



**NOTICE OF MEETING  
AND  
MANAGEMENT PROXY CIRCULAR  
FOR THE  
ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD AT 10:00 A.M.  
ON THURSDAY, MAY 25, 2017**

**DATED APRIL 18, 2017**

**NUTRITIONAL HIGH INTERNATIONAL INC.**

**NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** the annual general meeting (the "**Meeting**") of shareholders (the "**Shareholders**") of Nutritional High International Inc. (the "**Corporation**") will be held at 77 King Street West, Suite 3000, Toronto Ontario on May 25, 2017, at 10:00 a.m. (Eastern Standard time), for the following purposes:

- (1) to receive the consolidated financial statements of the Corporation for its fiscal year ended report of the July 31, 2016, report of the auditor thereon and related management discussion and analysis;
- (2) to elect the directors of the Corporation for the ensuing year;
- (3) to re-appoint the auditor of the Corporation for the ensuing year and to authorize the directors to fix the auditor's remuneration; and
- (4) to transact such other business as may properly come before the Meeting or any adjournment thereof.

The specific details of the matters proposed to be put before the Meeting are set forth in the Management Proxy Circular (the "**Circular**") which accompanies this Notice of Meeting.

**DATED** at Toronto, Ontario this 18<sup>th</sup> day of April, 2017, 2015.

**BY ORDER OF THE BOARD OF DIRECTORS**

/s/ "Jim Frazier"

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Jim Frazier

President, Chief Executive Officer & Director

A Circular and form of proxy accompany this Notice of Meeting regardless of whether you expect to attend the Meeting, please exercise your right to vote. Shareholders who have voted may still attend the Meeting. Please complete, date and sign the enclosed form of proxy and return it in accordance with the instructions set out in the form of proxy and the Circular. Only registered shareholders and duly appointed proxy holders may vote in person at the Meeting.

As provided in the *Canada Business Corporations Act*, the directors have fixed a record date of April 10, 2017. Accordingly, persons who are registered as shareholders on the books of the Corporation at the close of business on April 10, 2017 are entitled to notice and to vote at the Meeting.

If you are a non-registered shareholder and receive these materials through your broker or another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or intermediary.

**NUTRITIONAL HIGH INTERNATIONAL INC.**  
**Suite 2905, 77 King Street West, Toronto, Ontario, M5K 1H1**  
**Telephone 1-416-840-3798 Fax 1-416-765-0029**  
**www.nutritionalhigh.com**

**MANAGEMENT PROXY CIRCULAR**  
**as at April 18, 2017 (unless otherwise indicated)**

**This Management Proxy Circular ("Circular") is furnished in connection with the solicitation of proxies by the management of Nutritional High International Inc. (the "Corporation") for use at the annual general meeting (the "Meeting") of the holders ("Shareholders") of common shares of the Corporation ("Common Shares") to be held on May 25, 2017 at the time and place and for the purposes set forth in the accompanying Notice of the Meeting.**

**GENERAL PROXY INFORMATION**

The Corporation is utilizing the notice-and-access mechanism (the "**Notice-and-Access Provisions**") 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 Circular to non-registered (or beneficial) holders and utilizing mailing for registered holders of Common Shares. Further information on the Notice-and-Access Provisions is contained below under the heading "General Information – "Notice-and-Access" and Shareholders are encouraged to read this information for an explanation of their rights.

**Solicitation of Proxies**

The cost of solicitation by or on behalf of management will be borne by the Corporation. The Corporation may reimburse brokers, custodians, nominees and other fiduciaries for their reasonable charges and expenses incurred in forwarding the proxy material to beneficial owners of shares. It is expected that such solicitation will be primarily by mail. In addition to solicitation by mail, certain officers, directors and employees of the Corporation may solicit proxies by telephone or personally. These persons will receive no compensation for such solicitation other than their regular salaries.

**Appointment of Proxy holders**

The Common Shares represented by the accompanying form of proxy (if the same is properly executed in favour of Mr. David Posner, Chairman of the Corporation, or failing him Mr. Adam Szweras, Corporate Secretary of the Corporation, the management nominees, and is received at the offices of CST Trust Company ("**CST**") not later than 10:00 a.m. (Toronto time) Tuesday, May 23, 2017, or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, preceding the time of such adjourned Meeting) will be voted at the Meeting, and where a choice is specified in respect of any matter to be acted upon, will be voted in accordance with the specifications made. **In the absence of such a specification, such Common Shares will be voted in favour of such matter. The form of proxy sets out specific instructions for completing and returning the proxy in order to be properly counted at the Meeting.**

**The accompanying form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the annexed notice of Meeting, and with respect to other matters which may properly come before the Meeting.** At the date hereof, management of the Corporation knows of no such amendments, variations or other matters.

**Each Shareholder has the right to appoint a person other than the persons named in the accompanying form of proxy, who need not be a shareholder, to attend and act for him and on his behalf at the Meeting.** Any Shareholder wishing to exercise such right may do so by inserting in the blank space provided in the accompanying form of proxy the name of the person whom such Shareholder wishes to appoint as proxy and by duly depositing such proxy, or by duly completing and depositing another proper form of proxy.

A Shareholder who has given a proxy may revoke it at any time insofar as it has not been exercised. A proxy may be revoked, as to any matter on which a vote shall not already have been cast pursuant to the authority conferred by such proxy, by instrument in writing executed by the Shareholder or by his or her attorney authorized in writing or, if the Shareholder is a body corporate, by an officer or attorney thereof duly authorized, and deposited with the Corporation c/o CST at the address set out in the proxy, at any time up to and including the close of business on May 24, 2017 or thereafter with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof, and upon either of such deposits the proxy is revoked. A proxy may also be revoked in any other manner permitted by law.

### **Registered Shareholders**

If you are a registered Shareholder, you may wish to vote by proxy whether or not you attend the Meeting in person. Registered Shareholders electing to submit a proxy may do so by completing, dating and signing the enclosed form of proxy and returning it to the Corporation's transfer agent, CST Trust Company ("CST"), Attention: Proxy Department by email to [proxy@canstockta.com](mailto:proxy@canstockta.com) or via fax to 866-781-3111 (toll free in North America) or to 416-368-2502, or by mail, Attention: Proxy Department, PO Box 721, Agincourt, Ontario M1S 0A1, at any time up to and including 10:00 a.m. (Eastern Standard Time) May 23, 2017.

To vote by internet, use the internet to transmit your voting instructions and for electronic delivery of information. Have your form of proxy available when you access the website of CST Trust at [www.cstvotemyproxy.com](http://www.cstvotemyproxy.com). You will be prompted to enter your Control Number which is located near the label at the bottom of the proxy. You may also appoint a person other than the persons designated on this form of proxy by following the instructions provided on the website.

In all cases, to be represented at the Meeting, proxies submitted must be received no later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting or adjournment thereof.

### **Beneficial Shareholders**

The information set forth in this section is of significant importance to many public Shareholders as a substantial number of the public Shareholders do not hold Common Shares in their own names. A Shareholder is a non-registered shareholder (referred to in this Circular as "**Beneficial Shareholders**") if (i) an intermediary (such as a bank, trust company, securities dealer or broker, trustee or administrator of a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan, registered education savings plan, registered disability savings plan or tax-free savings account), or (ii) a clearing agency (such as CDS Clearing and Depository Services Inc. or Depository Trust and Clearing Corporation), of which the intermediary is a participant (in each case, an "**Intermediary**"), holds the shareholder's shares on behalf of the shareholder.

In accordance with NI 54-101, the Corporation is distributing copies of a voting instruction form in lieu of a Proxy provided by the Corporation, to Intermediaries for distribution to Beneficial Shareholders and such Intermediaries are to forward a voting instruction form in lieu of a Proxy provided by the Corporation, to each Beneficial Shareholders (unless the Beneficial Shareholders has declined to receive such materials). Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return

instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its Intermediary is identical to the form of proxy provided to registered Shareholders. However, its purpose is limited to instructing the registered Shareholders how to vote on behalf of the Beneficial Shareholder.

Such Intermediaries often use a service company (such as Broadridge Financial Solutions Inc. ("**Broadridge**")), to permit the Beneficial Shareholders to direct the voting of the Common Shares held by the Intermediary on behalf of the Beneficial Shareholder. The Corporation is paying Broadridge to deliver, on behalf of the Intermediaries, a copy of a voting instruction form in lieu of a Proxy provided by the Corporation, to each "non-objecting beneficial owner" and each "objecting beneficial owner" (as those terms are defined in NI 54-101). Broadridge typically applies a decal to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy with a Broadridge decal on it cannot use that proxy to vote shares directly at the Meeting. The proxy must be returned to Broadridge well in advance of the Meeting in order to have the shares voted.

Since the Corporation does not have access to the names of its non-registered Shareholders, if a Beneficial Shareholder attends the Meeting the Corporation will have no record of the Beneficial Shareholder's shareholdings or of its entitlement to vote unless the Beneficial Shareholder's nominee has appointed the Beneficial Shareholder as proxyholder. Therefore, a Beneficial Shareholder who wishes to vote in person at the Meeting must insert its own name in the space provided on the voting instruction form sent to the Beneficial Shareholder by its nominee, and sign and return the voting instruction form by following the signing and returning instructions provided by its nominee. By doing so, the Beneficial Shareholder will be instructing its nominee to appoint the Beneficial Shareholder as proxyholder. The Beneficial Shareholder should not otherwise complete the voting instruction form as its vote will be taken at the Meeting.

### **Notice and Access**

As noted above, the Corporation is utilizing the Notice-and-Access Provisions under NI 54-101 and NI 51-102 for distribution to this Circular to Beneficial Shareholders and is utilizing mailing for Registered Shareholders.

The Notice-and-Access Provisions allow reporting issuers to post electronic versions of proxy-related materials, such as proxy, information circulars, and annual financial statements, (the "**Proxy-Related Materials**") on-line, via the System for Electronic Document Analysis and Retrieval ("**SEDAR**") and one other website, rather than mailing paper copies of such materials to Beneficial Shareholders. Electronic copies of the Circular, financial statements of the Corporation for the year ended July 31, 2016 ("**Financial Statements**") and management's discussion and analysis of the Corporation's results of operations and financial condition for 2016 ("**MD&A**") may be found on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com) and also on the Corporation's web site [www.nutritionalhigh.com](http://www.nutritionalhigh.com). The Corporation will not use procedures known as "stratification" in relation to the use of Notice-and-Access Provisions. Stratification occurs when a reporting issuer using the Notice-and-Access Provisions provides a paper copy of this Circular to some Shareholders with the notice package. In relation to the Meeting, Non-Registered Shareholders will receive the required documentation under the Notice-and-Access Provisions, which will not include a paper copy of this Circular and Registered Shareholders will receive copies by mail. 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 the 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 2016 fiscal year.

The Corporation anticipates that relying on the Notice-and-Access Provisions will directly benefit the Corporation through a substantial 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 can call the Corporation's transfer agent, CST Trust Company at 1-888-433-6443. Shareholders may also obtain paper copies of Proxy Related Material free of charge by contacting CST Trust Company at 1-888-433-6443 or [fulfilment@canstockta.com](mailto:fulfilment@canstockta.com). or upon request to the Corporate Secretary of the Corporation.

A request for paper copies which are required in advance of the Meeting should be sent so that they are received by the Corporation or CST Trust Company, as applicable, by Tuesday, May 9, 2017, in order to allow sufficient time for Shareholders to receive their paper copies and to return a) their form of proxy to the Corporation or CST Trust Company, or b) their voting instruction form ("VIF") to their Intermediaries by the deadline for submitting their proxy or VIF, as applicable.

#### **Notice to Shareholders in the United States**

The solicitation of proxies involves securities of an issuer located in Canada and is being effected in accordance with the federal corporate laws of Canada and securities laws of the provinces of Canada. The proxy solicitation rules under the United States *Securities Exchange Act* of 1934, as amended, are not applicable to the Corporation or this solicitation, and this solicitation has been prepared in accordance with the disclosure requirements of the Canadian securities laws applicable to the Corporation. Shareholders should be aware that disclosure requirements under the Canadian securities laws applicable to the Corporation differ from the disclosure requirements under United States securities laws.

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

No director or executive officer of the Corporation, or any person who has held such a position since the beginning of the last completed financial year of the Corporation, nor any nominee for election as a director of the Corporation, nor any associate or affiliate of the foregoing persons, has any substantial or material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting other than the election of directors and the ability of such persons to receive options under the Corporation's option plan.

#### **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The board of directors (the "**Board**") of the Corporation has fixed April 10, 2017, as the record date (the "**Record Date**") for determination of persons entitled to receive notice and vote at the Meeting. Only Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described above will be entitled to vote or to have their Common Shares voted at the Meeting.

The Common Shares are listed for trading on the Canadian Securities Exchange (the "**CSE**"). As of April 10, 2017, there were 248,837,877 Common Shares issued and outstanding, each carrying the right to one vote.

To the knowledge of the directors and executive officers of the Corporation, no person or Corporation beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the issued and outstanding Common Shares.

### VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast at the Meeting is required to pass the resolutions described herein. If there are more nominees for election as directors than there are vacancies to fill, those nominees receiving the greatest number of votes will be elected or appointed, as the case may be, until all such vacancies have been filled. If the number of nominees for election or appointment is equal to the number of vacancies to be filled, all such nominees will be declared elected or appointed by acclamation.

### PRESENTATION OF FINANCIAL STATEMENTS

The annual financial statements of the Corporation for the year ended July 31, 2016, together with the auditor's report thereon and the related MD&A, all of which may be obtained from SEDAR at [www.sedar.com](http://www.sedar.com), will be presented at the Meeting.

### ELECTION OF DIRECTORS

The Articles of the Corporation provide that the number of directors of the Corporation will be a minimum of three and a maximum of ten. Pursuant to the CBCA and the By-Laws of the Corporation, the directors have determined that there will be seven persons elected to the Board at the Meeting. Unless a director's office is earlier vacated in accordance with the provisions of the CBCA, each director elected will hold office until the conclusion of the next annual meeting of the Corporation, or if no director is then elected, until a successor is elected.

The following table sets out the names of management's seven nominees for election as directors, all major offices and positions with the Corporation and any of its significant affiliates each now holds, each nominee's principal occupation, business or employment (for the five preceding years for new director nominees), the period of time during which each has been a director of the Corporation and the number of Common Shares of the Corporation beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the Record Date.

<b>Name and Residence of Proposed Directors</b>	<b>Principal Occupation and Present Offices Held</b>	<b>Director Since</b>	<b>Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly<sup>(4)</sup></b>
<b>David Posner</b> Chairman of the Board Ontario, Canada	Chairman of the Board. President and Chief Executive Officer of the Corporation from July 2014 to July 2016. Acquisitions Manager for Stonegate Properties Inc. from 2012 to 2014. Managing Director of Sales and Acquisitions for Maria Chiquita Development Company from 2005 to 2012.	July 7, 2014	6,117,370 <sup>(5)</sup>
<b>David Caplan<sup>(2)(3)</sup></b> Director Ontario, Canada	President and CEO of David Caplan Solutions Inc. since October, 2011.	July 7, 2014	Nil

Name and Residence of Proposed Directors	Principal Occupation and Present Offices Held	Director Since	Common Shares Beneficially Owned, or Controlled or Directed, Directly or Indirectly <sup>(4)</sup>
<b>Brian Presement</b> <sup>(1)(2)(3)</sup> Director Ontario, Canada	President and CEO of Unite Communications Corporation since its inception in 2001.	October 10, 2013	114,286
<b>Adam K. Szweras</b> Director and Corporate Secretary Ontario, Canada	Partner at Fogler, Rubinoff LLP since February 2006. Chairman of Foundation Markets Inc., and FMI Capital Advisory Inc.	July 7, 2014	1,377,227 <sup>(6)</sup>
<b>Billy A. Morrison</b> Director and Vice President Extractions California, USA	Horticulture Consultant and or Extraction consultant	June 11, 2015	1,575,000
<b>Robert Keeler</b> <sup>(1)</sup> Director Texas, USA	Chief Operations Officer and Partner at Dude, Sweet Chocolate since 2012	June 16, 2016	152,586
<b>Andres Tinajero</b> <sup>(1)</sup> Director Ontario, Canada	Chief Financial Officer Barkerville Gold Mines Ltd. since May 2015 to present. Eurocontrol Technics Group Inc. - Group Chief Financial Officer, October 2012 to present.	April 17, 2017	Nil

Notes:

- (1) Member of the Audit Committee of the Board.
- (2) Member of the Compensation and Nomination Committee of the Board.
- (3) Member of the Corporate Governance Committee of the Board.
- (4) The information as to principal occupation and Common Shares beneficially owned or over which control or direction is exercised is not within the knowledge of the Corporation, and therefore has been furnished by each director individually.
- (5) 1,190,174 of these shares are held by 679597 Ontario Limited, a wholly owned company of Mr. Posner.
- (6) 4,050,821 Common Shares are owned by Foundation Financial Holdings Corp and FMI Capital Advisory Inc., a company of which 33.3% is indirectly owned by The Goomie Trust, a family trust, of which the children of Mr. Szweras are the beneficiaries. In addition, 1306413 Ontario Ltd., a corporation owned by The Goomie Trust, holds 1,000,000 Common Shares. Mr. Szweras does not make voting decisions for the shares owned by 1306413 Ontario Ltd.

## Director Biographies

### *David Posner, Chairman of the Board*

Mr. David Posner currently serves as the Chairman of the board of directors of the Corporation and Capricorn Business Acquisitions Inc. and a director of Aura Health Corp. (a private company involved in the development and acquisition of marijuana health clinics in the US). Between July 2014 and July 2016, Mr. Posner was the President and Chief Executive Officer of the Corporation. Between 2012 and 2014, Mr. Posner served as the Acquisitions Manager for Stonegate Properties Inc., where he managed real estate properties and brokered deals in Canada and Oklahoma. He was a Managing Director of Sales and Acquisitions for Maria Chiquita Development Company from 2005 to 2012. From 2004 to 2007 he was a partner in a private investment group



investment group involved in the acquisition, re-zoning and re-positioning for sale of land holdings in Costa Rica and Panama. Mr. Posner holds a Bachelor of Arts degree from York University.

***David Caplan, Director***

David Caplan is a former Ontario politician. Mr. Caplan served as a Minister of Infrastructure during the 2003 session and as a Minister of Health and Long-Term Care during the 2007 session. He was a member of the Legislative Assembly of Ontario, and was a cabinet minister in the government of Liberal Premier Dalton McGuinty. Since retiring from the Ontario legislature on October 6, 2011, he served as a President and CEO of David Caplan Solutions Inc. a private consulting firm. Mr. Caplan served as a member on board of directors of Yee Hong Foundation since 2012, Baycrest Foundation since 2013, Epilepsy Toronto since 2010, Ontario Liberal Fund from 2007 to 2011 and as a Chair of Fundraising for Ontario Cabinet of Ministers from 2007 to 2009. He has also served as a Vice-Chairman of Global Public Affairs, privately-owned, fully-integrated public affairs firm since 2012. Mr. Caplan was born in Toronto, Ontario, and was educated at the University of Western Ontario. He worked as a commercial real estate agent with the firm of Ernest Goodman Ltd. from 1985 to 1989, and was Vice-President of Taurus Metal Trading Ltd. (a recycling company) between 1989 and 1992. Caplan was elected as a trustee to the North York Board of Education in 1991 and served in this capacity for six years, becoming the Board's Vice-Chair in 1993. He also served on the Metro Toronto Board of Education from 1994 to 1997, becoming its Vice-Chair shortly before his departure for higher office.

***Brian Presement, Director***

***Brian Presement*** has been the President and CEO of Unite Communications Corporation ("UNiTE") since its inception in 2001. Under his leadership, UNiTE has grown from a regional telecom provider offering a narrow set of services to a full scale telecom provider offering services to companies of all sizes all across Canada. Mr. Presement has over 25 years of telecommunications experience. Prior to UNiTE, Mr. Presement served as Vice President Business Development of VOXX Corporation, a telecom company. Mr. Presement is currently and a director of Sagittarius Capital Corp. since January 2013, as well as a Director of Plexus Cybermedia. In addition, he is a Director and Board Secretary of Clarica Centre of York Region, a non-profit organization for developmentally challenged youth and adults. He served as a director of Aurelio Resource Corp. from February 2012 to August 2013. From 2004 to 2007 Mr. Presement served as a General Manager of a Mailgate Corp. Mr. Presement holds an Honours Bachelor of Arts Degree from York University with a double major in Mass Communications and Political Science.

***Adam Szweras, Director & Corporate Secretary***

Adam is a securities law partner with Fogler, Rubinoff LLP in Toronto and Chairman of the Foundation Markets Group, a Toronto based Merchant Bank and brokerage firm. His law practice focuses on financings and going public transactions, and in his banking practice, he works closely to build, invest in, and develop emerging business. Adam represents and sits on the boards of several mid-market public companies and assists companies in listing on the Toronto Stock Exchange, the Toronto Venture Exchange, and the Canadian Stock Exchange. He has a particular expertise with cross border mid-market transactions and often acts as a strategic advisor to his clients. Adam works with public and private companies active in marijuana markets in Canada and the US as well as companies with businesses in energy transmission, oil and gas and alternative energy, technology, and food producers. Adam has experience in representing clients in Canada and the US as well as South America, China and South Asia. Adam both joined Fogler, Rubinoff LLP and founded the Foundation Markets Group in 2006. He was called to the Ontario Bar in 1996 and has authored numerous papers and articles relating to Canadian and foreign securities and corporate law.

***Billy Morrison, Director & Vice President, Extractions***

Mr. Morrison started his career in the cannabis sector by co-founding The Union Collective in California, which quickly became a successful medical cannabis collective in the Silicon Valley and West Los Angeles. He also founded Capstone Analytical LLC, which was one of the first chromatography cannabis testing facilities in the Bay Area, where he developed special software that optically interpreted thin layer chromatography results for testing cannabinoid potency. In 2011, Mr. Morrison was appointed as a Chief Technology Officer of Temez Extracts, where he pivoted from closed loop extraction methods (that had the potential of leaving trace amounts of analytical grade N-Butane) and further leveraged sub/super critical, refined CO2 extraction. At Temez, he also spearheaded a partnership with Dragon Vape to become the second largest producer of refined cannabis distillate in prefilled e-cigarettes in California. Mr. Morrison's most recent appointment is a Chief Technology Officer of Peloton Pharmaceuticals, a Canadian MMPR applicant, where he was responsible for designing, developing and deploying nearly autonomous grow system focused on producing pharmaceutical grade cannabis at the lowest cost of goods sold. He holds multiple patents and pioneered water conserving technology in agriculture and cultivation

***Robert Keeler, Director***

For 29 years Mr. Keeler has been creating vertically integrated, high growth manufacturing, wholesale, distribution and retail companies, while establishing manufacturing, process, quality and financial controls. Mr. Keeler has over 20 years of experience in the food manufacturing industry with specialty in USDA Food Production, HACCP Certified and GMP. Mr. Keeler currently serves as a Chief Operating Officer of Dude, Sweet Chocolate, which is a vertically integrated manufacturer, wholesaler and retailer of unique, world-class dark chocolate creations. He was instrumental in opening a production kitchen to produce 85 different food lines, which led to a 109% increase in sales in the first year. Mr. Keeler previously worked for Dallas-based Sunrise Foods, Inc. for 18 years, retiring as a COO in 2012. Sunrise Foods, Inc. is a frozen food manufacturer with national and international distribution network. He grew the company from a local supplier of fresh made tortillas into an international supplier of frozen Mexican foods, selling to large regional restaurant chains.

***Andres Tinajero, Director***

Mr. Tinajero has over 20 years of business experience, having supported a broad range of industries, including mining, manufacturing and technology. During this same period, he has served as CFO and Vice President of Finance of several medium sized public companies across Canada. He holds a degree in Business Administration and an MBA, and is also a Member of the Canadian Institute of Certified Management Accountants, the Certified Practicing Accountants of Australia and he is a Certified member of the Institute of Corporate Directors.

**Cease Trade Orders and Bankruptcies**

No proposed director of the Corporation is, as of the date of this Circular, or has been, within the ten years prior to the date hereof, a director or chief executive officer or chief financial officer of any company (including the Corporation) that: (i) was subject to an order that was issued while the proposed director was acting as a director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

Except as disclosed herein, no proposed director of the Corporation is, at the date of this Circular, or has been within ten years before the date of this Circular, a director or executive officer of any company (including the Corporation)

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.

Adam Szweras was a director and the Corporate Secretary of Bassett Media Group Corp. ("**Bassett**"), a TSX Venture Exchange listed company, until March 16, 2010. Bassett has been subject to a cease trade order since June 16, 2010 for failing to file its financial statements.

### **Penalties and Sanctions**

No proposed director of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, or has been subject to 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.

### **Individual Bankruptcies**

No proposed director of the Corporation has, within the ten 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.

## **APPOINTMENT AND REMUNERATION OF THE AUDITOR**

Unless authority to vote is withheld, the persons named in the accompanying form of proxy intend to vote for the re-appointment of Collins Barrow, Toronto LLP as the auditor of the Corporation, to hold office until the next annual meeting of the shareholders, and to authorize the directors to fix the auditor's remuneration.

To be approved, the resolution must be passed by a majority of the votes cast by the holders of Common Shares at the Meeting. **Management recommends a vote "for" in respect of the resolution approving the re-appointment of the auditor and authorizing the directors to fix the auditor's remuneration.**

## **AUDIT COMMITTEE**

The Audit Committee of the Corporation is responsible for the Corporation's financial reporting process and the quality of its financial reporting. The Audit Committee is charged with the mandate of providing independent review and oversight of the Company's financial reporting process, the system of internal control and management of financial risks, and the audit process, including the selection, oversight and compensation of the Company's external auditors. In performing its duties, the Audit Committee maintains effective working relationships with the Board, management, and the external auditors and monitors the independence of those auditors.

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

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

The Board members of the Corporation's Audit Committee are:

<u>Name</u>	<u>Independent<sup>(1)</sup></u>	<u>Financially Literate<sup>(2)</sup></u>
Andres Tinajero (Chair)	Yes	Yes
Brian Presement	Yes	Yes
Robert Keeler	Yes	Yes

**Notes:**

- (1) A member of the Audit Committee is independent if the member has no direct or indirect material relationship with the Corporation, which could, in the view of the Board, reasonably interfere with the exercise of a member's independent judgment.
- (2) An individual is financially literate if he has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

***Relevant Education and Experience***

<b>Name of Member</b>	<b>Relevant Experience and Qualifications</b>
<b>Andres Tinajero</b>	Mr. Tinajero has over 20 years of business experience, having supported a broad range of industries, including mining, manufacturing and technology. During this same period, he has served as CFO and Vice President of Finance of several medium sized public companies across Canada. He holds a degree in Business Administration and an MBA, and is also a Member of the Canadian Institute of Certified Management Accountants, the Certified Practicing Accountants of Australia and he is a Certified member of the Institute of Corporate Directors.
<b>Brian Presement</b>	Brian Presement has been the President and CEO of Unite Communications Corporation ("UNiTE") since its inception in 2001. Under his leadership, UNiTE has grown from a regional telecom provider offering a narrow set of services to a full scale telecom provider offering services to companies of all sizes all across Canada. Mr. Presement has over 25 years of telecommunications experience. Prior to UNiTE, Mr. Presement served as Vice President Business Development of VOXX Corporation, a telecom company. Mr. Presement is currently and a director of Sagittarius Capital Corp. since January 2013, as well as a Director of Plexus Cybermedia. In addition, he is a Director and Board Secretary of Clarica Centre of York Region, a non profit organization for developmentally challenged youth and adults. He served as a director of Aurelio Resource Corp. from February 2012 to August 2013. From 2004 to 2007 Mr. Presement served as a General Manager of a Mailgate Corp. Mr. Presement holds an Honours Bachelor of Arts Degree from York University with a double major in Mass Communications and Political Science.
<b>Robert Keeler</b>	For 29 years Mr. Keeler has been creating vertically integrated, high growth manufacturing, wholesale, distribution and retail companies, while establishing manufacturing, process, quality and financial controls. Mr. Keeler has over 20 years of experience in the food manufacturing industry with specialty in USDA Food Production, HACCP Certified and GMP. Mr. Keeler currently serves as a Chief Operating Officer of Dude, Sweet Chocolate, which is a vertically integrated manufacturer, wholesaler and retailer of unique, world-class dark chocolate creations. He was instrumental in opening a production kitchen to produce 85 different food lines, which led to a 109% increase in sales in the first year. Mr. Keeler previously worked for Dallas-based Sunrise Foods, Inc. for 18 years, retiring as a COO in 2012. Sunrise Foods, Inc. is a frozen food manufacturer with national and international distribution network. He grew the company from a local supplier of fresh made tortillas into an international supplier of frozen Mexican foods, selling to large regional restaurant chains.

***Audit Committee Oversight***

Since the commencement of the Corporation's most recently completed financial year, there has not been a recommendation of the Audit Committee to nominate or compensate an external auditor with was not adopted by the Board.

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

In the event that the Corporation wishes to retain the services of the Corporation's external auditors for any non-audit services, prior approval of the Audit Committee must be obtained.

***Audit Fees***

The following table provides details in respect of audit, audit related, tax and other fees billed to the Corporation by the external auditors for professional services.

	<b>Year ended July 31, 2016</b>	<b>Year ended July 31, 2015</b>
Audit Fees	\$62,400	\$27,445
Audit Related Fees	\$510	\$110
Tax Fees	Nil	Nil
All Other Fees	\$71,275	Nil

**EXECUTIVE COMPENSATION**

**Compensation of Executive Officers**

Securities legislation requires the disclosure of compensation received by each "Named Executive Officer" of the Corporation for the three most recently completed financial years. "Named Executive Officer" is defined by the legislation to mean (i) each of the Chief Executive Officer and the Chief Financial Officer of the Corporation, (ii) each of the Corporation's three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, who were serving as executive officers at the end of the most recently completed financial year and whose total compensation exceeds \$150,000, and (iii) any additional individual for whom disclosure would have been provided under (ii) but for the fact that the individual was not serving as an executive officer of the Corporation at the end of the most recently completed financial year end of the Corporation.

**Summary Compensation Table**

The following table sets forth all annual and long term compensation for services in all capacities to the Corporation and its subsidiaries for the most recently completed financial year in respect of each Named Executive Officer as at July 31, 2016.

SUMMARY COMPENSATION TABLE							
Name and Principal Position of Named Executive Officer	Year ended	Salary	Option-based Awards	Non-Equity Incentive Plan Compensation		All Other Compensation	Total Compensation
				Annual Incentive Plans	Long-term Incentive Plans		
David Posner <sup>(1)</sup> President and CEO	July 31, 2016	\$96,000	Nil	Nil	Nil	Nil	\$96,000
	July 31, 2015	\$46,000	\$21,475 <sup>(5)</sup>	Nil	Nil	Nil	\$67,475
	July 31, 2014	\$24,000	\$3,960 <sup>(4)</sup>	Nil	Nil	\$35,000 <sup>(6)</sup>	\$62,960
Amy Stephenson <sup>(2)</sup> CFO	July 31, 2016	\$6,000	Nil	Nil	Nil	Nil	\$6,000
Al Quong <sup>(3)</sup> Former CFO	July 31, 2016	\$31,800	Nil	Nil	Nil	Nil	\$31,800
	July 31, 2015	\$39,950	\$8,590 <sup>(5)</sup>	Nil	Nil	Nil	\$48,540
	July 31, 2014	\$4,500	Nil	Nil	Nil	Nil	\$4,500

**Notes:**

- (1) Mr. Posner was appointed as President and CEO on July 7, 2014 and resigned on July 25, 2016. Mr. Frazier was appointed as COO in April 2016 and was appointed President and CEO on July 25, 2016.
- (2) Ms. Stephenson was appointed CFO on June 14, 2016. Ms. Stephenson is paid by Branson pursuant to the Branson Agreement. See "*Executive Compensation – Termination and Change of Control Benefits and Management Contracts.*"
- (3) Mr. Quong was appointed as CFO on September 1, 2014 and resigned on June 14, 2016.
- (4) The fair value of each option granted is estimated at the time of grant using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows: a 5 year expected term, 100% volatility, risk-free interest rate of 1.14% per annum, a dividend rate of 0% and weighted average grant-date fair value of stock options of \$0.0099.
- (5) The fair value of each option granted is estimated at the time of grant using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows: a 5 year expected term, 100% volatility, risk-free interest rate of 0.75% per annum, a dividend rate of 0% and weighted average grant-date fair value of stock options of \$0.00286.
- (6) Mr. Posner was paid an initial advisory fee of \$35,000 on May 1, 2014 pursuant to the Posner Agreement.

**Compensation Discussion and Analysis**

The Compensation Discussion and Analysis section sets out the objectives of the Corporation's executive compensation arrangements, the Corporation's executive compensation philosophy and the application of this philosophy to the Corporation's executive compensation arrangements. It also provides an analysis of the compensation design, and the decisions that the Board made in fiscal 2016 with respect to the Named Executive Officers. When determining the compensation arrangements for the Named Executive Officers, the Compensation and Nominating Committee considers the objectives of: (i) retaining an executive critical to the success of the Corporation and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and Corporation's shareholders; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. See the "Compensation Governance" below for more discussion on the Compensation and Nominating Committee.

### ***Benchmarking***

The Compensation and Nominating Committee considers a variety of factors when designing and establishing, reviewing and making recommendations for executive compensation arrangements for all executive officers of the Corporation. The Board typically does not position executive pay to reflect a single percentile within the industry for each executive. Rather, in determining the compensation level for each executive, the Compensation and Nominating Committee looks at factors such as the relative complexity of the executive's role within the organization, the executive's performance and potential for future advancement, the compensation paid by the other companies in medicinal and recreational marijuana industry, and pay equity considerations.

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

The compensation paid to Named Executive Officers in any year consists of two primary components:

- (a) base salary; and
- long-term incentives in the form of stock options granted under the Option Plan.

The key features of these two primary components of compensation are discussed below:

#### 1. Base Salary

Base salary recognizes the value of an individual to the Corporation based on his or her role, skill, performance, contributions, leadership and potential. It is critical in attracting and retaining executive talent in the markets in which Corporation competes for talent. Base salaries for the Named Executive Officers are reviewed annually. Any change in base salary of a Named Executive Officer is generally determined by an assessment of such executive's performance, a consideration of competitive compensation levels in companies similar to the Corporation (in particular, companies in the marijuana industry) and a review of the performance of the Corporation as a whole and the role such executive officer played in such corporate performance.

#### 2. Stock Option Awards

The Corporation provides long-term incentives to Named Executive Officers in the form of stock options as part of its overall executive compensation strategy. The Compensation and Nominating Committee believes that stock option grants serve the Corporation's executive compensation philosophy in several ways: firstly, it helps attract, retain, and motivate talent; secondly, it aligns the interests of the Named Executive Officers with those of the shareholders by linking a specific portion of the officer's total pay opportunity to the share price; and finally, it provides long-term accountability for Named Executive Officers.

### ***Risks Associated with Compensation Policies and Practices***

The oversight and administration of the Corporation's executive compensation program requires the Compensation and Nominating Committee to consider risks associated with the Corporation's compensation policies and practices. Potential risks associated with compensation policies and compensation awards are considered at annual reviews and also throughout the year whenever it is deemed necessary by the Compensation and Nominating Committee.

The Corporation's executive compensation policies and practices are intended to align management incentives with the long-term interests of the Corporation and its shareholders. In each case, the Corporation seeks an appropriate balance of risk and reward. Practices that are designed to avoid inappropriate or excessive risks

include (i) financial controls that provide limits and authorities in areas such as capital and operating expenditures to mitigate risk taking that could affect compensation, (ii) balancing base salary and variable compensation elements and (iii) spreading compensation across short and long-term programs.

### ***Compensation Governance***

The Compensation and Nominating Committee intends to conduct a yearly review of directors' compensation having regard to various reports on current trends in directors' compensation and compensation data for directors of reporting issuers of comparative size to the Corporation. Except for director's fees paid to the Chairman of the Board, director compensation is currently limited to the grant of stock options pursuant to the Option Plan. It is anticipated that the Chief Executive Officer will review the compensation of officers of the Corporation for the prior year and in comparison to industry standards via information disclosed publicly and obtained through copies of surveys. The Board expects that the Chief Executive Officer will make recommendations on compensation to the Compensation and Nominating Committee. The Compensation and Nominating Committee will review and make suggestions with respect to compensation proposals, and then makes a recommendation to the Board.

The Compensation and Nominating Committee is currently comprised of Brian Presement (Chair) and David Caplan, all of whom are independent.

The Compensation and Nominating Committee's responsibility is to formulate and make recommendations to the directors of the Corporation in respect of compensation issues relating to directors and officers of the Corporation. Without limiting the generality of the foregoing, the Compensation and Nominating Committee has the following duties:

- (a) to review the compensation philosophy and remuneration policy for officers of the Corporation and to recommend to the directors of the Corporation changes to improve the Corporation's ability to recruit, retain and motivate officers;
- (b) to review and recommend to the Board the retainer and fees, if any, to be paid to directors of the Corporation;
- (c) to review and approve corporate goals and objectives relevant to the compensation of the CEO, evaluate the CEO's performance in light of those corporate goals and objectives, and determine (or make recommendations to the directors of the Corporation with respect to) the CEO's compensation level based on such evaluation;
- (d) to recommend to the directors of the Corporation with respect to non-CEO officer and director compensation including reviewing management's recommendations for proposed stock options and other incentive-compensation plans and equity-based plans, if any, for non-CEO officer and director compensation and make recommendations in respect thereof to the directors of the Corporation;
- (e) to administer the stock option plan approved by the directors of the Corporation in accordance with its terms including the recommendation to the directors of the Corporation of the grant of stock options in accordance with the terms thereof; and
- (f) to determine and recommend for the approval of the directors of the Corporation bonuses to be paid to officers and employees of the Corporation and to establish targets or criteria for the payment of such bonuses, if appropriate. Pursuant to the mandate and terms of reference of the Compensation and Nominating Committee, meetings of the Committee are to take place at least



once per year and at such other times as the Chair of the Compensation and Nominating Committee may determine.

### Outstanding Option-Based Awards for Named Executive Officers

The table below reflects all option-based awards for each Named Executive Officer outstanding as at July 31, 2016. Other than its Option Plan, the Corporation does not have any other equity incentive plans or share based award plans for any of the directors or the Named Executive Officers of the Corporation.

OPTION-BASED AWARDS OUTSTANDING AS AT END OF FISCAL YEAR				
Named Executive Officer	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup> (\$)
<b>David Posner</b> <i>Chairman, Former President and Chief Executive Officer</i>	400,000	\$0.10	July 7, 2019	Nil
	750,000	\$0.10	March 18, 2020	Nil
<b>Amy Stephenson</b> <i>CFO</i>	Nil	N/A	N/A	N/A
<b>Al Quong</b> <i>Former CFO</i>	Nil	N/A	N/A	N/A

**Note:**

(1) This column contains the aggregate value of in-the-money unexercised options as at July 31, 2016, calculated based on the difference between the market price of the Common Shares underlying the options, being \$0.035, and the exercise price of the options.

### Incentive Award Plans

The following table provides information concerning the incentive award plans of the Corporation with respect to each Named Executive Officer during the fiscal year ended July 31, 2016. The only incentive award plan of the Corporation during such fiscal years was the Option Plan.

Named Executive Officer	Option-Based Awards – Value Vested During Year Ended July 31, 2016	Non-Equity Incentive Plan – Value Vested During Year Ended July 31, 2016
David Posner	Nil	Nil
Amy Stephenson	Nil	Nil
Al Quong	Nil	Nil

### Termination and Change of Control Benefits and Management Contracts

As at July 31, 2016, there were no written contracts or agreements that provide for payment to a Named Executive Officer 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 a Named Executive Officer's responsibilities.

### ***Posner Agreement***

On May 1, 2014, Nutritional High Ltd. ("NHL"), an operating subsidiary of the Corporation, entered into consulting agreement with Mr. Posner, President (the "**Posner Agreement**"). Pursuant to the Posner Agreement, Mr. Posner has agreed to perform the services of the Chief Executive Officer of NHL and its affiliates (including the Corporation). Mr. Posner was paid an initial advisory fee of \$35,000 and a base fee of \$8,000 per month, subject to annual review by the Board. The Corporation may terminate the Posner agreement by giving no less than two months (2 months) prior written notice or paying the equivalent consulting fees in lieu thereof. Mr. Posner's base fee or agreement did not change when he was appointed Chairman and Mr. Frazier took on the CEO position.

### ***Frazier Agreement***

On April 25, 2016, Nutritional High (Colorado) Inc. ("NHC") entered into a consulting agreement with Jim Frazier (the "**Frazier Agreement**") to perform the services of Chief Operating Officer of NHII and its affiliates. Mr. Frazier was paid a base fee of US\$4,750 per month, plus a range of bonuses based on milestones, subject to annual review by the Board. On July 25, 2016 Mr. Frazier was appointed Chief Executive Officer. On April 1, 2017, the Corporation entered into an amending agreement to increase Mr. Frazier's monthly fee to US\$9,500 per month, plus a range of bonuses based on milestones, subject to annual review by the Board. Under the terms of the Frazier Agreement, Mr. Frazier has the option to terminate his employment by giving the Corporation no less than sixty (60) days' notice. The Corporation may terminate the Frazier Agreement by giving no less than sixty (60) days prior written notice (or paying the equivalent consulting fees in lieu thereof).

### ***Branson Agreement***

On May 1, 2014, the Corporation entered into an agreement with Branson Corporate Services Inc. ("**Branson**") to provide a Chief Financial Officer, controllership and bookkeeping services, administrative services and general and back office services for a monthly fee of \$3,000. On March 23, 2015, the Corporation entered into an amending agreement to pay Branson a monthly fee of \$6,000 to provide a Chief Financial Officer, controllership and bookkeeping services, administrative services, general and back office services. On January 1, 2017, the Corporation entered into agreement to increase the monthly fee to \$11,000 per month. Amy Stephenson is employed by Branson and is compensated by Branson.

### **Compensation of Directors**

The Compensation and Nominating Committee makes recommendations to the Board as to the appropriate level of remuneration for the directors and officers of the Corporation. The Board as a whole makes the final determination in respect of compensation matters. Remuneration is assessed and determined by taking into account such factors as the size of the Corporation and the level of compensation earned by directors and officers of companies of comparable size and industry.

Other than with respect to director fees paid to the Chairman of the Board, the only arrangements the Corporation has, standard or otherwise, pursuant to which directors are compensated by the Corporation for their services in their capacity as directors, or for committee participation, involvement in special assignments or for services as consultants or experts for the financial year ended July 31, 2014, are through the issuance of stock options. The number of options to be granted from time to time is determined by the Board in its discretion.

## Individual Director Compensation

The following table provides a summary of all amounts of compensation provided to the directors of the Corporation during the fiscal years ended July 31, 2016. Except as otherwise disclosed below, the Corporation did not pay any fees or compensation to directors for serving on the Board (or any committee) beyond reimbursing such directors for travel and related expenses and the granting of stock options under the Option Plan.

DIRECTOR COMPENSATION TABLE FOR FISCAL YEAR ENDED JULY 31, 2016					
Name	Fees Earned	Option-Based Awards <sup>(1)</sup>	Non-Equity Incentive Plan Compensation	All Other Compensation	Total
Billy A. Morrison	Nil	\$15,400	Nil	Nil	\$15,400
Adam K. Szweras	Nil	Nil	Nil	Nil	Nil
David Caplan	Nil	Nil	Nil	Nil	Nil
Brian Presement	Nil	Nil	Nil	Nil	Nil
Robert Keeler	Nil	Nil	Nil	Nil	Nil
Statis Rizas <sup>(2)</sup>	Nil	Nil	Nil	Nil	Nil
Michael Pesner <sup>(3)</sup>	Nil	Nil	Nil	Nil	Nil

### Notes:

- (1) Option-based awards are valued at the share price on the date of the option grant. The fair value of each option granted is estimated at the time of grant using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows: a 5 year expected term, 189% volatility, risk-free interest rate of 0.85% per annum, a dividend rate of 0% and weighted average grant-date fair value of stock options of \$0.0044.
- (2) Mr. Rizas resigned from the Board on July 25, 2016.
- (3) Mr. Pesner resigned from the Board on January 26, 2016.

## Director Outstanding Option-Based Awards

The table below reflects all option-based awards for each director of the Corporation outstanding as at July 31, 2016 (including option-based awards granted to a director before each such fiscal year). The Corporation does not have any equity incentive plan other than the Option Plan.

DIRECTOR OPTION-BASED AWARDS OUTSTANDING AS AT JULY 31, 2016				
Name of Director	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup>
Adam K. Szweras	400,000	\$0.10	July 7, 2019	Nil
David Caplan	400,000	\$0.10	July 7, 2019	Nil
Brian Presement	400,000	\$0.10	July 7, 2019	Nil
Billy A. Morrison	350,000	\$0.075	Dec 21, 2020	Nil
	400,000	\$0.10	June 10, 2020	Nil
Robert Keeler	Nil	Nil	Nil	Nil
Statis Rizas <sup>(2)</sup>	400,000	\$0.10	July 7, 2019	Nil

DIRECTOR OPTION-BASED AWARDS OUTSTANDING AS AT JULY 31, 2016				
Name of Director	Number of Securities Underlying Unexercised Options	Option Exercise Price (\$/Security)	Option Expiration Date	Value of Unexercised In-the-Money Options <sup>(1)</sup>
Michael Pesner <sup>(3)</sup>	Nil	Nil	Nil	Nil

**Notes:**

- (1) This column contains the aggregate value of in-the-money unexercised options as at July 31, 2016, calculated based on the difference between the market price of the Common Shares underlying the options, being \$0.035, and the exercise price of the options
- (2) Mr. Rizas resigned from the Board on July 25, 2016. These options expired 90 days from his resignation.
- (3) Mr. Pesner resigned from the Board on January 26, 2016.

**Director Incentive Award Plans**

The following table provides information concerning the incentive award plans of the Corporation with respect to each director during the fiscal year ended July 31, 2016. The only incentive award plan of the Corporation during such fiscal year was its Option Plan.

INCENTIVE AWARD PLANS – VALUE VESTED OR EARNED DURING THE FISCAL YEAR ENDED JULY 31, 2016		
Name of Director	Option-Based Awards – Value Vested During Fiscal Year Ended July 31, 2016 <sup>(1)</sup>	Non-Equity Incentive Plan Compensation – Value Vested During Fiscal Year Ended July 31, 2016
Adam K. Szweras	Nil	Nil
David Caplan	Nil	Nil
Billy A. Morrison	\$15,400	Nil
Brian Presement	Nil	Nil
Robert Keeler	Nil	Nil
Statis Rizas <sup>(2)</sup>	Nil	Nil
Michael Pesner <sup>(3)</sup>	Nil	Nil

**Notes:**

- (1) Option-based awards are valued at the share price on the date of the option grant. The fair value of each option granted is estimated at the time of grant using the Black-Scholes option-pricing model with weighted average assumptions for grants as follows: a 5 year expected term, 189% volatility, risk-free interest rate of 0.85% per annum, a dividend rate of 0% and weighted average grant-date fair value of stock options of \$0.0044.
- (2) Mr. Rizas resigned from the Board on July 25, 2016.
- (3) Mr. Pesner resigned from the Board on January 26, 2016.

**CORPORATE GOVERNANCE**

***Board of Directors***

The Board currently consists of seven directors. The Board has concluded that Anders Tinajero, Brian Presement, Robert Keeler and David Caplan are "independent" for purposes of Board membership, as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices*. By virtue of their management positions or their status as promoter of the Corporation, each of David Posner, Billy Morrison and Adam K. Szweras are not considered to be "independent".

A member of the Board is considered to be independent if the member has no direct or indirect material relationship with the issuer. A material relationship means a relationship which could, in the view of the reporting issuer's Board, reasonably interfere with the exercise of a member's independent judgment.

### *Directorships*

In the past five years, the directors and officers of the Corporation have held officer or director positions with the following issuers:

<b>Name</b>	<b>Name of Reporting Issuer</b>	<b>Name or Exchange or Market</b>	<b>Position</b>	<b>From</b>	<b>To</b>
<b>Adam Szweras</b>	Petrolympic Ltd.	TSXV	Secretary	June 2008	Present
	Mahdia Gold Corp.	CSE	Director, Secretary	April 2016	Present
	Canada Pacific Canada Corp.	NEX	Director, Secretary	May 2010	August 2014
	SustainCo Inc.	TSXV	Director	March 2017	Present
	Sagittarius Capital Corp.	TSXV	Corporate Secretary, Director	August 2009	Present
	Lakeside Minerals Inc.	TSXV	Corporate Secretary	December 2011	Present
	The Tinley Beverage Company Inc.	CSE	Director, Corporate Secretary	December 2010	September 2016
	Aurora Cannabis Inc.	CSE	Director,	August 2015	Present
<b>David Posner</b>	Lakeside Minerals Inc	NEX	Director	December 2016	Present
	The Tinley Beverage Company Inc.	CSE	Director	October 2015	February 2017
	Capricorn Business Acquisitions Inc.	NEX	Director	December 2016	Present
<b>Brian Presement</b>	Sagittarius Capital Corporation	NEX	Director	January 2013	Present
<b>Andres Tinajero</b>	Barkeville Gold Mines Ltd.	TSXV	CFO	May 2015	Present
	Eurocontrol Technics Group Inc.	TSXV	CFO	October 2012	Present
<b>Amy Stephenson</b>	Lakeside Minerals Inc	NEX	CFO	May 2016	Present
	Aurora Cannabis Inc.	TSXV	CFO	August 2016	Present
	The Tinley Beverage Company Inc.	CSE	CFO	May 2016	Present
	Goldeye Explorations Limited	TSXV	CFO	January 2013	November 2016
	Bedrocan Cannabis Corp	TSXV	CFO	May 2015	April 2016
	Ceres Global AG Corp	TSX	CFO	March 2014	October 2014

### ***Orientation and Continuing Education***

The Board is comprised of individuals with either prior experience as a director or publicly listed issuer or a private entity or with significant business experience as a senior business manager. While the Corporation currently has no formal orientation and education program for new Board members, sufficient information (such as annual reports, prospectuses, proxy solicitation materials, budgets and operations reports) is provided to new Board members to ensure that each new director is familiar with the business of the Corporation and the functions of the Board. In addition, new directors are encouraged to meet with senior management.

### ***Ethical Business Conduct***

Ethical business conduct and behaviour is of great importance to the Board and management of the Corporation. The Corporate Governance Committee and the Board have discussed the adoption of a written code of conduct but as yet have not adopted a written code. The Corporation does expect that each of the directors, officers and employees conduct themselves ethically and within the confines of professional behaviour, including the avoidance of conflicts of interest, protection and proper use of Corporation information, compliance with laws, rules and regulations and reporting of illegal or unethical behaviour.

Any director or officer of the Corporation shall disclose in writing or request to have it entered into the minutes of Board's meeting or any of the committees of the directors the nature and extent of any interest in a material contract or a material transaction, whether made or proposed, as soon as the director or officer becomes aware of such a contract or transaction. In such a case, the director shall abstain from voting on any resolution to approve such a contract or transaction.

### ***Nomination of Directors***

The Board is entrusted with reviewing on a periodic basis the composition of the Board and, when appropriate, with maintaining a list of potential candidates for Board membership and interviewing potential candidates for Board membership.

### ***Compensation***

At present, no compensation other than the grant of options is paid to the Corporation's directors, in such capacity. For a description of the process by which the Board determines compensation for the Corporation's officers and directors, see "*Executive Compensation – Compensation of Directors*".

### ***Other Board Committees***

Other than the Audit Committee, the Corporation's Board has a Compensation and Nominating Committee and a Corporate Governance Committee.

The Compensation and Nominating Committee's responsibility is to formulate and make recommendations to the directors of the Corporation in respect of compensation issues relating to directors and officers of the Corporation. The Compensation and Nominating Committee is comprised of Brian Presement (Chair) and David Caplan, all of whom are independent. See "*Executive Compensation – Compensation Governance*".

The Corporate Governance Committee's responsibility is to assist the Board in fulfilling its oversight responsibilities in the following principal areas: (i) developing a set of corporate governance rules; (ii) reviewing and recommending the compensation of the Corporation's directors; (iii) facilitating the evaluation of the Board

and committees of the Board. The Corporate Governance Committee is comprised of Brian Presement (Chair), and David Caplan.

**Assessments**

The Board does not formally review the contribution and effectiveness of the Board, its members or committees. The Board believes that its size facilitates an informal review process through discussion and evaluation between the Chairman of the Board, the CEO and the Chair of the Corporate Governance Committee.

**Pension Plan Benefits**

The Corporation does not have a Pension Plan for its Named Executive Officers and directors.

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

The following table sets out, as of the end of the Corporation's fiscal year ended July 31, 2016, all required information with respect to compensation plans under which equity securities of the Corporation are authorized for issuance:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	16,742,500	\$0.13	8,141,288
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	16,742,500	\$0.13	8,141,288

**INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS**

None of the Corporation's directors, executive officers or employees, or former directors, executive officers or employees, nor any associate of such individuals, is as at the date hereof, indebted to the Company or any of its subsidiaries in connection with a purchase of securities or otherwise.

**INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set out herein, none of the persons who were directors or executive officers of the Corporation or a subsidiary of the Corporation at any time once the commencement of the Corporation's most recently completed fiscal year, the proposed nominees for election to the board of directors of the Corporation, any person or Corporation who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Common Shares, nor any associate or affiliate of any such person, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction, or has any such interest in any proposed transaction, which has materially affected or would materially affect the Corporation.

## SHAREHOLDER PROPOSALS

Shareholder proposals must be submitted no later than January 18, 2018 (being the 90<sup>th</sup> day before the anniversary date of the notice of meeting for the 2017 annual shareholders meeting), to be considered for inclusion in the management proxy circular to be prepared for the 2018 annual meeting of shareholders of the Corporation.

## ADDITIONAL INFORMATION

Additional information relating to the Corporation is on [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's comparative financial statements and management discussion and analysis, which is filed on [www.sedar.com](http://www.sedar.com). The Corporation will provide to any person or Corporation, upon request to the Chief Financial Officer of the Corporation, one copy of the comparative financial statements of the Corporation filed with the applicable securities regulatory authorities for the Corporation's most recently completed financial year in respect of which such financial statements have been issued, together with the report of the auditor, related management's discussion and analysis and any interim financial statements of the Corporation filed with the applicable securities regulatory authorities subsequent to the filing of the annual financial statements.

To obtain paper copies of Proxy Related Material free of charge by contacting CST Trust Company at 1-888-433-6443 or [fulfilment@canstockta.com](mailto:fulfilment@canstockta.com).

## OTHER MATTERS

As of the date of this Circular, the Board and Management of the Corporation are not aware of any matters to come before the Meeting other than those matters specifically identified in the accompanying Notice of Meeting. However, if such other matters properly come before the Meeting or any adjournment(s) thereof, the persons designated in the accompanying form of proxy will vote thereon in accordance with their judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

## BOARD APPROVAL

The contents of this Circular and its distribution to shareholders have been approved by the Board.

**DATED** this 18<sup>th</sup> day of April, 2017.

## BY ORDER OF THE BOARD OF DIRECTORS

/s/ "Jim Frazier"

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Mr. Jim Frazier,  
President & Chief Executive Officer



## SCHEDULE "A"

### NUTRITIONAL HIGH INTERNATIONAL INC. AUDIT COMMITTEE CHARTER

The purpose of the Audit Committee of the Board (the "**Board**") of Nutritional High International Inc. (the "**Corporation**") is to assist the Board in fulfilling its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Corporation, and such other duties as directed by the Board. The Audit Committee's role includes a particular focus on the qualitative aspects of financial reporting to shareholders, on the Corporation's processes to manage business and financial risk, and on compliance with significant applicable legal, ethical and regulatory requirements.

#### **MEMBERSHIP**

The membership of the Audit Committee shall consist of at least two directors who are generally knowledgeable in financial and auditing matters, including at least one member with accounting or related financial management expertise. A majority of the members of the Audit Committee must be financially literate, that is having the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements. The Chair of the Audit Committee shall be appointed by the full Board.

#### **COMMUNICATIONS AND REPORTING**

The Audit Committee is expected to maintain free and open communication with the external auditors, the internal accounting staff, and the Corporation's management. This communication shall include private executive sessions, at least annually, with each of these parties. The Audit Committee chairperson shall report on Audit Committee activities to the full Board.

#### **AUTHORITY**

In discharging its oversight role, the Audit Committee is empowered to investigate any matter brought to its attention, with full power to retain outside counsel or other advisors and experts for this purpose. The Audit Committee shall be empowered to set and pay the compensation for any such advisors employed by the Audit Committee. The Audit Committee shall have the authority to communicate directly with the external auditors of the Corporation.

#### **RESPONSIBILITIES**

##### **Oversight**

The Audit Committee is directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management of the Corporation and the external auditor regarding financial reporting.

##### **Recommend Auditor**

The Audit Committee must recommend to the Board the external auditor to be nominated (subject to shareholder approval) for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation and the compensation of the external auditor.

##### **Pre-Approve Non-Audit Services**

The Audit Committee must pre-approve all non-audit services to be provided to the Corporation by the Corporation's external auditor.

##### **Review Financial Disclosure**

The Audit Committee must review the Corporation's financial statements, management's discussion and analysis (MD&A) and annual and interim financial press releases, if any, before the Corporation publicly discloses this information.

The Audit Committee must be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements, and must periodically assess the adequacy of those procedures.

### **Reliance on Management and Auditors**

The Audit Committee relies on the expertise and knowledge of management, the internal auditors, and the external auditor in carrying out its oversight responsibilities. Management of the Corporation is responsible for determining that the Corporation's financial statements are complete, accurate, and in accordance with generally accepted accounting principles. The external auditor is responsible for auditing the Corporation's financial statements. The Audit Committee should assure itself that the Corporation's internal policies, procedures and controls are adequate and are being implemented and followed.

### **Relationship with Auditors**

The Audit Committee is also responsible for ensuring that the Corporation's external auditors submit on a periodic basis to the Committee a formal written statement delineating all relationships between the external auditors and the Corporation and actively engaging in a dialogue with the external auditors with respect to any disclosure relationships or services that may impact the objectivity and independence of the external auditors and for taking appropriate action to ensure the independence of the external auditors within the meaning of applicable Canadian law.

### **Guidelines for Audit Committee**

With respect to the exercise of its duties and responsibilities, the Audit Committee should, among other things:

1. report regularly to the Board on its activities, as appropriate;
2. exercise reasonable diligence in gathering and considering all material information;
3. remain flexible, so that it may be in a position to best react or respond to changing circumstances or conditions;
4. understand and weigh alternative courses of conduct that may be available;
5. focus on weighing the benefit versus harm to the Corporation and its shareholders when considering alternative recommendations or courses of action;
6. if the Audit Committee deems it appropriate, secure independent expert advice and understand the expert's findings and the basis for such findings, including retaining independent counsel, accountants or others to assist the Audit Committee in fulfilling its duties and responsibilities; and
7. provide management and the Corporation's independent auditors with appropriate opportunities to meet privately with the Audit Committee.

### **MEETINGS**

The Audit Committee shall meet with such frequency and at such intervals as it shall determine is necessary to carry out its duties and responsibilities. As part of its purpose to foster open communications, the Audit Committee shall meet at least annually with management and the Corporation's external auditors to discuss any matters that the Audit Committee or each of these groups or persons believe should be discussed privately. In addition, the Audit Committee should meet or confer with the external auditors and management to review the Corporation's interim consolidated financial statements and related filings prior to their filing with any regulatory body. The Chairman should work with the Chief Financial Officer and management to establish the agendas for Audit Committee meetings. The Audit Committee, in its discretion, may ask members of management or others to attend its meetings (or portions thereof) and to provide pertinent information as necessary. The Audit Committee shall maintain minutes of its meetings and records relating to those meetings and the Audit Committee's activities and provide copies of such minutes to the Board to be included in the minute books of the Corporation.



