation with increases in the Corporation's performance and in the value of the Shareholders' investments.

### ***Determination of the Amount of Each Element of the Executive Compensation Program***

#### ***Intervention of the Board of Directors***

Compensation of the NEOs of the Corporation, other than the CEO, is reviewed annually by the CEO, who makes recommendations to the Board. The Board reviews the recommendations of the CEO and approves the compensation of the NEOs based on the recommendations of the CEO. Compensation of the CEO is reviewed annually by the Board.

#### ***Base Salary***

The base salary review of each NEO takes into consideration the current competitive market conditions, experience, performance, and the particular skills of the NEO. Base salary is not evaluated against a formal "peer group". The Board rely on the general experience of its members in setting base salary amounts.

#### ***Performance Bonuses***

Annual bonuses granted to NEOs are determined on a case by case basis and may be awarded at the sole discretion of the Board for individual achievements, contributions or efforts that the Board has determined can reasonably be expected to have a positive impact on shareholder value. The factors considered in assessing the bonus amounts include, but are not limited to, the position of the NEO and expense control.

### *Stock Options*

The Corporation has recently established a formal plan (the “Plan”), under which stock options are granted to directors, officers, employees and consultants as an incentive to serve the Corporation in attaining its goal of improved shareholder value. The Board determines which NEOs (and other persons) are entitled to participate in the Plan, determines the number of options granted to such individuals, determines the date on which each option is granted and the corresponding exercise price. For further information regarding the Plan refer to “Securities Authorized for Issuance Under Equity Compensation Plans”.

The Board makes these determinations subject to the provisions of the Plan and, where applicable, the policies of the CSE.

### *Link to Overall Compensation Objectives*

Each element of the executive compensation program has been designed to meet one or more objectives of the overall program.

The fixed base salary of each NEO, combined with the granting of stock options and bonus, has been designed to provide total compensation which the Board believes is competitive.

### *External Compensation Consultants*

During the fiscal years ended December 31, 2016 and 2015, the Corporation did not retain the services of an executive compensation consultant to assist the Board in determining the compensation for any of the Corporation’s NEOs.

### *Compensation Risk Management*

The Board has not proceeded to an evaluation of the implications of the risks associated with the Corporation’s compensation policies and practices. The Corporation has not adopted a policy forbidding directors or officers from purchasing financial instruments that are designed to hedge or offset a decrease in market value of the Corporation’s securities granted as compensation or held, directly or indirectly, by directors or officers. The Corporation is not, however, aware of any directors or officers having entered into this type of transaction.

### *Pension Plan Benefits*

The Corporation does not have a pension plan that provides for payments or benefits to the NEOs, nor to the directors at, following, or in connection with retirement.

### *Employment, Consulting and Management Agreements*

During the most recently completed financial year, there were no employment contracts, agreements, plans or arrangements for payments to an NEO, at, following or in connection with any termination (whether voluntary, involuntary or constructive), resignation, retirement, a change in control of the Corporation or a change in an NEO’s responsibilities, to the exception of a consultancy agreement with Mr. Jimmy Gravel, former President and CEO, providing for a 30 days termination notice.

### **Liability insurance**

The directors and officers are covered by liability insurance. The Corporation has a Directors' and Officers' Liability and Corporation Reimbursement Insurance policy that provides coverage of up to \$5,000,000 per claim and insurance period, for which it pays an annual premium of \$11,850. The policy has a \$25,000 deductible that the Corporation has undertaken to cover in the event of a claim. The covering period for the insurance is from October 28, 2016 to October 28, 2017.

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

The following table sets out certain details as at December 31, 2016, the end of the Corporation's financial year, with respect to 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</b>	<b>Weighted-average exercise price of outstanding options</b>	<b>Number of securities available for future issuance under equity compensation plans (excluding securities reflected in column (a))</b>
Equity compensation plans approved by securityholders <sup>(1)</sup>	965,000	\$0,40	802,908
Equity compensation plans not approved by securityholders	-	-	-
<b>Total<sup>(1)</sup></b>	<b>965,000</b>	<b>\$0,40</b>	<b>802,908</b>

(1) All the figures are presented following the share consolidation completed on February, 1, 2017 on a basis of five pre-consolidation shares for one post-consolidation.

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

During the financial year ended December 31, 2016, and as at the date of this Circular, no director, officer, employee, proposed nominee for election as a director of the Corporation or any of their respective associates, nor any former executive officer, director and employee of the Corporation, has been indebted, or is presently indebted, to the Corporation, or to another entity if the indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the company or any of its subsidiaries.

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

Except as disclosed herein and in the audited financial statements of the Corporation for the year ended December 31, 2016, the Corporation is not aware that any of the directors, nominees, officers or other insiders of the Corporation or any persons associated or otherwise related to any of them has had an interest in any material transaction carried out since the commencement of the most recently completed financial year of the Corporation and which has materially affected or is likely to materially affect the Corporation.



## MANAGEMENT CONTRACTS

The management functions of the Corporation are not performed to any substantial degree by any person or company other than the directors and executive officers of the Corporation.

## CORPORATE GOVERNANCE PRACTICES

Genius believes in the importance of a strong Board of Directors and sound corporate governance policies and practices to direct and manage its business affairs. Good corporate governance is essential to retaining the trust of our Shareholders and attracting the right people to the organization.

The following discussion outlines some of the Corporation's current corporate governance practices, particularly with respect to the matters addressed by *Regulation 58-101 respecting Disclosure of Corporate Governance Practices* ("**Regulation 58-101**") and *Policy Statement 58-201 to Corporate Governance Guidelines*, which set out a series of guidelines for effective corporate governance 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 the Board's members.

### 1. Board of directors

The Board is currently composed of 5 directors. Two of the current directors are not "independent" pursuant to Regulation 58-101. Mr. Goulet is not independent since he is a member of the senior management of the Corporation. Mr. Gravel is not independent since he has been a member of the senior management of the Corporation within the last three years

### 2. Directorships

The other boards of directors to which each of the Corporation's directors is member are indicated under the section of the Circular titled "Matters to be acted upon at the Meeting - Election of Directors".

### 3. Orientation and Continuing Education

The Board encourages directors to follow appropriate education programs offered by relevant regulatory bodies and provides them with the opportunity to enhance their understanding of the nature and operation of the Corporation. The Corporation offers new directors an orientation which includes the roles, responsibilities and liabilities of directors. Presentations on the Corporation's business are made by Management at each Board meeting.

### 4. Ethical Business Conduct

Each director of the Corporation, in exercising his/her powers and discharging his/her duties, must act honestly and in good faith with a view to the best interests of the Corporation and further must act in accordance with the law and applicable regulations, policies and standards.

In situation of conflict of interest, a director is required to disclose the nature and extent of any material interest he/she has in any material contract or proposed contract of the Corporation, as soon as the director becomes aware of the agreement or the intention of the Corporation to consider or enter into the proposed agreement and the director must refrain from voting in respect of any such matter.

## **5. Nomination of Directors**

The corporate governance committee (the “Committee”) is responsible for receiving and reviewing the candidates, and recommending to the Board the hiring of executive management, or the appointment or election of directors of the Corporation. In addition, the Committee considers and recommends the opportunity to create new functions in the Corporation, analyses the needs of the Board if there are any vacancies and recommends the dismissal of a director or a member of the executive management, if necessary. The Board selects nominees for election to the Board, after having considered the advice and input of the Committee and having carefully reviewed and assessed the professional competencies and skills, personality and other qualities of each proposed candidate, including the time and energy that the candidate can devote to the task, and the contribution that the candidate can bring to the Board’s dynamic.

The Committee reviews industry data for similar executives from recruitment agencies.

## **6. Compensation**

The Corporation’s compensation program concerning directors and executive management is the responsibility of the Board. The directors receive no compensation as such but do receive options from time to time.

## **7. Corporate Governance Committee**

The Committee has the authority and responsibility of:

- (i) annually reviewing the mandates of the Board and its committees and recommending to the Board such amendments to those mandates as the Corporate Governance believes are necessary or desirable;
- (ii) annually reviewing the disclosure of corporate governance practices to be included in the Corporation’s proxy circular;
- (iii) reviewing at least annually the size and composition of the Board, analyzing the needs of the Board and considering the skills, areas of experience, backgrounds, independence and qualifications of the Board’s members to ensure that the Board, as a whole, has a diversity of competencies and experience that support it in carrying out its responsibilities;
- (iv) assessing at least annually the effectiveness of the Board as a whole, the committees of the Board and the contribution of each director regarding his, her or its effectiveness and contribution;
- (v) acting as a forum for concerns of individual directors in respect of matters that are not readily or easily discussed in a full Board’s meeting, including the performance of management or individual members of management or the performance of the Board or individual members of the Board;
- (vi) determining at the earliest stage possible whether any proposed transaction discussed by the Board is or can be perceived as a related party transaction and, if such is the case, review any such transaction to ensure that it is being proposed and will be carried out with fairness and with the best interest of the Corporation in mind and or, alternatively, recommend that a special committee of disinterested directors be constituted to carry out the negotiations for such transaction and review and reported thereupon to the Board.

## **8. Assessments**

Please refer to the responsibilities of the Committee described above.

### **AUDIT COMMITTEE**

#### **1. Audit Committee Charter**

The audit committee of the Corporation (“**Audit Committee**”) meets regularly in order to assist the Board of Directors in fulfilling its responsibilities with respect to the following:

- (i) its oversight of the Corporation’s accounting and financial reporting principles and policies and internal audit controls and procedures;
- (ii) its oversight of the integrity and transparency of the Corporation’s financial statements and the independent audit thereof;
- (iii) selecting, evaluating and, where deemed appropriate, replacing the external auditors;
- (iv) evaluating the independence of the external auditors;
- (v) its oversight of the Corporation’s risk identification, assessment and management program; and
- (vi) its oversight of the Corporation’s compliance with legal and regulatory requirements in respect of the above.

**The text of the Audit Committee’s charter is attached as Schedule “A” to this Circular.**

#### **2. Composition of the Audit Committee**

The members of the Audit Committee are Hubert Vallée (Chairman of the Audit Committee), Jimmy Gravel and Marc Duchesne. Mr. Gravel and Duchesne are not nominees for election at the Meeting and their mandate will terminate at the Meeting. Each member of the Audit Committee is independent except for Jimmy Gravel, who has been President and CEO of the Corporation.

The Audit Committee met once during the most recently completed financial year.

All members of the Audit Committee are “financially literate” and/or “financial experts”, within the meaning of applicable regulations. In considering criteria for determination of financial literacy, the Board assesses the ability to understand financial statements of the Corporation. In determining accounting or related financial expertise, the Board considers familiarity with accounting issues pertinent to Genius, past employment experience in finance or accounting, requisite professional certification in accounting, and any other comparable experience or background which results in the individuals’ financial sophistication.

#### **3. Relevant Education and Experience of Audit Committee Members**

The Corporation believes that each of the members of the Audit Committee possesses: (a) an understanding of the accounting principles used by the Corporation to prepare its financial statements; (b) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves; (c) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation’s financial statements, or experience actively supervising one or more individuals engaged in such activities; and (d) an understanding of internal controls and procedures for financial reporting.

#### 4. Audit Committee Oversight

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

#### 5. Reliance on Certain Exemptions

The Corporation is relying on the exemption for venture issuers in Section 6.1 of Regulation 52-110 from Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations) of Regulation 52-110. At no time since the commencement of the Corporation's most recently completed financial year has the Corporation relied on the exemptions in Sections 2.4 and 6.1.1 of Regulation 52-110 or an exemption from Regulation 52-110, in whole or in part, granted under Part 8 of Regulation 52-110.

#### 6. Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services. However, any non-audit service shall be submitted to the Audit Committee for approval.

#### 7. External Auditor Service Fees

The following table presents fees for the audits of the Corporation's annual consolidated financial statements for 2016 and 2015 and for other services provided by the Corporation's external auditors in each of the last two (2) fiscal years.

Category of Fees	Year ended December 31, 2016	Year ended December 31, 2015
Audit fees <sup>(1)</sup>	\$40,698	\$38,000
Audit-related fees <sup>(2)</sup>	\$5,345	\$-
Tax fees <sup>(3)</sup>	\$-	\$-
All other fees <sup>(4)</sup>	\$-	\$-
<b>Total</b>	<b>\$46,043</b>	<b>\$38,000●</b>

**Notes:**

- (1) The aggregate fees billed for audit services, including fees relating to the review of financial statements and statutory audits of the Corporation.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Corporation's financial statements and are not disclosed under "Audit Fees".
- (3) The aggregate fees billed for tax compliance, tax advice and tax planning services.
- (4) "All other fees" include all other non-audit services.

#### OTHER BUSINESS

Management is not aware of any matters to come before the Meeting other than those set forth in the Notice of Meeting. If any other matter properly comes before the Meeting, the persons named in the Proxy will vote the Shares represented thereby in accordance with their best judgment on such matter.

## ADDITIONAL INFORMATION

Additional information regarding the Corporation and its business activities is available on SEDAR at [www.sedar.com](http://www.sedar.com) including the Corporation's audited financial statements and management discussion and analysis (MD&A) for the financial year ended December 31, 2016, a copy of which may also be obtained upon request from Stéphane Leblanc, CFO, 6874 François-Raymond, Trois-Rivières, Qc, G9C 0G7 or by e-mail to [slconcept@hotmail.com](mailto:slconcept@hotmail.com).

**The Board of Directors of the Corporation has approved the contents of the Circular and its sending to the Shareholders.**

Montréal, Québec, May 18, 2017

**By order of the Board of Directors**

*(s) Guy Goulet* \_\_\_\_\_

**Guy Goulet, President, CEO and Director**

## **SCHEDULE A**

### **AUDIT COMMITTEE CHARTER**

This charter (the “Charter”) sets forth the purpose, composition, responsibilities, duties, powers and authority of the Audit Committee (the “Committee”) of the directors (the “Board”) of Genius Properties Ltd. (“Genius Properties”).

#### **1. Purpose**

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

- financial reporting and disclosure requirements;
- ensuring that an effective risk management and financial control framework has been implemented by management of Genius Properties; and
- external and internal audit processes.

#### **2. Composition and Membership**

- (a) The members (collectively “Members” and individually a “Director”) of the Committee shall be appointed by the Board to serve one-year terms and shall be permitted to serve an unlimited number of consecutive terms. . The Board may remove a Member at any time and may fill any vacancy occurring on the Committee. A member of the Committee may resign at any time and a member of the Committee will cease to be a member of the Committee upon ceasing to be a director of Genius Properties.
- (b) The Committee will consist of at least three members. If the composition of the Board permits it, a majority of the members of the Committee should be a Director who is independent and every member of the Committee must be financially literate to the extent required by (and subject to the exemptions and other provisions set out in) applicable laws, rules, regulations and stock exchange requirements (collectively “Applicable Laws”). In this Charter, the terms “independent” and “financially literate” have the meaning ascribed to such terms by Applicable Laws and include the meaning given to similar terms herein by Applicable Laws to the extent such similar latter terms are applicable under Applicable Laws.
- (c) The chairman of the Committee will be appointed by the Board and confirmed by the Committee or appointed by the Committee from time to time and must have such accounting or related financial management expertise as the Board or Committee may determine in their business judgment. The secretary of Genius Properties (the “Secretary”) will be the secretary of all meetings and will maintain minutes of all meetings, deliberations and proceedings of the Committee. In the absence of the Secretary at any meeting, the Committee will appoint another person who may, but need not, be a Member to be the secretary of that meeting.

#### **3. Meetings**

- (a) Meetings of the Committee will be held at such times and places as the Chairman may determine, but in any event not less than two (2) times per year. Any member of the Committee or the auditor of Genius Properties may call a meeting of the Committee at any time upon not less than forty-eight (48) hours advance notice is given to each member of the Committee orally, by telephone, by facsimile or by email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference call.

- (b) At the request of the external auditors of Genius Properties, the Chief Executive Officer or the Chief Financial Officer of Genius Properties or any member of the Committee, the Chairman will convene a meeting of the Committee. Any such request will set out in reasonable detail the business proposed to be conducted at the meeting so requested.
- (c) The Chairman, if present, will act as the Chairman of meetings of the Committee. If the Chairman is not present at a meeting of the Committee, then the Members present may select one their number to act as Chairman of the meeting.
- (d) A majority of Members will constitute a quorum for a meeting of the Committee. Each Member will have one vote and decisions of the Committee will be made by an affirmative vote of the majority. The Chairman will not have a deciding or casting vote in the case of an equality of votes. Powers of the Committee may also be exercised by written resolution signed by all Members.
- (e) The Committee may invite from time to time such persons as the Committee considers appropriate fit to attend its meetings and to take part in the discussion and consideration of the affairs of the Committee, except to the extent the exclusion of certain persons is required pursuant to this Charter or by Applicable Laws. The Committee will meet in camera without management at each meeting of the Committee.
- (f) In advance of every regular meeting of the Committee, the Chairman, with the assistance of the Secretary, will prepare and distribute to the Members and others as deemed appropriate by the Chairman, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require officers and employees of Genius Properties to produce such information and reports as the Committee may deem appropriate in order to fulfill its duties.

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

The duties and responsibilities of the Committee as they relate to the following matters, to the extent considered appropriate or desirable or required by Applicable Laws, are to:

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

- (a) review and recommend to the Board for approval, the audited annual financial statements of Genius Properties, including the auditors' report thereon, the quarterly financial statements of Genius Properties, the management discussion and analysis of Genius Properties, financial reports of Genius Properties, guidance with respect to earnings per share, and any public release of financial information of Genius Properties through press release or otherwise, with such documents to indicated whether such information has been reviewed by the Board or the Committee;
- (b) review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual report to shareholders, management proxy circular, material change disclosures of a financial nature and similar disclosure documents;
- (c) review with management of Genius Properties and with external auditors significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("IFRS") all with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly Genius Properties' financial position and the results of its operations in accordance with IFRS;
- (d) annually review Genius Properties' corporate disclosure policy and recommend any proposed changes to the Board for consideration; and
- (e) review the minutes from each meeting of the disclosure committee of Genius Properties established pursuant to Genius Properties' corporate disclosure policy, since the last meeting of the Committee.

## **4.2 Internal Controls and Audit**

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

## **4.3 External Audit**

- (a) recommend to the Board a firm of external auditors to be engaged by Genius Properties;
- (b) ensure the external auditors report directly to the Committee on a regular basis;
- (c) review the independence of the external auditors, including a written report from the external auditors respecting their independence and consideration of applicable auditor independence standards;
- (d) review and approve the compensation of the external auditors, and the scope and timing of the audit and other related services rendered by the external auditors;
- (e) review the audit plan of the external auditors prior to the commencement of the audit;
- (f) establish and maintain a direct line of communication with Genius Properties' external and internal auditors;
- (g) meet in camera with only the auditors, with only management, and with only the Members at every Committee meeting;
- (h) review the performance of the external auditors who are accountable to the Committee and the Board as representatives of the shareholders, including the lead partner of the independent auditors team;



- (i) oversee the work of the external auditors appointed by the shareholders of Genius Properties with respect to preparing and issuing an audit report or performing other audit, review or attest services for Genius Properties, including the resolution of issues between management of Genius Properties and the external auditors regarding financial disclosure;
- (j) review the results of the external audit and the report thereon including, without limitation, a discussion with the external auditors as to the quality of accounting principles used, any alternative treatments of financial information that have been discussed with management of Genius Properties, the ramifications of their use as well as any other material changes. Review a report describing all material written communication between management and the auditors such as management letters and schedule of unadjusted differences;
- (k) discuss with the external auditors their perception of Genius Properties' financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto;
- (l) review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board; and
- (m) review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to deal with any such issues.

#### **4.4 Associated Responsibilities**

- (a) monitor and periodically review the whistleblower policy and associated procedures for:
  - i the receipt, retention and treatment of complaints received by Genius Properties regarding accounting, internal accounting controls or auditing matters;
  - ii the confidential, anonymous submission by directors, officers and employees of Genius Properties of concerns regarding questionable accounting or auditing matters; and
  - iii any violations of any Applicable Laws that relate to corporate reporting and disclosure, and
- (b) review and approve the hiring policies of Genius Properties regarding employees and partners, and former employees and partners, of the present and former external auditor of Genius Properties;

#### **4.5 Non-Audit Services**

Pre-approve all non-audit services to be provided to Genius Properties or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full audit committee at its first scheduled meeting following such pre-approval.

#### **4.6 Oversight Function**

While the Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Committee to plan or conduct audits or to determine that Genius Properties' financial statements are complete and accurate or are in accordance with IFRS and applicable rules and regulations. These are the responsibilities of Management and the external auditors. The Committee, the Chairman and any

Members identified as having accounting or related financial expertise are Directors, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of Genius Properties, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of Genius Properties' financial information or public disclosure.

#### **5. Reporting**

The Committee shall provide the Board with a summary of all actions taken at each Committee meeting or by written resolution. The Committee will annually review and approve the Committee's report for inclusion in the management proxy circular. The Secretary will circulate the minutes of each meeting of the Committee and each written resolution passed by the Committee to the Board. The Committee shall produce and provide the Board with all reports or other information required to be prepared under Applicable Laws.

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

The Committee will be granted unrestricted access to all information regarding Genius Properties and all directors, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at Genius Properties' expense, independent legal, financial and other advisors, consultants and experts, to assist the Committee in fulfilling its duties and responsibilities. The Committee also has the authority to communicate directly with internal and external auditors.

#### **7. Review of Charter**

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