



**NOTICE OF MEETING
AND
MANAGEMENT INFORMATION CIRCULAR
FOR THE
ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS
to be held on June 21, 2021**

Circular dated May 17, 2021

UNIVERSAL PROPTECH INC.

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general and special meeting (the "**Meeting**") of the holders of common shares ("**Common Shares**") of Universal PropTech Inc. (the "**UPI**" or the "**Company**") will be held on June 21, 2021 at 10:00 a.m. (Eastern Time) at the offices of Foundation Markets Inc., 77 King Street West, Suite 2905, Toronto ON, M5K 1H1 for the following purposes:

1. to receive the annual audited consolidated financial statements of the Company for the financial year ended August 31, 2020, together with the report of the auditor thereon;
2. to elect directors of the Company to hold office until the close of the next annual meeting of the shareholders of the Company or until their successors shall be elected or appointed;
3. to re-appoint the auditor of the Company, to hold office until the close of the next annual meeting of the shareholders of the Company or until a successor is appointed, and to authorize the directors of the Company to fix the remuneration of the auditor;
4. to consider and, if thought advisable, to approve an ordinary resolution approving and authorizing the amended and restated stock option plan of the Company (the "**Option Plan Resolution**"), the details of which are contained under the heading "Approval of the Option Plan Resolution" in the accompanying Information Circular;
5. to consider and, if deemed advisable, to approve an ordinary resolution approving the amendment of the By-laws of the Company (the "**By-law Resolution**"), the details of which are contained under the heading "Approval of the By-law Resolution" in the accompanying Information Circular; and
6. to consider other business that may properly come before the Meeting or any adjournment thereof.

The record date for determining the shareholders entitled to receive notice of and vote at the Meeting is the close of business (5:00 p.m. (Toronto time)) on May 17, 2021 (the "**Record Date**"). Only shareholders whose names have been entered in the register of UPI shareholders as of close of business on the Record Date are entitled to receive notice of and vote at the Meeting.

If you are a nonregistered holder of common shares and have received these materials through your broker or through another intermediary, please follow the instructions set out in the voting instruction form or other instructions received from the financial intermediary to ensure that your common shares will be voted at the Meeting.

The Company is actively monitoring the ongoing COVID-19 situation and is sensitive to public health concerns and protocols put in place by federal, provincial and municipal governments. The Company will be severely restricting physical access to the Meeting and only registered shareholders and formally appointed proxyholders will be allowed to attend. In order to comply with government orders concerning maximum size of public gatherings and required physical distancing parameters, the Company may be unable to admit shareholders to the Meeting. The Company strongly encourages registered shareholders and proxyholders not to attend the Meeting in person, and Shareholders are encouraged to vote using one of the methods described in the accompanying management information circular. To further mitigate the risk of the spread of the virus, the Meeting will be audio-cast live at 10:00 a.m. (Toronto time) on June 21, 2021 and can be accessed by conference call at 1-855-218-7525 (Participant Code: 6630183). This call will be listen-only and shareholders will not be able to vote or speak at, or otherwise participate in the Meeting via the conference call. Given the restrictions in place, the Company's board of directors and auditors do not plan to attend the Meeting in person. Management will not be making an investor presentation at the Meeting.

Shareholders are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof. To be effective, the form of proxy must be received by UPI's transfer agent TSX Trust Company at its offices at 301-100 Adelaide St. W., Toronto, ON, M5H 4H1 (according to the

instructions on the proxy), not less than 48 hours (other than a Saturday, Sunday or holiday) immediately preceding the date of the Meeting (as it may be adjourned or postponed from time to time).

DATED this 17th day May, 2021.

BY ORDER OF THE BOARD OF DIRECTORS

"Chris Hazelton"

Chris Hazelton

President, Chief Executive Officer & Director

UNIVERSAL PROPTech INC.

MANAGEMENT INFORMATION CIRCULAR

In this document, "**you**" and "**your**" refer to the shareholder. "**We**", "**us**", "**our**", the "**Company**" and "**UPI**" refer to Universal PropTech Inc. The information in this document is presented at May 17, 2021, unless otherwise indicated.

This management information circular (the "**Circular**") is for the annual meeting (the "**Meeting**") of shareholders of UPI ("**Shareholders**") to be held on June 21, 2021 at 10:00 a.m. (Toronto Time) at the offices of Foundation Markets Inc., 77 King Street West, Suite 2905, Toronto ON, M5K 1H1. Provided you are a Shareholder as of the Record Date (defined below) you have the right to vote the common shares of the Company (the "**Common Shares**") for the matters to be addressed at the Meeting, and any other items that may properly come before the Meeting or any adjournment of the Meeting.

To help you make an informed decision, please read this Circular and our audited consolidated financial statements and Management's Discussion & Analysis for the year ended August 31, 2020. This Circular gives you valuable information about the Company and the matters to be dealt with at the Meeting. Financial information is provided in our comparative annual consolidated financial statements and related management discussions and analysis for the financial year ended August 31, 2020. All currency amounts referred to in this Circular are expressed in Canadian dollars, unless stated otherwise.

Record Date and Quorum

The record date for determining the shareholders entitled to receive notice of and vote at the Meeting is the close of business (5:00 p.m. (Toronto time)) on May 17, 2021 (the "**Record Date**"). If you held Common Shares as of the close of business on the Record Date, you have the right to cast one vote per Common Share on any resolution to be voted upon at the Meeting.

Pursuant to the by-laws of UPI, subject to the *Canada Business Corporations Act* (the "**CBCA**") in respect of a majority shareholder, a quorum for the transaction of business at any meeting of Shareholders is two persons present in person or representing by proxy, at least 5% of the issued and outstanding Common Shares entitled to vote at the Meeting.

PROXY RELATED MATTERS

COVID-19 Protocols

The Company is actively monitoring the ongoing COVID-19 situation and is sensitive to public health concerns and protocols put in place by federal, provincial and municipal governments. The Corporation will be severely restricting physical access to the Meeting and only registered shareholders and formally appointed proxyholders will be allowed to attend. In order to comply with government orders concerning maximum size of public gatherings and required physical distancing parameters, the Company may be unable to admit shareholders to the Meeting. The Corporation strongly encourages registered shareholders and proxyholders not to attend the Meeting in person, and Shareholders are encouraged to vote using one of the methods described in the accompanying management information circular. To further mitigate the risk of the spread of the virus, the Meeting will be audio-cast live at 10:00 a.m. (Toronto time) on June 21, 2021 and can be accessed by conference call at 1-855-218-7525 (Participant Code: 6630183). This call will be listen-only and shareholders will not be able to vote or speak at, or otherwise participate in the Meeting via the conference call. Given the restrictions in place, the Company's board of directors and auditors do not plan to attend the Meeting in person. Management will not be making an investor presentation at the Meeting.

Solicitation of proxies

This Circular is provided in connection with the solicitation of proxies by the management of UPI for use at the Meeting for the purposes set forth in the accompanying Notice of Meeting and the associated costs will be borne by the Company. The solicitation of proxies will be conducted primarily by mail. However, directors, officers and regular employees of UPI may also solicit proxies by telephone, facsimile, e-mail or in person without special compensation.

Appointment and Revocation of Proxies

Shareholders who are unable to attend the Meeting and vote in person may still vote by appointing a proxyholder. The enclosed form of proxy names Chris Hazelton, Chief Executive Officer of the Company and Keith Li, Chief Financial Officer of the Company.

A Shareholder has the right to appoint a person or company (who need not be a Shareholder) other than the persons designated in the form of proxy provided by UPI to represent the Shareholder at the Meeting. To exercise this right, the Shareholder should strike out the names of management designees in the enclosed form of proxy and insert the name of the desired representative in the blank space provided in the form of proxy or submit another appropriate form of proxy. Make sure that the person you appoint is aware that he or she has been appointed and attends the Meeting. In order to be effective, Shareholders must send their proxy to UPI's registrar and transfer agent, TSX Trust Company ("**TSX Trust**") at its offices at 301-100 Adelaide St. W., Toronto, ON, M5H 4H1 (according to the instructions on the proxy), not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time fixed for the Meeting (subject to any adjournment or postponement). The chair of the Meeting may waive this cut-off at his discretion without notice but proxies will not be accepted by the chair at the Meeting. The proxy shall be in writing and executed by the respective 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.

In addition to revocation in any other manner permitted by applicable laws, a Shareholder may revoke a proxy by signing and dating a written notice of revocation and delivering it:

- (a) to the office of TSX Trust at the address set forth above at any time up to and including the close of business on the last Business Day before the day of the applicable Meeting, or any adjournment or postponement thereof (the notices of revocation will be forwarded to UPI's registered office); or
- (b) to the chair of the Meeting before the vote is taken.

Voting of Proxies

The Common Shares represented by an effective proxy will be voted or withheld from voting in accordance with the instructions specified therein on any ballot that may be called. **Where no choice is specified, the Common Shares will be voted in favour of the matters set forth therein.** The enclosed form of proxy confers discretionary authority in respect of amendments or variations to matters identified in the Notice of Meeting and with respect to other matters which may properly come before the Meeting, or any adjournment or postponement thereof. As at the date of this Circular, management is not aware of any amendments, variations, or other matters which may be brought before the Meeting. If such should occur, the persons designated by management will vote in accordance with their best judgment, exercising discretionary authority.

Advice to Nonregistered Shareholders

The information set forth in this section is of importance to many Shareholders, as a substantial number of Shareholders do not hold Common Shares in their own name. Shareholders who hold their Common Shares through brokers, intermediaries, trustees or other persons, or who otherwise do not hold their Common Shares in their own name (referred to in this Circular as "**Beneficial Shareholders**") should note that only proxies deposited by Shareholders who are registered shareholders (that is, shareholders whose names appear on the records

maintained by the registrar and transfer agent for the Common Shares as registered holders of Common Shares) will be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Common Shares will, in all likelihood, not be registered in the Shareholder's name. Such Common 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). Common 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 (or their agents and nominees) are prohibited from voting shares for the broker's clients. Subject to the following discussion in relation to non-objecting beneficial owners ("**NOBOs**"), the Company does not know for whose benefit the shares of the Company registered in the name of CDS & Co., a broker or another nominee, are held.

Since the Company may not have access to the names of its Beneficial Shareholders, if a Beneficial Shareholder attends the Meeting, the Company 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. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). The Corporation, by way of its transfer agent is mailing directly to the NOBO list and has agreed to pay for delivery of the meeting materials of the OBOs. The mailing to Beneficial Holders will include a voting instruction form in lieu of the form of proxy. Beneficial Shareholders are requested to complete and return the voting instruction form to in accordance with the instructions on the form. The votes will then be tabulated and included in the voting of shares to be represented at the Meeting or any adjournment or postponement thereof.

All references to Shareholders in this Management Information Circular and the accompanying Instrument of Proxy and Notice are to registered Shareholders unless specifically stated otherwise.

VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of Common Shares. As at the date of this Circulate, there were 47,167,240 Common Shares outstanding, each share carrying the right to one vote. Each shareholder of record at the close of business on the Record Date is entitled to vote at the Meeting the shares registered in his or her name on that date.

To the knowledge of the directors or officers, directly or indirectly, no shareholder has beneficial ownership or control or direction over, as of the date of this Circular, more than 10% of the Common Shares.

BUSINESS OF THE MEETING

ELECTION OF DIRECTORS

It is intended that three directors be elected for the ensuing year. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the election of the directors. At the Meeting, each director so elected will hold office until the next annual meeting of Shareholders or until his successor is duly elected, unless his office is earlier vacated in accordance with the by-laws of the Company and the provisions of the CBCA, to which the Company is subject.

Management does not contemplate that any of the nominees will be unable to serve as a director of the Company, but if that should occur for any reason prior to the Meeting the persons named in the enclosed form of proxy reserve the right to vote for other nominees at their discretion. The Board recommends that Shareholders vote **FOR** the election of the nominees whose names are set forth below. **Unless the shareholder directs that his, her or its**

shares are to be withheld from voting in connection with the election of directors, the persons named in the enclosed Form of Proxy will vote FOR the election of the nominees whose names are set forth below.

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

Name and Municipality of Residence	Position with UPI	Director of UPI Since	Principal Occupation, Business or Employment During Preceding Five Years	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly ⁽¹⁾
CHRIS HAZELTON ⁽²⁾ Toronto, ON	President, Chief Executive Officer, and Director	June 10, 2020	Chief Executive Officer of UPI	512,700 (1.1%)
AL QUONG ⁽²⁾ Toronto, ON	Director	July 28, 2020	Chief Financial Officer, Fovere Group of Companies	Nil
DANIEL COHEN ⁽²⁾ Toronto, ON	Director	November 10, 2020	Chief Executive Officer of Pharmadrug Inc.	204,429 (0.4%)

Notes:

- (1) This not being in the knowledge of the Company has been provided by each director. Percentage is based on the Common Shares outstanding as of the date of this Circular.
- (2) Member of the Audit Committee.

Each nominee has confirmed his eligibility and willingness to serve as a director if elected and, in the opinion of the Board and management of UPI, the proposed nominees are qualified to act as directors of the Company.

The following are brief biographies for each of the persons proposed by management to be nominated for election as directors:

Chris Hazelton – President, Chief Executive Officer and Director

Mr. Hazelton is an experienced finance professional with more than 20 years of operational and advisory experience in various capacities and industries. Mr. Hazelton continuously offers his expertise to publicly listed and private companies in Canada and the United States. Previously, Mr. Hazelton has held a number of senior finance roles, including but not limited to Vice President for Cavalry Corporate Solutions Ltd., Chief Executive Officer and Director at Canada Pacific Capital Corp., Chief Financial Officer for Lineage Grow Co. Ltd. (now Harborside Inc.) and Chief Financial Officer & Director at Sagittarius Capital Corp. Mr. Hazelton is also on the board of Psyched Wellness. Mr. Hazelton is a Chartered Professional Account and holds an undergraduate degree from McMaster University.

Al Quong – Director

Mr. Quong is an experienced finance professional, with more than 25 years of operational and advisory experience in various capacities and industries. Al is currently Chief Financial Officer for the Fovere Group of Companies, a boutique private equity firm which specializes in investments and financing within the real estate, natural & organic food and renewable energy sectors. Previously, he has held a number of senior finance roles, including but not limited to Chief Financial Officer for early stage cannabis public companies Nutritional High International Inc., and The Tinley Beverage Company Inc., and Assurance Senior Manager at KPMG Calgary. Mr. Quong is a Chartered Professional Accountant, Chartered Accountant and Certified Public Accountant (Illinois), and holds a Bachelor of Commerce degree from the University of Saskatchewan, and a Graduate Diploma in Forensic & Investigative Accounting from the University of Toronto Mississauga.

Daniel Cohen – Director Nominee

Mr. Cohen is currently Chief Executive Officer and Chairman of Pharmadrug Inc., a CSE listed company focused on the medical cannabis market in Europe. Prior to joining Pharmadrug, Daniel gathered almost 20 years of Canadian capital markets experience. He spent six years at Beacon Securities where he was Head of Equity Sales. Prior to that, Daniel spent seven years as a partner and Director of Institutional Sales at Wellington West Capital Markets until its sale to National Bank Financial in 2011. He started his career off in investment banking and equity research at RBC Capital Markets and HSBC Securities. Daniel has an MBA in Finance from McGill and is a CFA charterholder.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the Company's knowledge, no director, officer, insider or promoter of the Company or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or within ten years before the date of this Circular, has been, a director, officer, insider or promoter of any other issuer that, while that person was acting in that capacity, (a) was the subject of a cease trade or similar order, or an order that denied such issuer access to any exemptions under applicable securities legislation for a period of more than 30 consecutive days or (b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or (c) 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.

RE-APPOINTMENT OF AUDITORS

The Board, on the advice of the audit committee, recommends that the Shareholders vote **FOR** MNP LLP to be reappointed as auditors of UPI until the next annual meeting of Shareholders. MNP LLP have been the auditors of UPI since 2008.

The persons named in the enclosed form of proxy intend to cast the votes to which the shares represented by such proxy are entitled FOR the re-appointment of MNP LLP as auditors of UPI for the term expiring with the next annual meeting of Shareholders, and to authorize the Board to fix their remuneration, unless otherwise directed by the Shareholders appointing them.

The aggregate fees billed for professional services rendered by MNP LLP for the fiscal years ended August 31, 2019 and 2020, are as set out below (including estimates).

	2020 (\$)	2019 (\$)
Audit Fees ⁽¹⁾	77,000	69,000
Audit Related Fees ⁽²⁾	-	12,000
Tax Fees ⁽³⁾	4,500	9,000
All Other Fees	7,190	-

Notes:

- (1) Includes fees necessary to perform the annual audit and quarterly reviews of the Company's financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) Includes services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.
- (3) Includes fees for all tax services other than those included in "Audit Fees" and "Audit-Related Fees". This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.

APPROVAL OF OPTION PLAN RESOLUTION

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass an ordinary resolution (the "Option Plan Resolution"), adopting an amended and restated stock option plan of the Company (the "**New Option Plan**"). The full text of the New Option Plan is set forth in Exhibit "A" to this Circular.

The current option plan (the "**Current Option Plan**") was adopted by the Company on November 7, 2008. As of the date hereof, there are 3,570,000 options outstanding under the Current Option Plan.

The New Option Plan is an amended and restated stock option plan that will replace the Current Option Plan in its entirety. The maximum number of common shares of the Corporation reserved for issuance under the New Option Plan is 10% of the issued and outstanding Common Shares on a "rolling" basis, amounting to 4,716,724 Common Shares, based on the current issued and outstanding Common Shares.

The principal purpose of the amendment and restatement is to ensure that the terms of the plan are more appropriate for the Company, as well as to provide for certain amendments to address certain regulatory requirements. The Board deems the approval of the New Option Plan to be advisable, and as a result, on May 17, 2021, the Board approved the New Option Plan, to take effect on approval by Shareholders at the Meeting, subject to the receipt of regulatory approval.

The New Option Plan is a "rolling" stock option plan. Pursuant to the rules of the TSXV, all unallocated options, rights or other entitlements under a security based compensation arrangement that does not have a fixed maximum number of securities issuable, such as the New Option Plan, must be re-approved by a majority of the directors and the shareholders of a corporation every year. Accordingly, the New Option Plan will be submitted to the Shareholders for approval at each annual meeting.

The purpose of the New Option Plan is to (i) provide directors, officers, consultants and key employees of the Company ("**Eligible Persons**") with additional incentive; (ii) encourage stock ownership by such Eligible Persons; (iii) increase the proprietary interest of Eligible Persons in the success of the Company; (iv) encourage Eligible Persons to remain with UPI or its subsidiaries; and (v) attract new directors, employees and officers.

Management of UPI recommends that Shareholders vote FOR of the Option Plan Resolution. Unless you give other instructions, the persons named in the form of proxy intend to vote FOR the Option Plan Resolution. This ordinary resolution must be approved by a majority of the votes cast by Shareholders present in person or represented by proxy and entitled to vote at the Meeting.

Summary of New Option Plan

The summary of the New Option Plan set forth below is subject to and qualified in its entirety by the provisions of such plan, the text of which is attached as Exhibit "A" to this Circular. Reference should be made to the provisions of the New Option Plan with respect to any capitalized term or particular provision described below.

Stock options to purchase Common Shares may be granted from time to time to directors, senior officers, employees and service providers of the Corporation and its affiliates, and to eligible charitable organizations pursuant to the New Option Plan in order to incentivize and sustain a commitment to long-term profitability and to maximize shareholder value. Grants of stock options are based on a variety of factors, and the amounts and terms of outstanding options are taken into account when determining whether and how many new option grants are made. The New Option Plan will be administered by the Resulting Issuer Board or such committee appointed or designated to administer the New Option Plan (a "**Committee**").

The aggregate number of Common Shares issuable pursuant to the New Option Plan may not exceed 10% of the Common Shares at the time of any particular grant. The aggregate number of Common Shares reserved for issuance pursuant to options granted to insiders of the Company at any given time, or within a 12-month period, shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis, unless "Disinterested Shareholder Approval" (as defined below) is obtained. The aggregate number of Common Shares reserved for issuance pursuant

to options granted to any one person or entity within any 12-month period shall not exceed 5% of the issued and outstanding Common Shares on a non-diluted basis, unless Disinterested Shareholder Approval is obtained. **"Disinterested Shareholder Approval"** means approval by a majority of the votes cast by all Shareholders at a duly constituted Shareholders' meeting, excluding votes attached to shares beneficially owned by insiders of the Company to whom options may be granted under the New Option Plan and their associates. In addition, the aggregate number of options granted and outstanding to eligible charitable organizations shall not at any time exceed 1% of the issued and outstanding Common Shares, as calculated immediately subsequent to the grant of any options to eligible charitable organizations.

Under the terms of the New Option Plan, the Board or the Committee, if any, will establish the exercise price of an option at the time each option is granted according with the following conditions: (a) if the Common Shares are listed on TSXV, then (i) the exercise price will not be less than the minimum prevailing price permitted by the TSXV policies; (ii) if the exercise price of any option granted is based on the discounted market price rather than the market price, all such options and any optioned shares issued upon the exercise thereof will be subject to a four-month hold period, as required by the TSXV policies, commencing on the grant date; and (iii) if an option is granted within 90 days of a sale of Company securities by way of prospectus (a **"Distribution"**), the exercise price shall not be less than the price that is the greater of the minimum prevailing price permitted by the TSXV policies and the price paid by the public investors for Common Shares acquired under the Distribution, with such 90-day period beginning on the date a final receipt is issued for the prospectus; or (b) if the Common Shares are listed on a stock exchange other than TSXV, the exercise price shall not be less than the minimum prevailing price permitted by the rules of the stock exchange on which the Common Shares are listed at the time the option is granted.

All options granted under the New Option Plan are personal to the optionee and are non-assignable and can have a term that does not exceed 10 years (subject to an extension of the scheduled expiry date for a further 10 business days if the option would otherwise expire during a blackout period).

An option granted to a director who is not an employee will terminate on the earliest of: (a) if such director is removed or is not re-elected, the date that such director is removed or is not re-elected as a director, or (b) if such director resigns, the date that is the earlier of (i) the expiry date of the option and (ii) the date that is 90 days after the effective date of such director's resignation.

The right to exercise the options granted will terminate immediately upon the termination of the optionee's employment for cause. If the termination of employment is for any reason other than cause, retirement, or death, such optionee may exercise any granted option if the option was exercisable and had vested on the date of the employee's termination, until the date that is the earlier of (i) the expiry date of the option and (ii) the date that is 90 days after the effective date of such optionee's termination. If, before the expiry of an option, the employment of the optionee who is an officer, employee or consultant of the Corporation or an affiliate of the Corporation retires, such optionee may exercise any option granted, to the extent that such option was exercisable and had vested on the date of retirement, until the date that is earlier of (i) the expiry date of the option and (ii) the date that is 90 days after the effective date of retirement. If, before the expiry of an option, the optionee dies, such option may be exercised by the legal personal representatives, heirs, executors or administrators of the optionee, to the extent that such option was exercisable and had vested on the date of death, until the date that is the earlier of (i) the expiry date of the option and (ii) the date that is twelve months after the date of death. Subject to the provisions of the New Option Plan and applicable laws, including TSXV policies, the Board or Committee, if any, may determine when an option will become exercisable and may determine that the option will be exercisable immediately upon the date of the grant, in installments, or pursuant to a vesting schedule. However, options granted to persons performing investor relations activities must, at the very least, vest in stages over 12 months, with no more than 25% of the options vesting in any three-month period.

The Board or Committee, if any, may amend or terminate the New Option Plan at any time if and when it is deemed advisable, in its absolute discretion; provided, however that no such amendment or termination shall adversely affect any outstanding options granted under the New Option Plan without the consent of the affected optionee(s). Any amendment to the New Option Plan shall also be subject to acceptance of such amendment for filing by TSXV, if applicable, and, where required by TSXV, the approval of the Shareholders. Under current TSXV policies, the New Option Plan and any option granted thereunder may be amended by the Board without the consent of the

Shareholders generally to: (a) fix typographical errors and (b) clarify existing provisions of the New Option Plan that do not have the effect of altering the scope, nature and intent of such provisions.

The Board or Committee, if any, may amend any outstanding option granted under the New Option Plan with the consent of the affected optionee(s), if required, and TSXV, if required, subject to the following conditions: (a) if the optionee is an insider of the Corporation at the time of the amendment, the Corporation must obtain Disinterested Shareholder Approval, unless the amendment relates to extending the length of the term of the option or is otherwise permitted by the TSXV; (b) where an amendment is made to reduce the exercise price of an outstanding option, (i) if the exercise price is reduced to the Discounted Market Price, the four-month hold period commencing on the grant date of such option shall apply from the date of amendment, and (ii) at least six months shall have elapsed since the later of: (A) the commencement of the term of the option; (B) the date the Common Shares commenced trading on TSXV; and (C) the date the option exercise price was last amended; and (c) if the length of the exercise period of any option is extended, any such extension shall be treated as a grant of a new option and must comply with the pricing and other requirements of the TSXV policies and the option must have been outstanding for at least one year prior to the extension of the exercise period.

The New Option Plan provides that upon the Corporation entering an agreement providing for a Change of Control, or the Board adopting a resolution to the effect that a Change of Control has occurred or is imminent, or a take-over bid is made, the Board may, in its sole and absolute discretion and if permitted by the TSXV policies and applicable securities laws, determine by resolution that all outstanding options shall (i) immediately become exercisable in full by the holders thereof, notwithstanding any vesting provisions or other restrictions or conditions that would otherwise attach to such options, and (ii) expire on the date determined of the Board, provided however that the expiry date of any outstanding option may not be extended beyond the 10-year maximum term.

At the Meeting, Shareholders of the Company will be asked to consider, and if thought fit, approve a motion to approve and authorize the New Option Plan. The following resolution (the "**Option Plan Resolution**") which will be put forward to the Shareholders of the Company for approval at the Meeting:

"BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. the amended and restated Stock Option Plan (the "**New Option Plan**") of Universal PropTech Inc. (the "**Company**"), as set forth in the information circular sent to shareholders in respect of the annual and special meeting of shareholders to be held on June 21, 2021 (the "**Circular**") be and is hereby approved, ratified and confirmed; and
2. the Company's directors be and they are hereby authorized until the date of the next annual general meeting to grant stock options pursuant to the terms and conditions of the New Option Plan entitling the holders to purchase up to a maximum of 10% of the issued and outstanding common shares of the Company determined at the time of each grant of stock options, which includes 1,120,000 common shares reserved for issuance under the Option Plan as it existed prior to such amendments and which are still outstanding;
3. any director or officer of the Company is hereby authorized and directed, acting for, in the name of and on behalf of the Company, to execute or cause to be executed, and to deliver or cause to be delivered, such other documents and instruments, and to do or cause to be done all such other acts and things, as may in the opinion of such director or officer be necessary or desirable to carry out the foregoing resolution."

The Board recommends that Shareholders vote **FOR** the Option Plan Resolution.

Unless specifically instructed to vote against the Option Plan Resolution, the persons named in the form of proxy accompanying the Notice of Meeting intend to vote FOR the approval of the New Option Plan. In order to be effected, this ordinary resolution must be approved by a majority of the votes cast in respect thereof.

APPROVAL OF THE BY-LAW RESOLUTION

The shareholders will be asked to consider and, if deemed advisable, approve an amendment to section 7.7 of By-law No. 2 of the Company to provide for the quorum at shareholder meetings to be two or more shareholders of the Company present in person or by proxy representing not less than 5% of the shares entitled to vote at the meeting.

The Board believes that this will allow for more certainty in ensuring that a quorum is present at shareholder meetings and will allow for a more efficient process of holding shareholder meetings in the future. In addition, the proposed quorum provisions are consistent with the quorum provisions of a majority of other TSX Venture listed companies.

The Board has determined that the By-Law Resolution is in the best interests of the Shareholders and therefore unanimously recommends that Shareholders vote FOR the By-Law Resolution. The By-Law Resolution requires the approval of a simple majority of the votes cast at the Meeting, in person or by proxy, in order to be approved.

Unless specifically instructed to vote against the By-Law Resolution, the persons named in the form of proxy accompanying the Notice of Meeting intend to vote FOR the By-Law Resolution.

At the Meeting, Shareholders will be asked to consider, and if thought fit, approve a motion to approve the amendment to By-Law No. 2 of the Company as set out below. The following resolution (the "**By-Law Resolution**") which will be put forward to the Shareholders of the Company for approval at the Meeting:

BE IT RESOLVED, AS AN ORDINARY RESOLUTION, THAT:

1. Section 7.7 of By-Law No. 2 of Universal PropTech Inc. (the "**Company**") be deleted in its entirety;
2. Section 7.7 of By-Law No. 2 of the Company be replaced with the following:

"A quorum of shareholders is present at a meeting of shareholders if there are present, in person or by proxy, at least two shareholders representing no less than 5% of the shares entitled to vote at the meeting."; and
3. any director or officer of the Company be, and such director or officer of the Company hereby is, authorized and empowered, acting for, in the name of and on behalf of the Company, to do all things and execute all instruments necessary or desirable to give effect to this resolution.

STATEMENT OF EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The purpose of this Compensation Discussion and Analysis is to provide information about the Company's executive compensation philosophy, objectives, and processes and to discuss compensation decisions relating to the Company's executive officers, in particular, the four identified named executive officers (the "**NEOs**"), namely, Chris Hazelton, Chief Executive Officer and Keith Li, the Chief Financial Officer.

As the Company does not have a compensation committee, the functions of a compensation committee are performed by the Board of Directors as a whole.

UPI's compensation practices are designed to retain, motivate and reward its executive officers for their performance and contribution to the Company's long-term success. The Board seeks to compensate the Company's executive officers by combining short and long-term cash and equity incentives. It also seeks to reward the achievement of corporate and individual performance objectives, and to align executive officers' incentives with shareholder value creation.

Risk Management Principles of Compensation Programs

Although the Company does not have a formal policy relating to the management of compensation related risk, the Board considers and assesses, as necessary, risks relating to compensation prior to the entering into or amending of employment contracts with NEOs and when setting the compensation of directors. The Board believes that the

Company's compensation policies and practices are appropriate for its industry and stage of business and that such policies and practices do not have associated with them any risks that are reasonably likely to have a material adverse effect on the Company or which would encourage a NEO to take any inappropriate or excessive risks. The Board will continue to review the Company's compensation policies, including its compensation-related risk profile, as necessary, to ensure its compensation policies and practices are not reasonably likely to have a material adverse effect on the Company or encourage a NEO to take any inappropriate or excessive risks, and may consider adopting a formal policy in this regard in the future, if necessary.

Restrictions on Financial Instruments

The Company does not have a policy that would prohibit a NEO or director from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the NEO or director. However, management is not aware of any NEO or director purchasing such an instrument.

Elements of Compensation Program

The compensation of the NEOs will include three major elements: (a) base salary, (b) an annual, discretionary cash bonus and (c) long-term equity incentives, consisting of stock options granted under the Plan (and after the Meeting, the New Option Plan) and any other equity plan that may be approved by the Board. These three principal elements of compensation are described below.

The NEOs will not benefit from pension plan participation. Perquisites and personal benefits are not a significant element of compensation of the NEOs.

Base Salary

Base salaries are intended to provide an appropriate level of fixed compensation that will assist in employee retention and recruitment. Base salaries will be determined on an individual basis, taking into consideration the past, current and potential contribution to our success, the position and responsibilities of the NEOs and competitive industry pay practices for other companies of comparable size.

UPI does not engage compensation consultants for the purposes of performing benchmarking or apply specific criteria for the selection of comparable businesses. Other comparable businesses that may be considered for benchmarking purposes include other small capitalization public Canadian companies. Increases in base salary are at the sole discretion of the Board.

Annual Cash Bonus

The Board, in its sole discretion, may award NEOs with an annual bonus for that year, payable in cash. Annual bonuses may be awarded based on qualitative and quantitative performance standards, and will reward performance or the named executive officer individually. The determination of a Named Executive Officer's performance may vary from year to year depending on economic conditions and conditions in the industry, and may be based on measures such as stock price performance, the meeting of financial targets against budget (such as adjusted funds from operations), the meeting of acquisition objectives and balance sheet performance.

Stock Option Plan

Following the Meeting provided that the Option Plan Resolution is passed, the New Plan would provide directors, officers, key employees and consultants of the Company with the opportunity to participate in the New Option Plan, at the discretion of the Board. The Board determines the level of stock options granted from time-to-time based on (i) its assessment of the appropriateness of doing so in light of the competitiveness of total compensation and compensation practices within companies of a size comparable with the Company for positions involving similar responsibilities and complexity; (ii) the long-term strategic objectives of the Company; (iii) the Company's need to

retain or attract particular key personnel; and (iv) the number of options already outstanding and overall market conditions. The Board will take into account previous grants of options when considering new grants.

The New Option Plan is intended to provide executives with the promise of longer term rewards which appreciate in value with the favourable future performance of the Company. The Board believes that the New Option Plan provides a method of retention and motivation for the executives of the Company and also aligns senior management's objectives with long-term stock price appreciation.

Executive Compensation

Summary Compensation Table

The following table provides a summary of the compensation earned by the NEOs and directors for services rendered in all capacities during the fiscal years ended August 31, 2020 and 2019.

Table of compensation excluding compensation securities							
Name and Principal Position	Fiscal period	Salary, consulting fee, retainer or commission	Bonus	Committee or meeting fees	Value of perquisites	All other compensation	Total compensation
		(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
CHRIS HAZELTON ⁽¹⁾ Chief Executive Officer and Director	2019	116,000	-	-	-	9,000	125,000
	2020	116,000	-	-	-	109,000	225,000
KEITH LI ⁽²⁾ Chief Financial Officer	2020	-	-	-	-	-	-
AL QUONG ⁽³⁾ Director	2020	-	-	-	-	-	-
DANIEL COHEN ⁽⁴⁾ Director	2020	-	-	-	-	-	-

Note:

- (1) Mr. Hazelton was appointed the Chief Executive Officer and a director on June 10, 2020. Prior to which he was the Chief Financial Officer of the Company.
- (2) Mr. Li was appointed the Chief Financial Officer on June 10, 2020. Mr Li is compensated through Branson. See "Employment and Consulting Agreements – Branson Agreement" below.
- (3) Mr. Quong joined the Board on July 28, 2020.
- (4) Mr. Cohen joined the Board on November 10, 2020.

Compensation Securities Table

The following table discloses the particulars of the option-based awards outstanding to NEOs and directors of the Company as at August 31, 2020, including awards granted before the most recently completed financial year.

Name and Position	Number of securities underlying unexercised options	Date of issue or grant	Option Exercise Price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Option Expiration Date
CHRIS HAZELTON Chief Executive Officer	250,000	August 15, 2017	0.15	0.125	0.14	August 15, 2022

Name and Position	Number of securities underlying unexercised options	Date of issue or grant	Option Exercise Price (\$)	Closing price of underlying security on date of grant (\$)	Closing price of underlying security at year end (\$)	Option Expiration Date
KEITH LI Chief Financial Officer	100,000	August 26, 2020	0.20	0.15	0.105	August 26, 2023
AL QUONG Director	100,000	August 26, 2020	0.20	0.15	0.105	August 26, 2023
DANIEL COHEN Director	-	-	-	-	-	-

Exercise of Stock Options by NEOs and Directors

The following table sets forth information concerning the exercise of options by NEOs and directors that vested during the year ended August 31, 2020.

Name and Position	Number of underlying securities exercised (#)	Exercise Price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
CHRIS HAZELTON Chief Executive Officer	-	N/A	N/A	N/A	N/A	N/A
KEITH LI Chief Financial Officer	-	N/A	N/A	N/A	N/A	N/A
AL QUONG Director	-	N/A	N/A	N/A	N/A	N/A
DANIEL COHEN Director	-	N/A	N/A	N/A	N/A	N/A

Employment and Consulting Agreements

UPI currently has an employment agreement in place with Chris Hazelton and a management services agreement with Branson Corporate Services Inc. ("**Branson**"), pursuant to which Mr. Li provides his services as Chief Financial Officer.

Other than as set out below, the Company does not have any compensatory plan, contract or arrangement where an executive officer is entitled to receive any compensation from the Company in the event of the resignation, retirement or any other termination of employment of an executive officer or from a change of control of the Company.

Hazelton Employment Agreement

Chris Hazelton, the Chief Executive Officer of the Company, entered into an employment agreement with the Company on June 10, 2020, with an indefinite term. The employment agreement provides that Mr. Hazelton will be employed as Chief Executive Officer of UPI and its affiliates.

If UPI terminates Mr. Hazelton's employment as a result of the death or disability of Mr. Hazelton, UPI shall thereupon pay to him, in a single payment within 30 days of the date of termination, accrued salary, benefits, perquisites and vacation pay to the date of termination. The Corporation estimates that if Mr. Hazelton employment

had been terminated on August 31, 2020 for the reasons described above, no further payments would have been made to Mr. Hazelton beyond what was due to him on such date.

Upon the termination by UPI of the employment of Mr. Hazelton other than for cause or Mr. Hazelton terminates his employment for good reason, UPI shall thereupon pay to him (i) in a single payment within 30 days of the date of termination, accrued vacation pay and perquisites, (ii) in a single payment within 30 days of the date of termination, an amount equal to six months of his base salary, and (iii) employee benefits up to a maximum of 12 months. The Corporation estimates that if Mr. Hazelton's employment had been terminated on the last day of the most recently complete financial year for any of the reasons described above, he would be entitled to an aggregate payment of up to approximately \$87,500 (excluding supplementary benefits and other perquisites).

If, during the six months following a "change of control" (as defined in Mr. Hazelton's employment agreement), UPI terminates Mr. Hazelton's employment, UPI shall pay to him a lump sum "change of control" payment equivalent to the aggregate of (i) one-half his then current base salary; (ii) one-half of the average of any bonus paid to Mr. Hazelton for the previous two years, (iii) accrued vacation pay and perquisites, and (iv) employee benefits for the six month period following the date of retirement. The Company currently estimates that in the event that the "change of control" provisions were triggered in 2020 and Mr. Hazelton had terminated his employment for good reason in accordance with his employment agreement on the last day of the most recently completed financial year, Mr. Hazelton would have been entitled to a lump sum "change of control" payment of up to approximately \$162,500 (excluding supplementary benefits, value from accelerated equity vesting and other perquisites).

Branson Agreement

On June 8, 2020, UPI entered into an agreement with Branson to provide a Chief Financial Officer, controllership and bookkeeping services for an annual fee of \$17,200. Keith Li is employed by Branson and is compensated by Branson.

Equity Compensation Plan Information as of the Fiscal Year Ended August 31, 2020

Pursuant to the Plan (and following the Meeting, the New Option Plan), the maximum aggregate number of Common Shares which may be subject to options is 10% of the Common Shares outstanding from time to time.

Plan Category	Number of shares issuable upon exercise of outstanding options as at August 31, 2020 (a)	Weighted-average exercise price of outstanding options (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) as at August 31, 2020 (c)
Equity compensation plans approved by securityholders	1,300,000	\$0.17	1,577,622
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
Total	1,300,000		277,622

Indebtedness of Directors and Officers

No individual who is, or at any time during the most recently completed fiscal year of the Company was, a director or executive officer of the Company, nor any proposed nominee for election as a director of the Company, nor any associate of any of the foregoing is, or at any time since the beginning of the most recently completed fiscal year of the Company has been, indebted to the Company or any of its subsidiaries (other than in respect of amounts which would constitute routine indebtedness) or was indebted to another entity, which such indebtedness is, or was at any time since the beginning of the most recently completed fiscal year of the Company, 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.

Interests of Informed Persons in Material Transactions

No "informed person" (as such term is defined under applicable securities laws) of the Company or proposed nominee for election as a director of the Company, or any associate or affiliate of any informed person or proposed nominee, has or had a material interest, direct or indirect, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or its subsidiaries.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

National Policy 58-201 – *Corporate Governance Guidelines* sets out a series of guidelines for effective corporate governance (the "**Guidelines**"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("**NI 58-101**") requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines as it is recognized that the unique characteristics of individual corporations will result in varying degrees of compliance. Set out below is a description of the Company's approach to corporate governance in relation to the Guidelines.

Board of Directors

Independence

The Board of Directors is currently comprised of three members. Mr. Hazelton is not considered to be "independent" within the meaning of NI 58-101 as a result of his role as President, Chief Executive Officer, Secretary and Chairman of the Company. Messrs. Al Quong and Daniel Cohen are each considered to be "independent" directors within the meaning of NI 58-101 since they are free from any material relationship with the Company.

Common Board Memberships

The board has not adopted a policy limiting the number of directors who sit on the board of another public company but believes disclosure of common board memberships is important, which can be found under "*Statement of Corporate Governance Practices - Other Public Company Directorships Held*".

Mandate of the Board of Directors

The Board is responsible for supervising the management of UPI business and affairs. The Board's principal responsibilities relate to the stewardship of management and are summarized below:

- **Strategic planning** - the Board reviews and approves UPI's strategic planning process and strategic plan in light of Management's assessment of emerging trends, the competitive environment, risk issues and significant business practices and products;
- **Risk management** - the Board reviews management reports on material risks associated with our businesses and operations, the implementation by Management of systems to manage these risks and material deficiencies in the operation of these systems;
- **Human resources management** - the Board reviews UPI's approach to human resource management and executive compensation, the extent to which senior management fosters a culture of integrity and succession planning for the Chief Executive Officer and key senior management positions;
- **Financial corporate governance** - the Board reviews UPI's approach to corporate governance, director independence, UPI's code of ethics and conduct, and policies relating to reputation and legal risk;

- **Financial information** - the Board with assistance from the Audit Committee reviews UPI's internal controls relating to financial information, management reports on material deficiencies relating to those controls and the integrity of UPI's financial information and systems;
- **Communications** - the Board reviews UPI's overall communications strategy, measures for receiving shareholder feedback and compliance with UPI's disclosure policy;
- **Board Committees** - the Board establishes committees and their mandates and requires committee chairs to present a report to the board on material matters considered by the committee at the next board meeting;

The mandate of the Board is reviewed each year.

Other Public Company Directorships Held

The following table sets out the directors and officers of the Company that are, or have been within the last five years, directors, officers or promoters of other reporting issuers:

Name of Director, Officer or Promoter	Name of Reporting Issuer	Name of Trading Market
Chris Hazelton	Canada Pacific Capital Corp. Sagittarius Capital Corp. Psyched Wellness Corp. WaterWays Technologies Ltd.	TSXV / OTC TSXV / OTC TSXV
Keith Li	Quinsam Capital Corporation Pharmadrug Inc. BitRush Corp. Jubilee Gold Exploration Ltd Rigel Technologies Inc. Harborside Inc.	CSE CSE CSE TSXV TSXV CSE
Daniel Cohen	Pharmadrug Inc.	CSE
Al Quong	Lakeside Minerals Inc. (now Harborside Inc.) The Tinley Beverage Company Inc. Pharmadrug Inc.	TSXV (now CSE) CSE CSE

Orientation and Continuing Education

While the Company currently has no formal orientation and education program for new members of the Board of Directors, sufficient information (such as recent annual reports, financial statements, management discussion and analysis, proxy solicitation materials, technical reports and various other operating, property and budget reports) is provided to any new member of the Board of Directors to ensure that new directors are familiarized with the Company's business and the procedures of the Board of Directors. As well, new directors meet with management of the Company to receive a detailed overview of the operations of the Company. All directors are encouraged to visit and meet with management on a regular basis. The Company also encourages continuing education of its directors and officers where appropriate in order to ensure that they have the necessary skills and knowledge to meet their respective obligations to the Company.

Nomination of Directors

The Board of Directors is responsible for identifying new candidates for nomination to the Board of Directors. The process by which the Board of Directors identifies new candidates is through recommendations from members of the Board of Directors based on corporate law and regulatory requirements as well as relevant education and experience related to the Company's business and status as a reporting issuer.

The Corporation recognizes and embraces the benefits of having diversity on the Board and in its senior management. The Corporation also recognizes that the Board and its senior management appointments must be based on performance, ability, merit and potential. Therefore, the Corporation ensures a merit-based competitive process for appointments. The Corporation's commitment to diversity will include ensuring that diversity is fully considered by the Board in identifying, evaluating and recommending Board appointees/nominees. Accordingly, the Corporation has not adopted a diversity policy at this time.

With respect to the Board composition, as appropriate, the Board will: (i) assess the effectiveness of the Board appointment/nomination process at achieving the Corporation's diversity objectives; and (ii) consider and, if determined advisable, recommend for adoption, measurable objectives for achieving diversity on the Board. At any given time, the Board may seek to adjust one or more objectives concerning diversity and measure progress accordingly.

Compensation

None of the members of the Board of Directors or the executive officers currently earns any compensation for services rendered as directors and officers of the Company or in any other capacity except as otherwise disclosed herein. Currently, non-management directors of UPI are not paid a cash retainer. Directors are also reimbursed for out-of-pocket expenses incurred with such duties.

Board Committees

Audit Committee

The Audit Committee consists of Mr. Quong, Mr. Cohen and Mr. Hazelton, two of whom are considered to be "independent", and all of whom are "financially literate" within the meaning of National Instrument 52-110 — *Audit Committees*. Mr. Hazelton is not considered to be "independent" as he is the CEO of UPI. Each of the Audit Committee members has an understanding of the accounting principles used to prepare UPI's financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting.

The Audit Committee has the primary function of fulfilling its responsibilities in relation to reviewing the integrity of UPI's financial statements, financial disclosures and internal controls over financial reporting; monitoring the system of internal control; monitoring UPI's compliance with legal and regulatory requirements, selecting the external auditor for shareholder approval; reviewing the qualifications, independence and performance of the external auditor; and reviewing the qualifications, independence and performance of UPI's internal auditors. The Audit Committee has specific responsibilities relating to UPI's financial reports; the external auditor; the internal audit function; internal controls; regulatory reports and returns; and legal or compliance matters that have a material impact on UPI. In fulfilling its responsibilities, the Audit Committee meets regularly with the internal and external auditor and key management members. Information concerning the relevant education and experience of the Audit Committee members can be found in "*Business of the Meeting – Election of Directors*". The full text of the Audit Committee's charter is disclosed in Exhibit "C".

ADDITIONAL INFORMATION

The Company will provide to any person or corporation, upon request, one copy of any of the following documents: (i) this Circular; (ii) the Company's most recently filed consolidated annual financial statements, together with the accompanying report of the auditor; and (iii) any interim financial statements of the Company that have been filed for any period after the end of the Company's most recently completed financial year.

Copies of the above documents will be provided, upon request, by the corporate secretary or investor relations at 1 Royal Gate Blvd, Suite D, Vaughan, ON L4L 8Z7. Copies of these documents and other information relating to the Company are available on SEDAR at www.sedar.com.

APPROVAL

The contents and delivery of this management information circular has been approved by the board of directors and a copy has been sent to each shareholder who is eligible to receive notice of and vote his or her shares at the Meeting, as well as to each director and to the auditors.

On behalf of the board of directors,

/s/ "Chris Hazelton"

Chris Hazelton
Chief Executive Officer
& Director

EXHIBIT "A"

**UNIVERSAL PROPTECH INC.
AMENDED & RESTATED STOCK OPTION PLAN
effective as of May 17,2021**

**AMENDED AND RESTATED STOCK OPTION PLAN
UNIVERSAL PROPTech INC.**

**ARTICLE 1
GENERAL**

1.1 Purpose

The purpose of this amended and restated stock option plan (this "**Plan**") is to advance the interests of the Universal PropTech Inc. (the "**Company**") and/or its Affiliates by:

- (a) providing Eligible Persons with additional performance incentives;
- (b) encouraging Share ownership by Eligible Persons;
- (c) increasing the proprietary interest of Eligible Persons in the success of the Company and/or its Affiliates;
- (d) encouraging Eligible Persons to remain with the Company and/or its Affiliates; and
- (e) attracting new Directors, Officers, Employees and Consultants to the Company and/or its Affiliates.

1.2 Definitions

For the purposes of this Plan, the following terms have the respective meanings set forth below:

"**Affiliate**" has the meaning ascribed thereto in the TSXV Policies;

"**Associate**" has the meaning ascribed thereto in the TSXV Policies;

"**Blackout Period**" means the time period, commonly referred to as the "blackout period", determined by the Company in accordance with its trading policies pursuant to which directors, officers, employees and others are prohibited from trading in the securities of the Company (which may also include exercising options granted under the Plan) and, for greater certainty, Blackout Period shall not include any period in which there is a prohibition on trading in securities of the Company as a result of a cease trade or other order of any securities commission or regulatory authority;

"**Board**" means the board of directors of the Company;

"**Change of Control**" means the occurrence of any one or more of the following:

- (a) a consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or entity, as a result of which the holders of Shares prior to the completion of the transaction hold less than 50% of the outstanding shares or interests of the successor Legal Person after completion of the transaction;
- (b) the sale, lease, exchange or other disposition, in a single transaction or a series of related transactions, of assets, rights or property of the Company and/or any of its subsidiaries which have an aggregate book value greater than 50% of the book value of the assets, rights and property of the Company and its subsidiaries on a consolidated basis to any other person or entity, other than a disposition to a wholly-owned subsidiary of the Company in the course of a reorganization of the assets of the Company and its subsidiaries;
- (c) a resolution is adopted to wind up, dissolve or liquidate the Company;

- (d) any person, entity or group of persons or entities acting jointly or in concert, other than an Insider (an "**Acquiror**") acquires, or acquires control (including, without limitation, the right to vote or direct the voting of) of voting securities of the Company which, when added to the voting securities owned of record or beneficially by the Acquiror or which the Acquiror has the right to vote or in respect of which the Acquiror has the right to direct the voting, would entitle the Acquiror (or its Associates or Affiliates) to cast or to direct the casting of 50% or more of the votes attached to all of the Company's outstanding voting securities which may be cast to elect directors of the Company or the successor corporation (regardless of whether a meeting has been called to elect directors); or
- (e) as a result of or in connection with
 - (i) a contested election of directors; or
 - (ii) consolidation, merger, amalgamation, arrangement or other reorganization or acquisition involving the Company or any of its Affiliates and another corporation or entity,the nominees named in the most recent management information circular of the Company for election to the Board shall not constitute a majority of the Board.

"Charitable Options" has the meaning ascribed thereto in Section 3.4(a);

"Committee" has the meaning ascribed thereto in Section 2.1;

"Company" means Universal PropTech Inc., a company organized under the *Canada Business Corporations Act* and its successor corporations;

"Consultant" means an individual (other than an Employee or a Director of the Company) or Legal Person that:

- (a) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or to an Affiliate of the Company, other than services provided in relation to a Distribution;
- (b) provides the services under a written contract between the Company or an Affiliate and the individual or the Legal Person, as the case may be;
- (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or an Affiliate of the Company; and
- (d) has a relationship with the Company or an Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company.

"Consultant Company" means a Consultant that is a Legal Person;

"Director" means a member of the Board;

"Discounted Market Price" has the meaning ascribed thereto in the TSXV Policies;

"Disinterested Shareholder Approval" means approval by a majority of the votes cast by all the Company's shareholders at a duly constituted shareholders' meeting, excluding votes attached to shares beneficially owned by Insiders to whom Options may be granted under this Plan and their Associates;

"Distribution" has the meaning ascribed thereto in the TSXV Policies;

"Eligible Person" means:

- (e) a Director, Officer, Employee or Consultant of the Company or of an Affiliate of the Company;
- (f) a Management Company Employee;
- (g) a company (other than a Consultant Company) wholly-owned by individuals who are Eligible Persons;
- (h) Consultant Companies; and
- (i) Eligible Charitable Organizations.

"Eligible Charitable Organizations" has the meaning ascribed thereto in the TSXV Policies;

"Employee" has the meaning ascribed thereto in the TSXV Policies;

"Insider" means an insider as defined under the TSXV Policies;

"Legal Person" unless specifically indicated otherwise, means a corporation, incorporated association or organization, body corporate, partnership, trust, association or other entity other than an individual;

"Investor Relations Activities" has the meaning ascribed thereto in the TSXV Policies;

"Management Company Employee" means an individual employed by a person providing management services to the Company or an Affiliate of the Company, which are required for the ongoing successful operation of the Company or an Affiliate, but excluding a person engaged in Investor Relations Activities;

"Market Price" has the meaning ascribed thereto in the TSXV Policies;

"Officer" means an officer of the Company or of an Affiliate of the Company;

"Option" means an option granted to an Eligible Person in accordance with the terms of this Plan to purchase Shares from the Company upon the exercise of the Option and upon payment of the exercise price;

"Option Agreement" means a written agreement between the Company and an Optionee that sets forth the terms, conditions and limitations applicable to an Option;

"Option Period" means the period during which an Option may be exercised;

"Optioned Shares" means the Shares for which an Option is or may become exercisable;

"Optionee" means an Eligible Person to whom an Option has been granted under the terms of the Plan or who holds an Option that is otherwise subject to the terms of the Plan;

"Outstanding Shares" means, at any particular time, the number of Shares then issued and outstanding, calculated on a non-diluted basis;

"Plan" means this Amended and Restated Stock Option Plan of the Company, as amended, supplemented or replaced from time to time;

"Retirement" means, in respect of an Employee, Officer or Consultant of the Company or its Affiliate, ceasing to be an Employee, Officer or Consultant of the Company or its Affiliate, as the case may be, after

attaining a stipulated age in accordance with the Company's retirement policy in effect from time to time or earlier with the Company's consent;

"Shares" means the common shares in the capital of the Company as constituted on the date hereof and any shares of the Company into which such common shares may be changed, reclassified, subdivided, consolidated or converted, whether by reason or an amalgamation, merger or other capital reorganization;

"Take-over Bid" means a take-over bid, as defined in the *Securities Act* (Ontario), which is a "formal bid" as defined in the *Securities Act* (Ontario), and which is made:

- (a) for all of the issued and outstanding shares of any one or more classes of shares in the capital of the Company; or
- (b) for all of the issued and outstanding shares of any one or more classes of shares in the capital of the Company other than:
 - (i) those shares in the capital of the Company which are then owned by the offeror under such Take-over Bid; and/or
 - (ii) those shares in the capital of the Company which the offeror under such Take-over Bid then otherwise has, directly or indirectly, the right to acquire;

"Termination" means:

- (a) in the case of an Employee, the termination of the employment of the Employee by the Company or its Affiliate or cessation of employment of the employee with the Company or its Affiliate as a result of resignation or otherwise (other than through the Retirement of the Employee);
- (b) in the case of a Management Company Employee, the termination of the employment of the Management Company Employee by his or her employer or cessation of employment of the employee with his or his employer for any reason;
- (c) in the case of an Officer, the removal of or failure to re-appoint the individual as an Officer of the Company or its Affiliate (other than through Retirement of an Officer); and
- (d) in the case of a Consultant, the termination of the services of a Consultant by the Company or its Affiliate (other than through the Retirement of a Consultant).

"TSXV" means the TSX Venture Exchange or any successor thereto;

"TSXV Policies" means the rules and policies of the TSXV, as amended, supplemented or replaced from time to time; and

ARTICLE 2

ADMINISTRATION

2.1 Establishment of Committee

The Plan will be administered by the Board or, if appointed, by a special committee consisting of two or more Directors appointed or designated from time to time by the Board (such committee, the **"Committee"**).

2.2 Power and Authority of Board or Committee

Subject to the provisions of the Plan, the Board or Committee shall have authority to, among other things,

- (a) grant Options to purchase Shares to Eligible Persons;
- (b) determine the terms, including the limitations, restrictions and conditions, if any, upon such grants;
- (c) construe and interpret the Plan and all Option Agreements entered into thereunder,
- (d) define the terms used in the Plan and in all Option Agreements entered into thereunder, and
- (e) prescribe, amend and rescind rules and regulations relating to the Plan and to make all other determinations necessary or advisable for the administration of the Plan. All determinations and interpretations made by the Board or Committee shall be binding and conclusive on all parties, including, without limitation, all participants under the Plan and their heirs, successors, personal representatives and beneficiaries. No member of the Board or Committee shall be liable for anything done or omitted to be done by such member, by any other member of the Board or Committee or by any Officer of the Company, in connection with the performance of any duties under the Plan, except those which arise from wilful misconduct or as expressly provided by statute.

2.3 Costs of Administration

The Company shall pay all administrative costs of the Plan.

ARTICLE 3

STOCK OPTION PLAN

3.1 Eligibility

- (a) Subject to the provisions of this Plan, the Board or Committee may from time to time grant Options to purchase Shares to Eligible Persons. The granting of Options is entirely at the discretion of the Board or Committee and nothing in this Plan shall be interpreted so as to give any person any right to participate in this Plan or to be granted Options hereunder. The granting of Options to any Eligible Person at any time does not guarantee such Eligible Person the right to receive additional Options in the future. The Board or Committee shall consider such factors as it deems pertinent in determining which Eligible Persons shall be entitled to participate in the Plan, to be granted Options hereunder and the amounts and terms of such Options;
- (b) For stock options granted to Employees, Consultants or Management Company Employees, the Company and the Optionee are responsible for ensuring and confirming that the Optionee is a *bona fide* Employee, Consultant or Management Company Employee, as the case may be; and
- (c) Subject to any applicable regulatory approvals, Options may also be granted under the Plan:
 - (i) in exchange for outstanding Options granted by the Company or any predecessor Company thereof or any Affiliate thereof, whether such outstanding options were granted under the Plan, under any other stock option plan of the Company or any predecessor Company or any Affiliate thereof, or under any stock option agreement with the Company or any predecessor Company or Affiliate thereof; and
 - (ii) in substitution for outstanding options of one or more other companies in connection with a plan of arrangement or exchange, amalgamation, merger, consolidation, acquisition of property or shares, or other reorganization between or involving such other companies and the Company or any of its Affiliates.

3.2 Number of Shares Reserved under the Plan

- (a) The aggregate maximum number of Shares reserved for issuance under this Plan at any given time shall not exceed 10% of the Outstanding Shares as of the grant date of an Option hereunder, subject to adjustment in accordance with Section 3.3. If any Option granted pursuant to the Plan expires, is forfeited, terminated or otherwise lawfully cancelled for any reason whatsoever without having been exercised in full, the Optioned Shares that were issuable thereunder shall be returned to the Plan and will be available again for an Option grant under the Plan;
- (b) The aggregate number of Shares reserved for issuance pursuant to Options granted to Insiders at any given time, or within a 12-month period, shall not exceed 10% of the Outstanding Shares, unless Disinterested Shareholder Approval is obtained. The aggregate number of Shares reserved for issuance pursuant to Options granted to any one person or entity within any 12-month period shall not exceed 5% of the Outstanding Shares, unless Disinterested Shareholder Approval is obtained;
- (c) The aggregate number of Options granted to any one Consultant in any 12-month period must not exceed 2% of the Outstanding Shares, calculated at the date the Option is granted; and
- (d) The aggregate number of Options granted to persons employed to provide Investor Relations Activities in any 12-month period must not exceed 2% of the Outstanding Shares, calculated at the date the Option is granted.

3.3 Adjustment in Shares Subject to the Plan

- (a) Following the date an Option is granted, the exercise price for and the number of Optioned Shares which are subject to an Option will be adjusted, with respect to the then unexercised portion thereof, by the Board or Committee from time to time (on the basis of such advice as the Board or Committee considers appropriate, including, if considered appropriate by the Board or Committee, a certificate of the auditor of the Company) in the events and in accordance with the provisions and rules set out in this Section 3.3, with the intent that the rights of Optionees under their Options are, to the extent possible, preserved notwithstanding the occurrence of such events. The Board or Committee will conclusively determine any dispute that arises at any time with respect to any adjustment pursuant to such provisions and rules, and any such determination will be binding on the Company, the Optionee and all other affected parties.
- (b) The number of Optioned Shares to be issued on the exercise of an Option shall be adjusted from time to time to account for each dividend of Shares (other than a dividend in lieu of cash dividends paid in the ordinary course), so that upon exercise of the Option for an Optioned Share the Optionee shall receive, in addition to such Optioned Share, an additional number of Shares ("**Additional Shares**"), at no further cost, to adjust for each such dividend of Shares. The adjustment shall take into account every dividend of Shares that occurs between the date of the grant of the Option and the date of exercise of the Option for such Optioned Share. If there has been more than one such dividend, the adjustment shall also take into account that the dividends that are later in time would have been distributed not only on the Optioned Share had it been outstanding, but also on all Additional Shares which would have been outstanding as a result of previous dividends.
- (c) If the Shares are changed into or exchanged for a different number of Shares or into or for other securities of the Company or securities of another corporation or entity, whether through an arrangement, amalgamation or other similar procedure or otherwise, or a share recapitalization, subdivision or consolidation, then on each exercise of the Option which occurs following such events, for each Optioned Share for which the Option is exercised, the Optionee shall instead receive the number and kind of shares or other securities of the Company or other corporation or entity into which such Optioned Share would have been changed or for which such Optioned Share would have been exchanged if it had been outstanding on the date of such event.

- (d) If the Shares are changed into or exchanged for a different number of Shares or into or for other securities of the Company or securities of another corporation or entity, in a manner other than as specified in Sections 3.3(b) or 3.3(c), then the Board or Committee, in its sole discretion, may make such adjustment to the securities to be issued pursuant to any exercise of the Option and the exercise price to be paid for each such security following such event as the Board or Committee in its sole and absolute discretion determines to be equitable to give effect to the principle described in Section 3.3(a), and such adjustments shall be effective and binding upon the Company and the Optionee for all purposes.
- (e) If the Company distributes, by way of a dividend or otherwise, to all or substantially all holders of Shares, property, evidences of indebtedness or shares or other securities of the Company (other than Shares) or rights, options or warrants to acquire Shares or securities convertible into or exchangeable for Shares or other securities or property of the Company, other than as a dividend in the ordinary course, then, if the Board or Committee, in its sole discretion, determines that such action equitably requires an adjustment in the exercise price under any outstanding Option or in the number(s) of Optioned Shares subject to any such Option, or both, such adjustment may be made by the Board or Committee and shall be effective and binding on the Company and the Optionee for all purposes.
- (f) No adjustment or substitution provided for in this Section 3.3 shall require the Company to issue a fractional Share in respect of any Option, and the total adjustment with respect to each Option shall be limited accordingly.
- (g) The grant or existence of an Option shall not in any way limit or restrict the right or power of the Company to effect adjustments, reclassifications, reorganizations, arrangements or changes of its capital or business structure, or to amalgamate, merge, consolidate, dissolve or liquidate, or to sell or transfer all or any part of its business or assets.

3.4 **Charitable Options**

- (a) The aggregate number of Options granted and outstanding to Eligible Charitable Organizations ("**Charitable Options**") shall not at any time exceed 1% of the issued Shares of the Company, as calculated immediately subsequent to the grant of any Options to Eligible Charitable Organizations.
- (b) A Charitable Option may contain anti-dilution provisions to cover stock splits or consolidations, share reclassifications, payment of stock dividends and other distributions; however, the terms and conditions of a Charitable Option may not be amended or made subject to amendment after its grant other than to give effect to such anti-dilution provisions or to provide for the cancellation of the Charitable Option in order to enable the Company to comply with the limitations set forth in the TSXV Policies.
- (c) A Charitable Option must expire after the earlier of:
 - (i) a date that is not more than 10 years from the grant date of the option; and
 - (ii) the 90th day following the date that the holder of the Charitable Option ceases to be an Eligible Charitable Organization.

ARTICLE 4

TERMS OF OPTIONS

4.1 Option Period

- (a) The Option Period for an Option shall be determined by the Board or Committee at the time the Option is granted and may be up to 10 years from the date the Option is granted. Subject to the applicable maximum Option Period provided for in this Section 4.1(a) and subject to applicable regulatory requirements and approvals, the Board or Committee may extend the Option Period of an outstanding Option beyond its original expiration date (whether or not such Option is held by an Insider). Any Option not exercised within the Option Period fixed for its exercise shall terminate and become void and of no effect.
- (b) Notwithstanding paragraph (a) above or anything else to the contrary in the Plan, but subject to the requirements of TSXV Policies, if the term of any Option granted under the Plan ends on a day occurring within a Blackout Period applicable to an Optionee, the term of such Option shall be automatically extended to (and such Option shall continue to be exercisable under the terms of the Plan up to) 5:00 p.m. (Toronto time) on the tenth business day following the expiry of such Blackout Period. This Section applies to all options outstanding under the Plan, regardless of the date of grant or issuance.

4.2 Vesting of Options

- (a) Subject to the provisions of this Plan, TSXV Policies, the rules of any securities regulatory authority having jurisdiction over the Company and all applicable laws, the Board or Committee may determine when an Option will become exercisable and may determine that the Option will be exercisable immediately upon the date of grant, in instalments or pursuant to a vesting schedule.
- (b) Notwithstanding paragraph (a) above, Options granted to persons performing Investor Relations Activities must, at the very least, vest in stages over 12 months, with no more than 25% of the Options vesting in any three-month period.

4.3 Exercise of Options

- (a) An Optionee may exercise, in whole or in part, any Option that has vested in accordance with its terms by delivering to the Company a notice of exercise, substantially in the form of Appendix "B" attached to this Plan. The exercise of any Option will be contingent upon receipt by the Company of payment in full for the exercise price of the Optioned Shares being purchased in cash by way of certified cheque, bank draft or electronic transfer of immediately available funds.
- (b) If an Option is exercised for fewer than all of the Optioned Shares for which the Option has then vested, the Option shall remain in force and exercisable for the remaining Optioned Shares for which the Option has then vested, according to the terms of such Option.
- (c) As soon as practicable following the receipt by the Company of the notice of exercise and payment in full for the Optioned Shares being acquired, the Company will, or will cause its transfer agent to, issue a certificate to the Optionee for the appropriate number of Optioned Shares acquired by such Optionee. If required by applicable securities laws or TSXV Policies, such certificate will bear the legend referred to in Section 4.4(a)(ii).

4.4 Exercise Price

The Board or Committee shall establish the exercise price of an Option at the time each Option is granted, subject to the following conditions:

- (a) If the Shares are listed on the TSXV;
 - (i) then the exercise price shall not be less than the minimum prevailing price permitted by TSXV Policies;
 - (ii) if the exercise price of any Option granted is based on the Discounted Market Price rather than the Market Price, all such Options and any Optioned Shares issuable upon the exercise thereof will be subject to a four-month hold period, as required by the TSXV Policies, commencing on the grant date, and the certificates representing any Optioned Shares issued prior to the expiry of the hold period will bear the legend required by TSXV Policies; and
 - (iii) if an Option is granted within 90 days of a Distribution by a prospectus, the exercise price shall not be less than the price that is the greater of the minimum prevailing price permitted by TSXV Policies and the per Share price paid by the public investors for Shares acquired under the Distribution by the prospectus, with such 90-day period beginning on the date a final receipt is issued for the prospectus;
- (b) If the Shares are listed on a stock exchange other than the TSXV, the exercise price shall not be less than the minimum prevailing price permitted by the rules of the stock exchange on which the Shares are listed at the time the Option is granted.

4.5 Option Agreement

- (a) Upon the grant of an Option to an Optionee, the Company and the Optionee shall enter into an Option Agreement, substantially in the form attached to this Plan as Appendix "A", setting out, among other things, the number of Optioned Shares subject to the Option, the exercise price per Optioned Share, the Option Period and, if applicable, the vesting schedule for the Option, and incorporating the terms and conditions of the Plan and any other requirements of regulatory authorities and stock exchanges having jurisdiction over the securities of the Company, together with such other terms and conditions as the Board or Committee may determine in accordance with the Plan.

4.6 Termination, Retirement or Death

Unless otherwise determined by resolution of the Board or Committee, any Options granted under this Plan shall terminate and shall cease to be exercisable in the following circumstances:

- (a) in the case of an Optionee who is an Officer, Employee, Management Company Employee or Consultant of the Company or of an Affiliate of the Company, such Optionee:
 - (i) is Terminated for cause, in which case all Options granted to such Optionee, whether vested or unvested, shall immediately terminate and cease to be exercisable on the effective date of such Optionee's Termination; or
 - (ii) is Terminated for any reason other than cause, Retirement or death, in which case such Optionee may exercise any Option granted hereunder, to the extent that such Option was exercisable and had vested on the date of Termination, until the date that is the earlier of (i) the expiry date of the Option and (ii) the date that is 90 days after the effective date of such Optionee's Termination.
- (b) in the case of an Optionee who is a Director of the Company or of an Affiliate of the Company,
 - (i) such Optionee:

- (A) ceases to meet the qualifications for a director prescribed by the corporate legislation applicable to the Company, other than as a result of bankruptcy or mental incompetency;
- (B) receives a formal request for resignation signed by a majority of the Board following a material breach of fiduciary duty by that Director; or
- (C) is otherwise removed as a Director of the Company or of an Affiliate of the Company,

and such Optionee does not otherwise continue to qualify as an Eligible Person in a different capacity with the Company, in which case all Options granted to such Optionee, whether vested or unvested, shall immediately terminate and cease to be exercisable on the effective date of such Optionee's removal or failure to be re-elected; or

- (ii) such Optionee resigns (other than in the situation referred to above) as a Director of the Company or of an Affiliate of the Company, in which case such Optionee may exercise any Option granted hereunder, to the extent that such Option was exercisable and had vested on the date of resignation, until the date that is the earlier of (i) the expiry date of the Option and (ii) the date that is 90 days after the effective date of such Optionee's resignation.
- (c) in the case of an Optionee who is an Officer, Employee or Consultant of the Company or of an Affiliate of the Company and such Optionee Retires, such Optionee may exercise any Option granted hereunder, to the extent that such Option was exercisable and had vested on the date of Retirement, until the date that is the earlier of (i) the expiry date of the Option and (ii) the date that is 90 days after the effective date of such Optionee's Retirement; and
- (d) if an Optionee dies, such Optionee's legal personal representatives, heirs, executors or administrators may exercise any Option granted hereunder, to the extent that such Option was exercisable and had vested on the date of death, until the date that is the earlier of (i) the expiry date of the Option and (ii) the date that is twelve months after the date of death.

4.7 Acceleration of Term and Vesting

If:

- (a) the Company shall enter into an agreement providing for a Change of Control;
- (b) the Board adopts a resolution to the effect that a Change of Control has occurred or is imminent; or
- (c) a Take-over Bid shall be made;

the Board may, at any time thereafter, in its sole and absolute discretion and if permitted by TSXV Policies and applicable securities laws, determine by resolution (the "**Board Determination**") that all outstanding Options shall (i) immediately become exercisable in full by the holders thereof, notwithstanding any vesting provisions or other restrictions or conditions that would otherwise attach to such Options, and (ii) expire on the date determined by the Board, provided however that the expiry date of any outstanding Option may not be extended beyond the 10-year maximum term prescribed by Section 4.1. For greater certainty and without limiting the generality of the foregoing, the Board may, in its sole and absolute discretion, determine by resolution that any Options that remain unexercised upon the occurrence of a Change of Control shall terminate and cease to be exercisable immediately, without payment of any consideration of any nature or kind to the holder(s) thereof. All determinations made by the Board pursuant to this Section 4.7 shall be binding for all purposes of the Plan and on all parties concerned.

Each Optionee shall have the right, on such terms and conditions as may be prescribed by the Board Determination, to elect to exercise up to the time that such Optionee's option expires, after giving effect to the Board Determination, all options then held by such Optionee under the Plan in respect of up to all of the Shares which could have been purchased by such Optionee on a full exercise of all such options. Notwithstanding the foregoing:

- (d) if such Optionee so elects to exercise such Optionee's option;
- (e) if such Optionee has not elected to exercise such Optionee's option and subscribe for Shares in accordance with this Section; or
- (f) if such Optionee has exercised such Optionee's option but, following such exercise, such Optionee has not paid for the Shares which such Optionee has elected to subscribe for;

the Company shall have the right (which right may be exercised by the Company in its sole and absolute discretion) to pay to such Optionee cash in an amount equal to the result obtained by multiplying the amount, if any, by which the market price per Share on the date of completion of the Change of Control or Take-over Bid, as the case may be, exceeds the option price, by the number of Shares then remaining unsubscribed for under all options then held by such Optionee under the Plan which could have been purchased by such Optionee on a full exercise of all such options (and, if such payment is made, any exercise made by such Optionee of his or her options shall be deemed to have been not made and be null and void); and, if a Change of Control or Take-over Bid is completed, the market price for the purposes of calculating the amount of such cash payment to be made by the Company shall be the same as the value of the consideration paid per Share under the Change of Control or Take-over Bid, as applicable.

4.8 Non-Assignability

Neither the Options nor the benefits and rights of any Optionee under any Option or under the Plan or any Option Agreement shall be assignable or otherwise transferable, except as specifically provided in Section 4.6(d) in the event of the death of the Optionee. During the lifetime of the Optionee, all such Options, benefits and rights may only be exercised by the Optionee.

4.9 Employment

Nothing contained in the Plan shall confer upon any Optionee, or any person employing a Management Company Employee, any right with respect to employment or continuance of employment with, or the provision of services to, the Company or any of its Affiliates, or interfere in any way with the right of the Company or any of its Affiliates to terminate the Optionee's employment or the services of any such person at any time. Participation in the Plan by an Optionee is voluntary.

4.10 No Rights as Shareholder

Nothing contained in this Plan, in any Option Agreement or in any Option granted hereunder shall be deemed to give any Optionee any interest in or title to any Shares or any rights as a shareholder of the Company or any other legal or equitable right against the Company whatsoever other than as set forth in this Plan and pursuant to the exercise of any Option in accordance with the provisions of the Plan and the applicable Option Agreement.

ARTICLE 5 **AMENDMENT AND TERMINATION**

5.1 Amendment or Termination of Plan

The Board or Committee reserves the right to amend or terminate the Plan at any time if and when it is deemed advisable in the absolute discretion of the Board or Committee; provided, however, that no such amendment or termination shall adversely affect any outstanding Options granted under the Plan without the consent of the affected Optionee(s). Any amendment to the Plan shall also be subject to acceptance of such amendment or amended Plan for

filing by the TSXV, if applicable, and, where required by the TSXV, the approval of the shareholders of the Company.

5.2 Amendment of Outstanding Options

The Board or Committee may amend any outstanding Option granted under the Plan with the consent of the affected Optionee(s), if required, and the TSXV, if required, subject to the following conditions:

- (a) if the Optionee is an Insider at the time of the amendment, the Company must obtain Disinterested Shareholder Approval, unless the amendment relates to extending the length of the term of the Option or is otherwise permitted by the TSXV;
- (b) where an amendment is made to reduce the exercise price of an outstanding Option:
 - (i) if the exercise price is reduced to the Discounted Market Price, the hold period referred to in Section 4.4(a)(ii) shall apply from the date of amendment; and
 - (ii) at least six months shall have elapsed since the later of:
 - (A) the commencement of the term of the Option;
 - (B) the date the Shares commenced trading on the TSXV; and
 - (C) the date the Option exercise price was last amended; and
- (c) if the length of the Option Period of any Option is extended, any such extension shall be treated as a grant of a new Option and must comply with the pricing and other requirements of the TSXV Policies and the Option must have been outstanding for at least one year prior to the extension of the Option Period.

ARTICLE 6 **MISCELLANEOUS**

6.1 Securities Regulation

- (a) Where necessary to enable the Company to rely on an exemption from the requirement to register the Optioned Shares or to file a prospectus or use a registered dealer to distribute the Optioned Shares under securities laws applicable to the securities of the Company in any jurisdiction, an Optionee, upon the acquisition of any Optioned Shares by the exercise of an Option and as a condition to such exercise, shall provide to the Board or Committee such evidence as the Board or Committee requires to demonstrate that the Optionee or recipient will acquire such Optioned Shares with investment intent (i.e., for investment purposes) and not with a view to their Distribution, including an undertaking to that effect in a form acceptable to the Board or Committee. The Board or Committee may cause a legend or legends to be placed upon any certificates for the Optioned Shares to make appropriate reference to applicable resale restrictions and the Optionee or recipient shall be bound by such restrictions. The Board or Committee may also take such other action or require such other action or agreement by such Optionee or proposed recipient as may from time to time be necessary to comply with applicable securities laws. This provision shall in no way obligate the Company to undertake the registration or qualification of any Options or the Optioned Shares under any securities laws applicable to the securities of the Company.
- (b) Issuance, transfer or delivery of certificates for Optioned Shares acquired pursuant to the Plan may be delayed, at the discretion of the Board or Committee, until the Board or Committee is satisfied

that the requirements of applicable laws and regulations, and applicable rules of regulatory authorities, have been met.

6.2 Tax Withholding

- (a) Notwithstanding any other provisions of this Plan, the Company may, from time to time, implement such procedures and conditions as it determines appropriate with respect to the withholding and remittance of taxes imposed under applicable law or the funding of related amounts for which liability may arise under such applicable law (collectively, the "**Tax Obligations**"). Without limiting the generality of the foregoing, an Optionee who wishes to exercise an option must, in addition to following the procedures set out in any stock option agreement and elsewhere in this Plan, and as a condition of exercise:
 - (i) deliver a certified cheque, wire transfer or bank draft payable to the Company for the amount determined by the Company to be the appropriate amount on account of such Tax Obligations, or
 - (ii) otherwise ensure, in a manner acceptable to the Company (if at all) in its sole and unfettered discretion, that such amount will be made available to the Company on a secure and timely basis, and must in all other respects follow any related procedures and conditions imposed by the Company, failing which the Company shall not be obliged to honour the purported option exercise or issue certificates for Shares.
 - (iii) Without limiting the generality of the foregoing or limiting the Company's discretion under this Section 6.2, the Company may, at its option:
 - (A) accept the exercise of the options and withhold all or any number of Shares issued upon exercise of the options and deliver such number of Shares as it may determine to a broker or other selling agent for purposes of sale, or otherwise sell or transfer such Shares. In implementing any such sale or transfer, neither the Company nor any broker or selling agent shall be obligated to seek or obtain a minimum price or be liable for any loss arising out of any sale or transfer of such Shares (relating to the manner or timing of such sale or transfer, the terms or prices at which such Shares are sold or transferred, or otherwise). Any net proceeds derived therefrom shall in the first instance serve to satisfy the Tax Obligations and all related fees, interest or other obligations in respect thereof, and shall be available or made available to the Company for the purpose of satisfying the foregoing. Any shortfall in such net proceeds as required to satisfy such Tax Obligations and other amounts shall be to the account of the Optionee and (without limiting the Company's remedies available under law) may be recovered by the Company from the Optionee by way of set-off against any other amount or property then or thereafter owing by the Company to the Optionee in any capacity (whether salary or other remuneration, Shares or remaining Shares issued on exercise of options then otherwise to be issued, or in any other manner). Any net proceeds derived from a sale or other transfer of such Shares in excess of the amount determined by the Company to be the amount required to satisfy the Tax Obligations and related fees, interest or other obligations shall, together with any remaining Shares not so sold or transferred, also be for the account of the Optionee; or
 - (B) accept the exercise of the options if and provided that the Optionee and the Company have agreed to procedures, acceptable to the Company in its sole discretion, whereby a sale of Shares sufficient to satisfy the Tax Obligations and related amounts (as determined by the Company in its sole discretion) has been coordinated through a broker or sales agent (including such broker or sales agent acting for the Optionee) on a basis that:

- (1) obliges such broker or sales agent to retain and provide such amounts to the Company on a timely basis, and
- (2) does not oblige the Company to issue such optioned Shares except against payment and delivery of such amounts (and the amount of the option exercise price if not separately paid under Section 4.3.

6.3 Regulatory Acceptances

- (a) Upon listing of the Shares on the TSXV, the Plan is subject to the acceptance of the Plan for filing by the TSXV, and the Board or Committee is authorized to amend the Plan from time to time in order to comply with any changes required from time to time by such applicable regulatory authorities, whether as conditions to the acceptance for filing of the Plan or otherwise, provided that no such amendment will in any way derogate from the rights held by Optionees holding Options (vested or unvested) at the time thereof without the consent of such Optionees; and
- (b) The obligation of the Company to issue and deliver Optioned Shares pursuant to the exercise of any Options granted under the Plan is subject to the acceptance of the Plan for filing by the TSXV. If any Optioned Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such acceptance for filing, then the obligation of the Company to issue such Optioned Shares shall terminate and any amounts paid to the Company for such Optioned Shares shall be returned to the Optionee as soon as practicable without interest or deduction.

6.4 No Representation or Warranty

The Company makes no representation or warranty as to the future market value of Optioned Shares issued in accordance with the provisions of this Plan or to the effect of the *Income Tax Act* (Canada) or any other taxing statute governing the Options or the Optioned Shares issuable thereunder or the tax consequences to an Optionee. Compliance with applicable securities laws as to the disclosure and resale obligations of each Optionee is the responsibility of such Optionee and not the Company.

6.5 Other Compensation Arrangements

Nothing contained in the Plan shall prevent the Company or any of its Affiliates from adopting or continuing in effect other compensation arrangements (subject to shareholder approval if such approval is required by the TSXV) and such arrangements may be either generally applicable or applicable only in specific cases.

6.6 Financial Assistance

The Company is authorized, in its sole discretion, to provide financial assistance to Optionees to purchase Optioned Shares under this Plan, subject to applicable laws and the rules and policies of any securities regulatory authority, stock exchange or quotation system with jurisdiction over the Company or a trade in securities of the Company. Any financial assistance so provided will be repayable with full recourse and the term of any such financial assistance shall not exceed the term of the Option to which the financial assistance applies. Pursuant to the TSXV policies, financial assistance will not be in the form of a cash-less exercise feature while the Shares are listed on the TSXV.

6.7 Governing Law

The validity, construction and effect of the Plan, the grants of Options, the issue of Optioned Shares, any rules and regulations relating to the Plan or any Option Agreement, and all determinations made and actions taken pursuant to the Plan, shall be governed by and determined in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

6.8 **Severability**

If any provision of the Plan or any Option Agreement is or becomes or is deemed to be invalid, illegal or unenforceable in any jurisdiction or as to any person or Option, or would disqualify the Plan or any Option under any law deemed applicable by the Board or Committee, such provision shall be construed or deemed amended to conform to the applicable laws, or if it cannot be construed or deemed amended without, in the determination of the Board or Committee, materially altering the intent of the Plan or the Option, such provision shall be stricken as to such jurisdiction, person or Option and the remainder of the Plan and any such Option Agreement shall remain in full force and effect.

6.9 **Headings**

Headings are given to the sections of the Plan solely as a convenience to facilitate reference. Such headings shall not be deemed in any way material or relevant to the construction or interpretation of the Plan or any provision thereof.

Adopted by the Board: May 17, 2021

Approved by the Shareholders: June ●, 2021

**APPENDIX "A" to the Option Plan
Form of Option Agreement**

UNIVERSAL PROPTECH INC.

_____ [Date]

PERSONAL & CONFIDENTIAL

_____ [Name]

_____ [Address]

Dear _____ [Name]:

The Company's Amended and Restated Stock Option Plan (the "**Plan**") permits the Board of Directors to grant options to officers, employees and others whose contribution to the Company is significant. In recognition of your contribution to the Company and in order to permit you to share in enhanced values that you will help to create, the Board is pleased to grant to you an option (the "**Option**") to purchase Common Shares (the "**Shares**") of the Company. The granting and exercise of the Options and the issuance of the Shares are subject to the terms and conditions of the Plan, all of which are incorporated into and form an integral part of this Option Agreement. This letter and the Plan are referred to collectively below as the "**Option Documents**". All capitalized terms not otherwise defined shall have the meaning attributed to them in the Plan.

The total number of Shares that you may

purchase pursuant to this Option is: _____

The Option exercise price per Share is: _____

Your rights to purchase Shares will vest and expire as follows:

	Vesting Date	%	Expiry Date

Subject to earlier expiration in accordance with the Option Documents, your rights to purchase Shares pursuant to this Option will expire with respect to any vested portion at 11:59 p.m. (Toronto time), on the expiry date set out above for such vested Options.

This Option may be exercised in whole or in part in respect of vested Options at any time prior to expiry of the relevant Options, by delivery of written notice to the Company's head office to the attention of the Secretary of the Company, substantially in the form of Appendix "B" attached to the Plan, specifying the number of Shares to be purchased, accompanied by payment by bank draft or certified cheque of the total purchase price of the Shares.

By executing this Option Agreement, you confirm and acknowledge that you have not been induced to enter into this Option Agreement or acquire any Option by expectation of employment or continued employment with the Company. Nothing in the Option Documents will affect our right to terminate your services, responsibilities, duties and authority at any time for any reason whatsoever. Regardless of the reason for your termination, your Option rights will be restricted to those Option rights which have vested on or prior to your date of termination and, in any

claim for wrongful dismissal or breach of contract, no consideration will be given to any Options that might have vested during an appropriate notice period or as a result of additional compensation you may receive in place of that notice period.

All decisions made by the Board of Directors with regard to any questions arising in connection with the Option Documents, whether of interpretation or otherwise, will be binding and conclusive on all parties.

The Option rights granted to you are personal and may not be sold, pledged, transferred or encumbered in any way. There are restrictions on the transfer of Shares issued to you pursuant to the Plan. Complete details of the restrictions referred to in this letter are set out in the Plan.

The exercise of any Options pursuant to the Plan shall be subject to the Company's right to take such steps as it considers necessary or appropriate for the deduction or withholding of any income taxes or other amounts which the Company or any affiliate of the Company is required by any law or regulation of any governmental authority whatsoever to deduct or withhold in connection with any Share issued pursuant to the Plan.

Please acknowledge acceptance of your Option rights on these terms by signing where indicated below on the enclosed copy of this letter and returning the signed copy to the Company to the attention of the Secretary. By signing and delivering this copy, you are acknowledging receipt of a copy of the Plan and are agreeing to be bound by all of the terms of the Option Documents.

Yours truly,

UNIVERSAL PROPTECH INC.

By:

Authorized Signatory

I have read and agree to be bound by this letter and the Plan.

Name:

Signature

Address:

Witness Signature

Witness Name (printed):

**APPENDIX "B" to the Option Plan
Notice of Election to Exercise Option**

TO: UNIVERSAL PROPTECH INC. (the "Company")

Pursuant to the amended and restated stock option plan (the "**Plan**") adopted by the Company, the undersigned elects to purchase _____ common shares (the "**Shares**") of the Company, which are subject to the options granted on _____ 20____, and encloses a bank draft or personal cheque payable to the Company (or has otherwise arranged for electronic payment to the Company) in the aggregate amount of C\$_____, being C\$_____ per Share. The undersigned requests that the Shares be issued as follows in his, her or its name as follows in accordance with the terms of the Plan:

DATED this ____ day of _____, 20 ____.

Name of Optionee:

Signature:

Address:

Witness Signature:

Witness Name (Printed):

(Where the party exercising the Option is a trust, the trustee should execute this election)

(Where the party exercising the Option is a corporation, an officer or director should execute this election and the title should be entered)

EXHIBIT "B"
AUDIT COMMITTEE CHARTER

TERMS OF REFERENCE FOR THE AUDIT COMMITTEE

I. PURPOSE

The overall purpose of the audit committee (the "Committee") is to provide oversight of SustainCo Inc.'s (the "Corporation") financial management and the design and implementation of an effective system of internal financial controls, to review and report to the Board of Directors (the "Board") on the integrity of the financial statements of the Corporation, and to oversee, report, and make recommendations to the Board in respect of financial and non-financial risks faced by the Corporation.

II. PROCEDURES AND ORGANIZATION

- A. The Committee shall consist of at least three Board members, who are each financially literate .
- B. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the Committee's chair (the "Chair") and members of the Committee for the ensuing year. It is desirable that at least one member of the previous Committee be carried over to any newly constituted Committee. Any member may be removed from the Committee or replaced at any time by the Board and shall cease to be a member of the Committee upon ceasing to be a director of the Board.
- C. The Corporate Secretary of the Corporation shall be the secretary of the Committee (the "Secretary"), unless otherwise determined by the Committee.
- D. In the absence of the Chair or Secretary at any meeting of the Committee, the members present at the meeting shall appoint one of their members to act as chair of the Committee meeting and shall designate any director, officer or employee of the Corporation to act as secretary.
- E. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak to and hear each other.
- F. The Committee shall have access to such officers and employees of the Corporation, to the Corporation's independent auditors, and to such information and records of the Corporation as it considers necessary or advisable in order to perform its duties and responsibilities.
- G. Meetings of the Committee shall be conducted as follows:
 - (i) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the Chair, one of which shall be to review the annual financial statements of the Corporation and three of which shall be to review the interim financial statements of the Corporation. Notice of meetings shall be given to each member not less than 24 hours before the time of the meeting. However, meetings of the Committee may be held without formal notice if all the members are present and do not object to notice not having been given, or if those absent waive notice in any manner before or after the meeting.
 - (ii) notice of meeting may be given verbally or by letter, facsimile, email or telephone and need not be accompanied by an agenda or any other material. The notice shall specify the purpose of the meeting;

- (iii) the independent auditors shall receive notice of and be entitled to attend all meetings of the Committee; and
 - (iv) management representatives shall be invited to attend meetings as determined by the Committee, with the exception of those meetings deemed by the Committee as executive sessions and private sessions with the independent auditors.
- H. The independent auditors shall have a direct line of communication to the Committee through its Chair. The Committee, through its Chair, may contact an employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper practices or transactions.
 - I. The Committee shall take to the Board at its next regular meeting all such action it has taken since the previous report.
 - J. The Chair shall call and convene a meeting of the Committee at the request of the Chief Executive Officer, a member of the Committee, or the independent auditors of the Corporation.
 - K. Any matter to be voted upon shall be decided by a majority of the votes cast on the question. In the case of an equality of votes, the Chair shall be entitled to a second or the deciding vote.

III. DUTIES AND RESPONSIBILITIES

- A. The general duties and responsibilities of the Committee shall be as follows:
 - (i) to review the annual (consolidated) financial statements of the Corporation, including the notes and management discussion and analysis thereto, and recommend whether such financial statements should be approved by the Board;
 - (ii) to assist the Board in the discharge of its fiduciary responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls;
 - (iii) to provide oversight of the management of the Corporation in designing, implementing and maintaining an effective system of internal controls; and
 - (iv) to report regularly to the Board on the fulfillment of its duties and responsibilities.
- B. The duties and responsibilities of the Committee as they relate to the independent auditors shall be as follows:
 - (i) to recommend to the Board a firm of auditors, established by the Committee to be independent, for recommendation to the shareholders of the Corporation for appointment by the Corporation;
 - (ii) to review the fee, scope and timing of the audit and other related services rendered by the independent auditors and recommend to the Board the compensation of the independent auditors;
 - (iii) to pre-approve all non-audit services to be provided to the Corporation by the independent auditors or, alternatively, to adopt specific policies and procedures for the engagement of non-audit services; and
 - (iv) to provide oversight of the work of the independent auditors and then to review with the independent auditors, upon completion of their audit:

- (a) contents of their report;
- (b) scope and quality of the audit work performed;
- (c) adequacy of the Corporation's financial and auditing personnel;
- (d) cooperation received from the Corporation's personnel during the audit;
- (e) internal resources used;
- (f) significant transactions outside of the normal business of the Corporation;
- (g) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems;
- (h) the non-audit services provided by the independent auditors; and
- (i) "management" letters and recommendations and management's response and follow-up of any identified issues or weaknesses.

C. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation shall be:

- (i) to review the appropriateness of the Corporation's policies and practices with respect to internal auditing, insurance, accounting and financial controls, including through discussions with the Chief Executive Officer and Chief Financial Officer;
- (ii) to review any unresolved issues between management and the independent auditors that could affect financial reporting or internal controls of the Corporation;
- (iii) to review the appropriateness and soundness of the Corporation's procedures for the review of the Corporation's disclosure of financial information extracted or derived from its financial statements;
- (iv) to establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters;
- (v) to establish procedures for the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters; and
- (vi) to periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the staff or by the independent auditors have been implemented.

D. The duties and responsibilities of the Committee as they relate to risk management shall be:

- (i) to inquire of management and the dependent auditor about significant business, political, financial and control risk or exposure to such risk;
- (ii) to document the material risks that the corporation faces and update as events change and risks shift;
- (iii) to assess the steps management has taken to control identified risks to the Corporation, such as the use of hedging and insurance;

- (iv) to review, at least annually, and more frequently if necessary, the Corporation's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks);
- (v) to submit risk reports to the board and the independent auditors;
- (vi) to review the following with management, with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:
 - (a) management's tolerance for financial risks;
 - (b) management's assessment of significant financial risks facing the Corporation; and
 - (c) the Corporation's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks; and
- (vii) to review with the Corporation's counsel legal matters which could have a material impact on the financial statements.

E. Other responsibilities of the Committee shall be:

- (i) to review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and the associated management discussion and analysis;
- (ii) to review, appraise and report to the Board on difficulties and problems with regulatory agencies which are likely to have a significant financial impact;
- (iii) to review any earnings press releases before the Corporation publicly discloses such information;
- (iv) to review the appropriateness of the accounting policies used in the preparation of the Corporation's financial statements, and consider recommendations for any material change to such policies;
- (v) to review and approve the hiring policies of the Corporation regarding employees and former employees of the present and former independent auditors of the Corporation;
- (vi) to review with the Corporation's counsel legal matters which could have a material impact on the financial statements;
- (vii) to determine that the Corporation has implemented adequate internal controls to ensure compliance with legal, ethical and regulatory requirements and that these controls are operating effectively; and
- (viii) to develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board.

F. In the carrying out of its responsibilities, the Committee has the authority:

- (i) to engage independent counsel and other advisors at the expense of the Corporation, as may be appropriate in the determination of the Committee;
- (ii) to set and pay the compensation for any advisors employed by the Committee; and

(iii) to communicate directly with the internal and external auditors.

- G. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services, so long as the pre-approval is presented to the full Committee at its first scheduled meeting following such pre-approval.

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