



**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.  
NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

**NOTICE IS HEREBY GIVEN THAT** the Annual General and Special Meeting of the shareholders of Bee Vectoring Technologies International Inc. (the "**Company**") will be held on Thursday, March 3, 2016, at the offices of Chitiz Pathak LLP, located at 320 Bay Street, Suite 1600, Toronto, Ontario M5H 4A6 at 11:00 a.m. (Eastern Time) for the following purposes:

1. to receive the audited financial statements of the Company for the fiscal year ended September 30, 2015, together with the auditors' report thereon;
2. to fix the number of directors at four (4).
3. to elect the directors for the ensuing year;
4. to appoint the auditor for the ensuing year and to authorize the directors to fix the remuneration to be paid to the auditor;
5. to consider and, if thought advisable, to pass an ordinary resolution approving the Company's stock option plan;
6. to approve by special resolution the continuation of the Company from the *Business Corporations Act* (British Columbia) to the Business Corporations Act (R.S.O. 1990, c.B.16) ("OBCA"), and to adopt a new By-Law No. 1 for the Company, as described in the accompanying Management Information Circular; and
7. to transact such other business as may be properly brought before the Meeting and any adjournments thereof.

The accompanying Management Information Circular provides additional information relating to the matters to be dealt with at the meeting and is deemed to form part of this notice.

**A shareholder entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote in his stead. If you are unable to attend the Meeting in person, please read the Notes accompanying the Instrument of Proxy enclosed and then complete and return the Proxy within the time set out in the Notes. As set out in the Notes, the enclosed Instrument of Proxy is solicited by Management, but you may amend it, if you so desire, by striking out the names listed therein and inserting in the space provided the name of the person you wish to represent you at the Meeting.**

**DATED** at Toronto, Ontario, the 28<sup>th</sup> day of January, 2016.

**BY ORDER OF THE BOARD**

*"Michael Collinson"*

**President and Chief Executive Officer**

## **BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

Suite 480, 789 West Pender Street  
Vancouver, B.C. V6C 1H2  
Phone: 604-638-8063  
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### **INFORMATION CIRCULAR**

(As at January 28, 2016, except as indicated)

Bee Vectoring Technologies International Inc. (the “**Company**”) is providing this Information Circular and a form of proxy in connection with management's solicitation of proxies for use at the annual general and special meeting (the “**Meeting**”) of the Company to be held on Thursday, March 3, 2016, at 11am EST and at any adjournments. The Company will conduct its solicitation by mail and officers and employees of the Company may, without receiving special compensation, also telephone or make other personal contact. The Company will pay the cost of solicitation.

#### **NOTICE-AND-ACCESS**

The Company is not sending this Information Circular to registered or non-registered (beneficial) shareholders using “notice-and-access” as defined under NI 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*.

#### **APPOINTMENT OF PROXYHOLDER**

The purpose of a proxy is to designate persons who will vote the proxy on a shareholder's behalf in accordance with the instructions given by the shareholder in the proxy. The persons whose names are printed in the enclosed form of proxy are officers or directors of the Company (the “**Management Proxyholders**”).

**A shareholder has the right to appoint a person other than a Management Proxyholder, to represent the shareholder at the Meeting by striking out the names of the Management Proxyholders and by inserting the desired person's name in the blank space provided or by executing a proxy in a form similar to the enclosed form. A proxyholder need not be a shareholder.**

#### **VOTING BY PROXY**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting.** Shares represented by a properly executed proxy will be voted or be withheld from voting on each matter referred to in the Notice of Meeting in accordance with the instructions of the shareholder on any ballot that may be called for and if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly.

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

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

#### **COMPLETION AND RETURN OF PROXY**

Completed forms of proxy must be deposited at the office of the Company's registrar and transfer agent, TMX Equity Transfer Services, by mail at 200 University Ave., Suite 300, Toronto, Ontario, M5H 4H1, Facsimile (416) 595-9593 or through internet voting as stated on the proxy not later than forty-eight (48) hours, excluding Saturdays, Sundays and holidays, prior to the time of the Meeting, unless the chairman of the Meeting elects to exercise his discretion to accept proxies received subsequently.

## NON-REGISTERED HOLDERS

**Only shareholders whose names appear on the records of the Company as the registered holders of shares or duly appointed proxyholders are permitted to vote at the Meeting.** Most shareholders of the Company are "non-registered" shareholders because the shares they own are not registered in their names but instead registered in the name of a nominee such as: a brokerage firm through which they purchased the shares; a bank, trust company, trustee or administrator of self-administered RRSP's, RRIF's, RESP's and similar plans; or a clearing agency such as The Canadian Depository for Securities Limited (a "**Nominee**"). If you purchased your shares through a broker, you are likely a non-registered holder.

In accordance with securities regulatory policy, the Company has distributed copies of the Meeting materials, being the Notice of Meeting, this Information Circular and the form of proxy, to the Nominees for distribution to non-registered holders.

Nominees are required to forward the Meeting materials to non-registered holders to seek their voting instructions in advance of the Meeting. Shares held by Nominees can only be voted in accordance with the instructions of the non-registered holder. The Nominees often have their own form of proxy, mailing procedures and provide their own return instructions. If you wish to vote by proxy, you should carefully follow the instructions from the Nominee in order that your shares are voted at the Meeting.

If you are a non-registered holder and wish to vote at the Meeting in person, you should appoint yourself as proxyholder by writing your name in the space provided on the request for voting instructions or proxy provided by the Nominee and return the form to the Nominee in the envelope provided. Do not complete the voting section of the form as your vote will be taken at the Meeting.

In addition, Canadian securities legislation permits the Company to forward meeting materials directly to "non objecting beneficial owners". These securityholder materials are being sent to both registered and non-registered holders. If you are a non-registered holder, and the Company or its agent has sent these materials directly to you (instead of through a Nominee), your name and address and information about your holdings of securities have been obtained in accordance with applicable securities regulatory requirements from the Nominee holding on your behalf. By choosing to send these materials to you directly, the Company (and not the Nominee holding on your behalf) has assumed responsibility for (i) delivering these materials to you and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

## REVOCABILITY OF PROXY

Any registered shareholder who has returned a proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a registered shareholder, his attorney authorized in writing or, if the registered shareholder is a Company, a Company under its corporate seal or by an officer or attorney thereof duly authorized, may revoke a proxy by instrument in writing, including a proxy bearing a later date. The instrument revoking the proxy must be deposited at the registered office of the Company, at any time up to and including the last business day preceding the date of the Meeting, or any adjournment thereof, or with the chairman of the Meeting on the day of the Meeting. **Only registered shareholders have the right to revoke a proxy. Non-registered holders who wish to change their vote must, at least 7 days before the Meeting, arrange for their Nominees to revoke the proxy on their behalf.**

## VOTING SHARES AND PRINCIPAL HOLDERS THEREOF

The Company is authorized to issue an unlimited number of common shares without par value (the "**shares**"), of which **44,962,605** shares are issued and outstanding as of January 28, 2016. Persons who are registered shareholders at the close of business on January 28, 2016 will be entitled to receive notice of and vote at the Meeting and will be entitled to one vote for each share held.

To the knowledge of the directors and officers of the Company, no person beneficially owns, as of the date hereof, directly or indirectly, or exercises control or direction over, more than 10% of the Company's Common Shares other than the following:

Name	Number of Common Shares	Percentage of Common Shares
Lorraine Collinson	7,111,111 <sup>(1)</sup>	15.82%
CDS&Co.	21,034,886 <sup>(2)</sup>	46.78%

Notes:

- (1) Lorraine Collinson is an “associate” (as such term is defined in applicable securities laws) of Michael Collinson, who is the CEO and a director of the Company.
- (2) The Company is not aware of the beneficial ownership of the Common Shares held by this financial intermediary.

## ELECTION OF DIRECTORS

The directors of the Company are elected at each annual general meeting and hold office until the next annual general meeting or until their successors are elected or appointed. In the absence of instructions to the contrary, the enclosed proxy will be voted by the Management Proxyholders for the nominees herein listed.

Shareholders’ approval will be sought at the Meeting to fix the number of Directors at four (4).

The board of directors of the Company (the “**Board**”) has an Audit Committee and a Compensation Committee, the members of each of which are set out below.

Management of the Company proposes to nominate each of the following persons for election as a director. Information concerning such persons, as furnished by the individual nominees, is as follows:

Name, Province and Country of Residence, and Position with the Company	Principal Occupation or employment and, if not a previously elected Director, occupation during the past 5 years	Previous Service as a Director	Number of Common Shares Beneficially Owned, Controlled or Directed, Directly or Indirectly
<b>Michael Collinson</b> <sup>(1)</sup> Ontario, Canada <i>President, Chief Executive Officer, and Director</i>	President, CEO and Director of the Company Director of Chelsian Sales & Marketing Inc.	Since June 30, 2015	2,858,359 <sup>(4)</sup> (6.36%)
<b>Jim Molyneux</b> <sup>(1)(2)(3)</sup> Ontario, Canada <i>Director</i>	Chartered Accountant and Regional Managing Partner for GTA West of MNP LLP (Toronto)	June 30, 2015	2,042,659 <sup>(5)</sup> (4.54%)
<b>Claude Flueckiger</b> Basel, Switzerland <i>Director</i>	Consultant at Flueckiger Consulting  From 2004 to May 2015 - Global Research and Development Leader, Controls, Lawn and Garden, Syngenta AG	Since June 30, 2015	Nil <sup>(6)</sup>
<b>Michael Walkinshaw</b> <sup>(1)</sup> British Columbia, Canada <i>Director</i>	CEO of Timia Capital Corp. Former Managing director and co-founder, Fronterra Ventures, CFO.	Since June 30, 2015	Nil <sup>(7)</sup>

Notes:

- (1) Member of the Audit Committee.
- (2) Chair of the Audit Committee.
- (3) Member of the Compensation Committee.

- (4) Of these shares, 1,224,230 are held through Chelsian Sales & Marketing Inc., a company controlled by Mr. Collinson. Mr. Collinson also holds 600,000 options exercisable for common shares of the Company. Lorraine Collinson, an “associate” (as such term is defined in applicable securities laws) of Michael Collinson, holds 7,111,111 Common Shares being 15.82% of the issued and outstanding Common Shares.
- (5) Of these shares 112,500 are held through Pengally Bay Investments Inc., a company controlled by Mr. Molyneux. Mr. Molyneux also holds 320,000 options exercisable for common shares of the Company.
- (6) Mr. Flueckiger holds 520,000 options exercisable for common shares of the Company.
- (7) Mr. Walkinshaw holds 320,000 options exercisable for common shares of the Company.

The following are brief biographies of each of the proposed directors:

Michael Collinson – *Chief Executive Officer/President/Chairman/Director* – Mr. Collinson has 35 years of experience in managing companies in Canada, USA, and Europe and has extensive experience in manufacturing processes, marketing, design, engineering and development. He has worked international sourcing programs with global companies and developed business in Europe, China and North America as both an owner and executive of companies including Chelsian Sales and Marketing Inc.

Jim Molyneux – *Director* – Mr. Molyneux, a Chartered Accountant since 1983, is the Regional Managing Partner for GTA West of MNP LLP (Toronto), an accounting firm advising on mergers and acquisitions, corporate finance, taxation and related matters, and was a partner with the accounting firm MSCM LLP prior to and until its merger with MNP LLP. Mr. Molyneux received an MBA degree from the University of Windsor in 1981.

Michael Walkinshaw – *Director* – Mr. Walkinshaw has over 13 years of experience in venture capital markets with expertise in product and program management, strategy and planning, and marketing. From 2013 to 2015, Mr. Walkinshaw was managing director and co-founder at Fronterra Ventures, a venture capital firm focused on oil and gas technology investing in Vancouver and Calgary. From 2002 to 2013, Mr. Walkinshaw was Managing Director of Chrysalix Energy Venture Capital, a venture capital fund focused on clean energy. Mr. Walkinshaw has sat on the boards of many private technology companies throughout North America, including LL Chemicals, Akermin, and H2Scan and is currently CEO of Timia Capital Corp. (TSXV). Mr. Walkinshaw received his Bachelors of Commerce, Finance from the University of British Columbia in 1990, and became a Chartered Professional Accountant in 1993.

Claude Flueckiger – *Director* – Mr. Flueckiger has extensive experience in the agriculture industry and particularly in crop protection, and has held global commercial and technical leadership roles in the industry. Mr. Flueckiger is currently the principal for Flueckiger Consulting. Prior to commencing his consultant firm, Mr. Flueckiger acted as the Global Research and Development Leader, Controls, Lawn and Garden, for Syngenta AG (“Syngenta”) until September 2015. Mr. Flueckiger has successfully developed and implemented innovative Go-to-Market strategies for products and solutions that became large Syngenta businesses. Before his current role at Syngenta, he held various posts within Syngenta and was also Director of Crop Management, Fruits & Vegetables at Novartis in the USA, and Global Head of Product Management, Insecticides, Vegetables at Ciba. Mr. Flueckiger obtained a Ph.D. in Entomology from the Swiss Federal Institute of Technology (ETH) in 1982, and a Diploma in Agronomy in 1977.

To the knowledge of the Company none of the directors or executive officers of the Company is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company that:

- a) was subject to an Order (as defined below) that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer; or
- b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer.

“Order” means a cease trade order, an order similar to a cease trade order, or an order that denied the relevant company access to any exemption under securities legislation and, in each case, that was in effect for a period of more than 30 consecutive days.

In addition, to the knowledge of the Company none of the directors or executive officers of the Company or any shareholder of the Company holding a sufficient number of securities to affect materially the control of the Company:

- a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- b) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director; or
- c) has been subject to:
  - i. any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
  - ii. any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

**Management of the Company recommends that shareholders vote in favour of the recommended directors. You can vote for all of these directors, vote for some of them and withhold for others, or withhold for all of them. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the election of each of the proposed nominees set forth above as directors of the Company.**

The following directors of the Company hold directorships in other reporting issuers (or the equivalent in a foreign jurisdiction) as set out below:

<i>Name of Director</i>	<i>Name of Other Reporting Issuer</i>
Michael Walkinshaw	Timia Capital Corp. (TSXV)

## **EXECUTIVE COMPENSATION**

### **Named Executive Officers**

Pursuant to applicable securities regulations, the Company must disclose the compensation paid to its “**Named Executive Officers**” (or “**NEOs**”). This includes the Company’s Chief Executive Officer, the Company’s Chief Financial Officer and the other three most highly compensated executive officers provided that disclosure is not required for those executive officers, other than the Chief Executive Officer and Chief Financial Officer, whose total compensation did not exceed \$150,000 in the most recently completed financial year.

On June 30, 2015, the Company completed a Reverse Takeover (as such term is defined in Policy 5.2 of the Corporate Finance Manual of the TSX Venture Exchange) with Bee Vectoring Technology Inc. (“**Original BVT**”) whereby the Company: i) consolidated its Common Shares on the basis of 1 new Common Share for every 2.4 Common Shares issued and outstanding (the “**Consolidation**”), ii) issued common shares in exchange for all of the issued and outstanding common shares of Original BVT, and iii) changed its name to “Bee Vectoring Technologies International Inc.” (the “**RTO**”). Prior to closing the RTO, the NEOs of the Company were Gary Freeman, Chief Executive Officer, and Darryl Cardey, Chief Financial Officer. Upon closing of the RTO, the NEO’s of Company became Michael Collinson, Chief Executive Officer, and Kyle Appleby, Chief Financial Officer.

## Director and NEO Compensation, Excluding Compensation Securities

The following table sets forth all annual and long term compensation for services in all capacities to the Company for the two most recently completed financial years of the Company in respect of each of the NEOs and the directors both pre and post RTO.

Table of Compensation Excluding Compensation Securities							
Name and Position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or Meeting fees (\$)	Value of Perquisites (\$)	Value of all Other Compensation (\$)	Total Compensation (\$)
Gary Freeman <sup>(1)</sup> <i>CEO, Director</i>	2015 2014	10,000 Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	10,000 <sup>(1)</sup> Nil
Darryl Cardey <sup>(2)</sup> <i>CFO Director</i>	2015 2014	Nil Nil	Nil Nil	Nil Nil	Nil Nil	74,300 <sup>(3)</sup> Nil	74,300 Nil
Cale Moodie <sup>(4)</sup> <i>Director</i>	2015 2014	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
James Dawson <sup>(5)</sup> <i>Director</i>	2015 2014	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil	Nil Nil
Michael Collinson <sup>(6)</sup> <i>CEO Director</i>	2015 2014	11,875 N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	11,875 N/A
Kyle Appleby <sup>(7)</sup> <i>CFO</i>	2015 2014	7,500 N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	7,500 N/A
Jim Molyneux <sup>(8)</sup> <i>Director</i>	2015 2014	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Claude Flueckiger <sup>(9)</sup> <i>Director</i>	2015 2014	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A
Michael Walkinshaw <sup>(10)</sup> <i>Director</i>	2015 2014	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A	N/A N/A

Notes:

- (1) Mr. Freeman resigned as CEO upon closing of the RTO on June 30, 2015. Mr. Freeman received no compensation for his role as a director or officer of the Company. Fees for Mr. Freeman's services as a consultant for financial and corporate advisory matters with respect to the RTO were paid to him through GRF Consulting Corp., a company controlled by Gary Freeman.
- (2) Mr. Cardey resigned as CFO upon closing of the RTO on June 30, 2015. Mr. Cardey received no compensation for his role as a director.
- (3) Fees paid to CDM Capital Partners Inc., a private company owned one third by Mr. Cardey, for consulting services, accounting, rent, and administration fees.
- (4) Mr. Moodie resigned as a director upon closing of the RTO on June 30, 2015.
- (5) Mr. Dawson resigned as a director upon closing of the RTO on June 30, 2015.
- (6) Mr. Collinson was appointed CEO and to the Board upon closing of the RTO on June 30, 2015. This amount was paid to Mr. Collinson in respect of Mr. Collinson's role as CEO and he received no fees in respect of his role as a director.
- (7) Mr. Appleby was appointed CFO upon closing of the RTO on June 30, 2015. Fees for Mr. Appleby's services as CFO are paid to him through CFO Advantage Inc., a company he controls.
- (8) Mr. Molyneux was appointed to the Board upon closing of the RTO on June 30, 2015.
- (9) Mr. Flueckiger was appointed to the Board upon closing of the RTO on June 30, 2015.
- (10) Mr. Walkinshaw was appointed to the Board upon closing of the RTO on June 30, 2015.

## External Management Companies

Management functions of the Company are performed by the directors or executive officers of the Company. Consideration for the services of certain directors and officers is paid through companies controlled by those directors and officers, as described in the above chart.

## Stock Options

The following table sets forth information concerning all awards outstanding under incentive plans of the Company granted during the Company's most recently completed financial year, to each of the NEOs and each of the directors of the Company:

Compensation Securities							
Name and Position	Type of Compensation Security	Number of Compensation Securities, Number of Underlying Securities, and Percentage of Class	Date of issue or grant date	Issue, conversion or exercise price (\$)	Closing price of the underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Gary Freeman <sup>(1)</sup> <i>CEO Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Darryl Cardey <sup>(2)</sup> <i>CFO Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cale Moodie <sup>(3)</sup> <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
James Dawson <sup>(4)</sup> <i>Director</i>	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Michael Collinson <i>CEO Director</i>	Options	600,000 18%	July 6, 2015	\$0.25	N/A <sup>(5)</sup>	0.36	July 6, 2020
Kyle Appleby <sup>(6)</sup> <i>CFO</i>	Options	N/A	N/A	N/A	N/A	N/A	N/A
Jim Molyneux <i>Director</i>	Options	320,000 10%	July 6, 2015	\$0.25	N/A <sup>(5)</sup>	0.36	July 6, 2020
Claude Flueckiger <sup>(7)</sup> <i>Director</i>	Options	320,000 10%	July 6, 2015	\$0.25	N/A <sup>(5)</sup>	0.36	July 6, 2020
Michael Walkinshaw <i>Director</i>	Options	320,000 10%	July 6, 2015	\$0.25	N/A <sup>(5)</sup>	0.36	July 6, 2020



Notes:

- (1) No options were granted to Mr. Freeman in the most recently completed financial year. At September 30, 2015 Mr. Freeman held a total of 145,833 options (post-Consolidation) to purchase Common Shares, with an exercise price of \$0.36 per share and an expiry of June 30, 2016. Effective September 28, 2015, the expiry date of these options were extended from September 28, 2015 to June 30, 2016 to reflect Mr. Freeman's ongoing relationship with the Company.
- (2) No options were granted to Mr. Cardey in the most recently completed financial year. At September 30, 2015 Mr. Cardey held a total of 70,208 options (post-Consolidation) to purchase Common Shares, with an exercise price of \$0.36 per share and an expiry of June 30, 2016. Effective September 28, 2015, the expiry date of these options were extended from September 28, 2015 to June 30, 2016 to reflect Mr. Cardey's ongoing relationship with the Company.
- (3) No options were granted to Mr. Moodie in the most recently completed financial year. On closing of the RTO, Mr. Moodie held a total of 41,667 options (post-Consolidation) to purchase Common Shares, with an exercise price of \$0.36 per share and these options expired unexercised on September 28, 2015.
- (4) No options were granted to Mr. Dawson in the most recently completed financial year. At September 30, 2015 Mr. Dawson held a total of 41,667 options to purchase common shares, with an exercise price of \$0.36 per share and these options expired unexercised on September 28, 2015.
- (5) Trading in Common Shares of the Company was halted pending completion of the RTO and the shares remained halted on the date of grant. The last trading price of the pre – Consolidation Common Shares prior to announcement of the RTO on March 12, 2015 was \$0.11. Common Shares issued pursuant to the Company's private placement in connection with the RTO were issued at a price of \$0.25 per share.
- (6) Mr. Appleby was granted 75,000 options to purchase Common Shares on November 16, 2015, with each such option having an exercise price of \$0.43 and an expiry date of November 16, 2020. These options were fully vested on the date of grant.
- (7) Mr. Flueckiger was granted 200,000 options to purchase Common Shares on November 16, 2015, with each such option having an exercise price of \$0.43 and an expiry date of November 16, 2020. These options were fully vested on the date of grant.

None of the Directors or NEOs of the Company exercised any of their incentive stock options during the financial year ended September 30, 2015.

### **Incentive Stock Option Plan**

The board of directors of the Company implemented and adopted a stock option plan (the “**Stock Option Plan**”) effective November 17, 2011, which was subsequently approved by the TSX Venture Exchange (the “**TSXV**”) and the Company's shareholders. The number of common shares which may be issued pursuant to options previously granted and those granted under the Stock Option Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. Under TSXV policy, all such “rolling” stock option plans must be approved and ratified by shareholders on an annual basis.

The purpose of the Stock Option Plan is to attract and motivate directors, senior officers, employees, management company employees and consultants (collectively, the “**Optionees**”) and to give such persons, as additional compensation, the opportunity to participate in the success of the Company. Under the Stock Option Plan, options are exercisable over periods of up to 10 years as determined by the Company's board of directors and are required to have an exercise price no less than the closing market price of the Company's common shares on the trading day immediately preceding the day on which the Company announces the grant of options (or, if the grant is not announced, the closing market price prevailing on the day that the option is granted), less the applicable discount, if any, permitted by the policies of the TSXV and approved by the Company's board of directors. The number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis (without shareholder approval) or 2% if the optionee is engaged in investor relations activities or is a consultant. The Stock Option Plan contains no vesting requirements, but permits the Company's board of directors to specify a vesting schedule in its discretion, subject to the minimum vesting requirements of the TSXV, if any.

The Stock Option Plan provides that, on the death or disability of an option holder, all vested options will expire at the earlier of 365 days after the date of death or disability and the expiry date of such options. Where an optionee is terminated for cause, any outstanding options (whether vested or unvested) are cancelled as of the date of termination. If an optionee retires or voluntarily resigns or is otherwise terminated by the Company other than for cause, then all vested options held by such optionee will expire at the earlier of: (i) the expiry date of such options, and (ii) the date which is 90 days (30 days if the optionee was engaged in investor relations activities) after the optionee ceases its office, employment or engagement with the Company.

The full text of the Stock Option Plan is available for viewing up to the date of the Meeting at the Company's registered and records office Suite 800, 789 West Pender Street, Vancouver, British Columbia and will also be available for review at the Meeting.

The Company's current stock option plan has been used to provide share purchase options which are granted in

consideration of the level of responsibility of the executive as well as his or her impact or contribution to the longer-term operating performance of the Company. In determining the number of options to be granted to the executive officers, the Board takes into account the number of options, if any, previously granted to each executive officer, and the exercise price of any outstanding options to ensure that such grants are in accordance with the policies of the TSXV and closely align the interests of the executive officers with the interests of shareholders.

The Board has the responsibility to administer the compensation policies related to the executive management of the Company, including option-based awards.

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

The Company entered into consulting agreements pursuant to which it paid, during the most recently completed financial year an aggregate of \$10,000 to GRF Consulting Corp. (a company controlled by Gary Freeman) in consideration for Mr. Freeman's services as a consultant advising on corporate and finance matters related to the Company's RTO. The Company also paid \$74,300 to CDM Capital Partners Inc. (a private company of which Mr. Cardey owns one third), as consulting, accounting, rent and office and administrative fees. Following closing of the RTO, the Company entered into the following agreements:

- a) effective July 1, 2015, the Company entered into a consulting agreement with CFO Advantage Inc. (a company owned by Kyle Appleby, the Chief Financial Officer of the Company), and pursuant to the agreement the Company will pay CFO Advantage Inc. a monthly fee of \$2,500 for the services of the Chief Financial Officer; and
- b) effective July 1, 2015, the Company entered into an executive employment agreement with Michael Collinson for his services as Chief Executive Officer of the Company (the "**Executive Agreement**"). Pursuant to the Executive Agreement, Mr. Collinson is entitled to a base salary of \$135,000 per year and he is eligible for a bonus from time to time in the discretion of the board of directors of the Company. During the first 18 months of the Executive Agreement (beginning on the first day of trading of the Company on the TSXV to December 31, 2016) should the Company acquire revenues of \$1 million or greater during such period a one-time bonus of 60% of Mr. Collinson's base salary (being \$81,000) shall be payable to Mr. Collinson within 45 days of the Company reaching such revenue. The Executive Agreement also entitles Mr. Collinson to receive a payment equal to 24 months of his annual base salary upon termination of his position due to: a change of control of the Company coupled with "Good Reason" (generally, any event or action which would constitute, constructive dismissal at Common Law), or upon three months' notice from Mr. Collinson to the Company.

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

The objective of the Company's compensation program is to compensate the directors and NEOs for their services to the Company at a level that is both in line with the Company's fiscal resources and competitive with companies at a similar stage of development, although no formal benchmark group of companies is established.

Pursuant to the Company's Compensation Committee Charter, the Compensation Committee determines the director and NEO compensation and reviews such compensation annually. The primary objectives of the Company's executive compensation program are to attract, motivate and retain highly qualified management and employees and align the compensation of executive office and other employees with the interests of the Company's Shareholders.

When determining executive compensation, the Compensation Committee will review the compensation policies of companies engaged in the industry and of a similar size and development stage. Although the Company has not obtained any industry reports regarding compensation, at the appropriate time the Board will review publicly available information with respect to compensation paid to the executives of similar size and stage companies.

Compensation for the NEOs is comprised of three components: base salary, long-term incentives in the form of Options granted under the Stock Option Plan and cash bonuses. Fees paid to Kyle Appleby as CFO, and Michael Collinson's salary and bonus amounts are all as described in the section "*Employment, Consulting and Management Agreements*" herein. These components support the Company's growth strategy and compensation objectives.

In setting the base compensation levels for NEOs, consideration is given to objective factors such as the level of responsibility, experience and expertise, as well as subjective factors such as leadership and contribution to corporate

performance. Compensation is reviewed annually and adjustments may be made based upon corporate and personal performance, market conditions and the level of responsibility attributed to specific executives.

#### *Base Salary*

Salaries provide a fixed level of regularly paid cash compensation for performing day-to-day responsibilities. Base salaries are reviewed annually and take into account the market value of the role and the NEOs demonstration of capability. In reviewing base salaries factors such as the individual's experience and contribution, general market conditions and competition for qualified personnel are taken into account.

#### *Option-Based Awards*

Option-based awards provide incentive compensation that rewards long term performance by allowing Option holders to participate in the long term market appreciation of the Common Shares.

The allocation of Options has been, and continues to be, a key component of the compensation for the Corporation's NEOs, other executive team members and employees. The Corporation believes that the Option grants motivate achievement of the Corporation's long term strategic objectives while aligning the interests of management with those of Shareholders.

Participation in the Corporation's Option Plan is granted at levels which the Board believes are reasonable in light of performance of the Corporation under the leadership of the executive officers. The Corporation does not have a program or regular annual grant of Options. When determining Options to be allocated, a number of factors are considered, including the number of outstanding Options held by an individual, the value of such Options, and the total number of Options available for granting.

The Corporation also uses the grant of Options in recruiting new employees.

#### *Bonuses*

From time to time the Company may award cash bonuses to reward exceptional service. Bonuses are paid at the discretion of the Compensation Committee based upon the achievement of individual and corporate performance, with those two criteria being weighted equally for the purpose of the assessment.

#### **Pension Plan Benefits**

The Company does not have a pension plan that provides for payments or benefits to the Named Executive Officers at, following, or in connection with retirement.

#### **Securities Authorized for Issuance Under Equity Compensation Plans**

The following table sets forth the Company's compensation plans under which equity securities are authorized for issuance as at the end of the most recently completed financial year.

<b>Plan Category</b>	<b>Number of Securities to be issued upon Exercise of Outstanding Options, Warrants and Rights</b>	<b>Weight-average exercise price of Outstanding Options, Warrants and Rights</b>	<b>Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a))</b>
<i>Equity Compensation Plans Approved by Securityholders</i>	3,267,433	\$0.26	812,602
<i>Equity Compensation Plans not Approved by Securityholders</i>	N/A	N/A	N/A
<i>Total</i>	3,267,433	-	812,602

The Company's stock option plan, described below, is the only compensation plan under which equity securities are authorized for issuance. Shareholder approval of the stock option plan will be sought at the Meeting.

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

As at January 28, 2016, there was no indebtedness outstanding of any current or former Director, executive officer or employee of the Company or its subsidiaries which is owing to the Company or its subsidiaries, or which is owing to another entity and is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries, whether entered into in connection with a purchase of securities or otherwise.

No individual who is, or at any time during the most recently completed financial year was, a Director or executive officer of the Company, no proposed nominee for election as a Director of the Company and no associate of such persons:

- (i) is or at any time since the beginning of the most recently completed financial year has been, indebted to the Company or any of its subsidiaries; or
- (ii) is indebted to another entity, whose indebtedness is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or its subsidiaries,

in relation to a securities purchase program or other program.

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

Except as set out herein, no person who has been a director or executive officer of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company, and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in matters to be acted upon at the Meeting other than the election of directors or the appointment of auditors.

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

No informed person or proposed director of the Company and no associate or affiliate of the foregoing persons has or has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which in either such case has materially affected or would materially affect the Company.

## **APPOINTMENT OF AUDITORS**

Collins Barrow Toronto LLP, 11 King St. W., Suite 700, Box 27, Toronto, Ontario, Canada M5H 4C7 was appointed the auditors of the Company effective June 30, 2015, the closing date of the RTO. Unless otherwise instructed, the proxies given pursuant to this solicitation will be voted for the re-appointment of Collins Barrow Toronto LLP as the auditors of the Company to hold office for the ensuing year at a remuneration to be fixed by the directors.

**Management of the Company recommends that shareholders vote in favor of re-appointing Collins Barrow LLP as auditors of the Corporation and to authorize the directors to fix their remuneration. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the approval of the resolution to re-appoint Collins Barrow LLP and to authorize the directors to fix their remuneration.**

## **AUDIT COMMITTEE**

### **The Audit Committee's Charter**

#### *General*

The Audit Committee is a committee of the Board. Its primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing the financial information to be provided to the shareholders and others, the systems of

internal controls and management information systems that management has established under supervision of the Audit Committee, the Company's internal and external audit process and monitoring compliance with the Company's legal and regulatory requirements with respect to its financial statements.

The Audit Committee is accountable to the Board. In the course of fulfilling its specific responsibilities hereunder, the Audit Committee is expected to attempt to maintain an open communication between the Company's external auditors and the Board.

The responsibilities of a member of the Audit Committee are in addition to such member's duties as a member of the Board.

The Audit Committee does not plan or perform audits or warrant the accuracy or completeness of the Company's financial statements or financial disclosure or compliance with generally accepted accounting procedures as these are the responsibility of management and the external auditors.

#### *Membership*

The Audit Committee consists of at least three Directors who shall serve on behalf of the Board. The members are appointed annually by the Board and shall meet the independence, financial literacy and experience requirements of the TSXV and other regulatory agencies as required.

#### *Procedural Matters*

The Audit Committee shall be governed by the Committee Terms of Reference adopted by the Board, save as modified by the following procedural requirements and powers. The Audit Committee:

- (a) Shall meet at least four times per year, either by telephone conference or in person.
- (b) May invite the Company's external auditors, the Chief Financial Officer, and such other persons as are deemed appropriate by the Audit Committee to attend meetings of the Audit Committee.
- (c) Shall report material decisions and actions of the Audit Committee to the Board, together with such recommendations as the Committee may deem appropriate, at the next Board meeting.
- (d) Shall review the performance of the Audit Committee on an annual basis and report to the Board.
- (e) Shall review and assess the Mandate for the Audit Committee at least annually and submit any proposed revisions to the Board for approval.
- (f) Has the power to conduct or authorize investigations into any matter within the scope of its responsibilities. It has the right to engage independent counsel and other advisors as it determines necessary to carry out its duties and the right to set the compensation for any advisors employed by the Audit Committee.
- (g) Has the right to communicate directly with the CFO and other members of management who have responsibility for the audit process ("**internal audit management**"), if applicable, and external auditors.
- (h) Has the right to pre-approve non-audit services (subject to ratification by the Board at its next meeting) to be performed by the external auditors. The Audit Committee may delegate certain pre-approval functions for non-audit services to one or more independent members of its Committee if it first adopts specific policies and procedures respecting same and provided such decisions are presented to the full Audit Committee for approval at its next meeting.

No business may be transacted by the Audit Committee except at a meeting of its members at which a quorum of the Committee is present or by resolution in writing signed by all the members of the Committee. A majority of the members of the Committee shall constitute a quorum, provided that if the number of members of the Committee is an even number, one-half of the number of members plus one shall constitute a quorum.

The Audit Committee shall have the authority to engage independent counsel and other advisors as the Audit Committee may deem appropriate in its sole discretion and to set and pay the compensation for any advisors employed by the Audit Committee. The Audit Committee shall not be required to obtain the approval of the Board in order to retain or compensate such consultants or advisors.

The Audit Committee shall have access to any and all books and records of the Company necessary for the execution of the Committee's obligations and shall discuss with the CEO or CFO such records and other matters considered appropriate.

#### *Responsibilities*

The Audit Committee has primary responsibility for the selection, appointment, dismissal, compensation and oversight of the external auditors, subject to the overall approval of the Board. For this purpose, the audit Committee may consult with management.

#### External Auditors

The responsibilities of the Audit Committee are to:

- (a) Recommend to the Board:
  - (i) whether the current external auditor should be reappointed for the ensuing year and the amount of compensation payable; and
  - (ii) if the current external auditor is not to be reappointed, select and recommend a suitable alternative.
- (b) Oversee the work of the external auditors engaged for the purpose of preparing or issuing an auditors' report or performing other audit, review or attest services for the Company.
- (c) Resolve disagreements, if any, between management and the external auditors regarding financial reporting. It accomplishes this by querying management and the external auditors. The Audit Committee provides the Board with such recommendations and reports with respect to the financial statements of the Company as it deems advisable.
- (d) Take reasonable steps to confirm the independence of the external auditors, including but not limited to pre-approving any non-audit related services provided by the external auditors to the Company or the Company's subsidiaries, if any, with a view to ensuring independence of the auditors, and in accordance with any applicable regulatory requirements, including the requirements of TSXV with respect to approval of non-audit related services performed by the external auditors.
- (e) Obtain from the external auditors confirmation that the external auditors are a 'participating audit' firm for the purpose of National Instrument 52-108 (Auditor Oversight) and are in compliance with governing regulations.
- (f) Review and evaluate the performance of the external auditors including the external auditors' internal quality-control procedures.
- (g) Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the Company's external auditors.

#### Internal Auditors

The Audit Committee is to assist Board oversight of the performance of the Company's internal audit function, if any. In connection with the Company's internal audit function, if any, the Audit Committee shall:

- (a) review the terms of reference of the internal auditor, if any, and meet with the internal auditor as the Audit Committee may consider appropriate to discuss any concerns or issues;

- (b) in consultation with the external auditor and the internal audit group, review the adequacy of the Company's internal control structure and procedures designed to ensure compliance with laws and regulations and any special audit steps adopted in light of material deficiencies and controls;
- (c) review the internal control report prepared by management, including management's assessment of the effectiveness of the Company's internal control structure and procedures for financial reporting; and
- (d) periodically review with the internal auditor, if any, any significant difficulties, disagreements with management or scope restrictions encountered in the course of the work of the internal auditor.

#### Audit and Review Process and Results

The Audit Committee has a duty to receive, review and make any inquiry regarding the completeness, accuracy and presentation of the Company's financial statements to ensure that the financial statements fairly present the financial position and risks of the organization and that they are prepared in accordance with generally accepted accounting principles. To accomplish this, the Audit Committee is required to:

- (a) Review annually the Company's internal system of audit and financial controls, internal audit procedures and results of such audits.
- (b) Prior to the annual audit by external auditors, consider the scope and general extent of the external auditors' review, including their engagement letter.
- (c) Ensure the external auditors have full, unrestricted access to required information and have the cooperation of management.
- (d) Review with the external auditors, in advance of the audit, the audit process and standards, as well as regulatory or Company-initiated changes in accounting practices and policies and the financial impact thereof, and selection or application of appropriate accounting principles.
- (e) Review with the external auditors and, if necessary, legal counsel, any litigation, claim or contingency, including tax assessments, that could have a material effect upon the financial position of the Company and the manner in which these matters are being disclosed in the financial statements. Review the appropriateness and disclosure of any off-balance sheet matters. Review disclosure of related-party transactions.
- (f) Receive and review with the external auditors, the external auditors' audit report and the audited financial statements. Make recommendations to the Board respecting approval of the audited financial statements.
- (g) Meet with the external auditors separately from management to review the integrity of the Company's financial reporting, including the clarity of financial disclosure and the degree of conservatism or aggressiveness of the accounting policies and estimates, performance of internal audit management, any significant disagreements or difficulties in obtaining information, adequacy of internal controls over financial reporting and the degree of compliance of the Company with prior recommendations of the external auditors. The Audit Committee shall direct management to implement such changes as the Audit Committee considers appropriate, subject to any required approvals of the Board arising out of the review.
- (h) Meet at least annually with the external auditors, independent of management, and report to the Board on such meetings.

#### Interim Financial Statements and MD&A

The Board has delegated to the Audit Committee the power to approve the Company's interim financial statements and management's discussion and analysis. The Audit Committee shall:

- (a) Review on an annual basis the Company's practice with respect to review of interim financial statements by the external auditors.
- (b) Conduct all such reviews and discussions with the external auditors and management as it deems appropriate.

- (c) Review and, if appropriate approve the interim financial statements and management's discussion and analysis.
- (d) Review the interim financial statements with the external auditors if the external auditors conduct a review of the interim financial statements.

#### Involvement with Management

The Audit Committee has primary responsibility for overseeing the actions of management in all aspects of financial management and reporting. The Audit Committee:

- (a) Shall review all public disclosure of financial information extracted from the Company's financial statements prior to such information being made public by the Company and for such purpose, the CEO assumes responsibility for providing the information to the Audit Committee for their review.
- (b) Review material financial risks with management, the plan that management has implemented to monitor and deal with such risks and the success of management in following the plan.
- (c) Consult annually and otherwise as required with the Company's CEO and CFO respecting the adequacy of the internal controls and review any breaches or deficiencies.
- (d) Obtain such certifications by the CEO and CFO attesting to internal controls, disclosure and procedures as deemed advisable.
- (e) Review management's response to significant written reports and recommendations issued by the external auditors and the extent to which such recommendations have been implemented by management.
- (f) Review as required with management annual financial statements, quarterly financial statements, management's discussion & analysis, Annual Information Forms, future-oriented financial information or pro-forma information and other financial disclosure in continuous disclosure documents.
- (g) Review with management the Company's compliance with applicable laws and regulations respecting financial matters.
- (h) Review with management proposed regulatory changes and their impact on the Company.
- (i) Review with management and approve public disclosure of the Audit Committee Mandate in the Company's Annual Information Form, Information Circular and on the Company's website.

#### *Complaints*

Complaints regarding accounting, internal accounting controls, or auditing matters may be submitted to the Audit Committee, attention: The Chair. Complaints may be made anonymously and, if not made anonymously, the identity of the person submitting the complaint will be kept confidential. Upon receipt of a complaint, the Chair will conduct or designate a member of the Audit Committee to conduct an initial investigation. If the results of that initial investigation indicate there may be any merit to the complaint, the matter will be brought before the Audit Committee for a determination of further investigation and action. Records of complaints made and the resulting action or determination with respect to the complaint shall be documented and kept in the records of the Audit Committee for a period of three years.

#### *Reporting*

The Audit Committee shall report to the Board of Directors at its regularly scheduled meetings.



## Composition of the Audit Committee

The following are the members of the Audit Committee:

Michael Collinson	Not Independent <sup>(1)(2)</sup>	Financially literate <sup>(1)</sup>
Jim Molyneux	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>
Michael Walkinshaw	Independent <sup>(1)</sup>	Financially literate <sup>(1)</sup>

(1) As defined by National Instrument 52-110 (“**NI 52-110**”).

(2) Mr. Collinson is not independent because he is the CEO of the Company.

## Relevant Education and Experience of Audit Committee

### *Michael Collinson*

Mr. Collinson has over 35 years of experience managing companies in Canada, USA, and Europe and has extensive experience in manufacturing processes, marketing, design, engineering and development. As an experienced business person Mr. Collinson has the ability to read and understand financial statements and provide guidance on same.

### *Jim Molyneux*

Mr. Molyneux has been a Chartered Accountant since 1983 and is currently the Regional managing Partner for GTA West or MNP LLP (Toronto), an accounting firm advising on mergers and acquisitions, corporate finance, taxation and related matters.

### *Michael Walkinshaw*

Mr. Walkinshaw has been involved in venture capital markets for over 13 years and has expertise in product and program management, strategy and planning, and marketing. Mr. Walkinshaw has been a Chartered Professional Accountant since 1993 and also received his Bachelors of Commerce, Finance from the University of British Columbia in 1990.

## Audit Committee Oversight

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

## Reliance on Certain Exemptions

At no time since the commencement of the Company’s most recently completed financial year has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110.

## Pre-Approval Policies and Procedures

The Audit Committee has not adopted any specific policies and procedures for the engagement of non-audit services.

## External Auditors Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Ending	Year	Audit Fees	Audit Related Fees	Tax Fees	All Other Fees
September 30, 2015		\$36,000	\$1,440	\$Nil	\$Nil
September 30, 2014		\$7,650	\$Nil	\$1,100	\$Nil

### **Exemption in Section 6.1 of NI 52-110**

The Company is relying on the exemption in Section 6.1 of NI 52-110 from the requirement of Parts 3 (Composition of the Audit Committee) and 5 (Reporting Obligations).

### **CORPORATE GOVERNANCE DISCLOSURE**

A summary of the responsibilities and activities and the membership of each of the Committees is set out below.

National Policy 58-201 establishes corporate governance guidelines which apply to all public companies. The Company has reviewed its own corporate governance practices in light of these guidelines. In certain cases, the Company's practices comply with the guidelines, however, the Board considers that some of the guidelines are not suitable for the Company at its current stage of development and therefore these guidelines have not been adopted. National Instrument 58-101 mandates disclosure of corporate governance practices which disclosure is set out below.

#### **Independence of Members of Board**

The Company's board of directors consists of four directors, three of whom are independent based upon the tests for independence set forth in NI 52-110. Claude Flueckiger, Michael Walkinshaw, and Jim Molyneux are independent. Michael Collinson is not independent as he is the President, Chief Executive Officer, and Director of the Company.

#### **Management Supervision by Board**

The size of the Company is such that all the Company's operations are conducted by a small management team which is also represented on the Board. The Board considers that management is effectively supervised by the independent directors on an informal basis as the independent directors are actively and regularly involved in reviewing and supervising the operations of the Company and have regular and full access to management. The independent directors are however able to meet at any time without any members of management including the non-independent directors being present. Further supervision is performed through the Audit Committee which is composed of a majority of independent directors who meet with the Company's auditors without management being in attendance. The independent directors exercise their responsibilities for independent oversight of management through their majority control of the Board.

#### **Participation of Directors in Other Reporting Issuers**

The participation of the directors in other reporting issuers is described in the table provided under "Election of Directors" in this Information Circular.

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

While the Company does not have formal orientation and training programs, new members of its board of directors are provided with:

1. information respecting the functioning of the board of directors, committees and copies of the Company's corporate governance policies;
2. access to recent, publicly filed documents of the Company, technical reports and the Company's internal financial information;
3. access to management and technical experts and consultants; and
4. a summary of significant corporate and securities responsibilities.

Members of the board of directors are encouraged to communicate with management, auditors and technical consultants; to keep themselves current with industry trends and developments and changes in legislation with

management's assistance; and to attend related industry seminars and visit the Company's operations. Members of the board have full access to the Company's records.

### **Ethical Business Conduct**

The board of directors views good corporate governance as an integral component to the success of the Company and to meet responsibilities to shareholders. The board of directors has adopted a Code of Conduct that is provided to all directors and officers and the board of directors has instructed its management and employees to abide by the Code of Conduct. The Code of Conduct is available on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). **Nomination of Directors**

The board of directors has responsibility for identifying potential board candidates. The board of directors assesses potential candidates to fill perceived needs on the board of directors for required skills, expertise, independence and other factors.

### **Compensation**

The Company has created the Compensation Committee and they are responsible for determining compensation including for the individual directors and officers of the Company, including the Chief Executive Officer. Given the stage of development of the Company, it does not currently pay director's fees. Directors have been granted options to help ensure their continued interest in the ongoing business and affairs of the Company. The Compensation Committee determines compensation for the officers of the Company, and any consulting or other agreements, to which the Company is a party, will be reviewed by the Compensation Committee on an annual basis.

### **Board Committees**

At this time, the board of directors does not have any standing committees other than the audit committee and the compensation committee.

The following are the members of the audit committee:

Jim Molyneux (Chair)  
Michael Collinson  
Michael Walkinshaw

The following are the members of the compensation committee:

Jim Molyneux  
Michael Walkinshaw

### **Assessments**

The board of directors annually, and at such other times as it deems appropriate, reviews the performance and effectiveness of the board of directors, the directors and its committees to determine whether changes in size, personnel or responsibilities are warranted. To assist in its review, the board of directors conducts informal surveys of its directors, and reports from the audit committee respecting its own effectiveness. As part of the assessments, the board of directors or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

The board of directors does not consider that formal assessments would be useful at this stage of the Company's development. The board of directors conducts informal annual assessments of the board of director's effectiveness, the individual directors and each of its committees. As part of the assessments, the board of directors or the individual committee may review their respective mandate or charter and conduct reviews of applicable corporate policies.

### **Nomination and Assessment**

The board of directors determines new nominees to the board of directors, although a formal process has not been adopted. The nominees are generally the result of recruitment efforts by the board of directors members, including

both formal and informal discussions among board of directors members and the President and Chief Executive Officer. The board of directors monitors but does not formally assess the performance of individual board of directors members or committee members or their contributions.

### **Expectations of Management**

The board of directors expects management to operate the business of the Company in a manner that enhances shareholder value and is consistent with the highest level of integrity. Management is expected to execute the Company's business plan and to meet performance goals and objectives.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Continuation into Ontario**

The Company is currently governed by the *Business Corporations Act* (British Columbia) (the "BCBCA"). Management is seeking the approval of Shareholders to continue the Company into the Province of Ontario pursuant to Section 180 of the *Business Corporations Act* (Ontario) (the "OBCA")(the "Continuance"). The Continuance will be effective upon approval of the articles of continuance (the "Articles of Continuance") to be filed with the Director (appointed under Section 278 of the OBCA (the "Director") pursuant to subsection 180(2) of the OBCA after the Registrar of Companies (appointed under Section 400 of the BCBA (the "Registrar") has granted to the Company an authorization to continue into the Province of Ontario.

The Articles of Continuance will constitute the governing instrument of the continued company under the OBCA and the certificate of continuance issued by the Director will be deemed to be the certificate of incorporation of the continued company. Upon the Articles of Continuance becoming effective, the Company becomes a Company to which the OBCA applies as if it had originally been incorporated under the OBCA and it will cease to be governed by the BCBCA.

If the Continuance Resolution is approved at the Meeting, the Company shall apply to and file all necessary documentation with the Registrar under the BCBCA for an authorization to continue into the Province of Ontario. After receiving the Registrar's authorization, the Company will apply for a certificate of continuance and file the Articles of Continuance to take effect immediately.

In order to complete the Continuance, Shareholders will be asked, at the Meeting, to consider and, if thought advisable, to pass, with or without amendment, the continuance resolution attached hereto as Schedule "A" (the "Continuance Resolution"), being a special resolution approving the Continuance upon substantially the terms and conditions set out herein.

The Continuance Resolution must be passed by not less than 66⅔% of the votes cast by Shareholders present in person or represented by proxy at the Meeting. Management recommends that Shareholders vote in favour of the Continuance Resolution.

**The provisions of the OBCA dealing with shareholder rights and protections are generally comparable to those contained in the BCBCA. See "Comparison of Rights under the OBCA and the BCBCA" for a summary of the differences of the provisions of the OBCA and the BCBCA which pertain to the rights of shareholders.**

**Section 309 of the BCBCA gives to registered Shareholders who object to the Continuance Resolution, the BCBCA Dissent Rights (as such term is defined below) under Division 2 of Part 8 in respect of the Continuance Resolution and to be paid the fair value of their Common Shares determined immediately prior to such resolution being passed. See "BCBCA Dissent Rights".**

**Management recommends that Shareholders vote in favour of the Continuance Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the Continuance Resolution.**

## Approval of new By-Law and Advance Notice Procedures

If the Continuance is approved and effected, By-Law No. 1 under the OBCA, which has been conditionally approved by the directors of the Company subject to ratification and confirmation by the Shareholders upon the Continuance becoming effective, will be implemented as the Company's general by-law. Shareholders are being asked to ratify and confirm By-Law No. 1. By-Law No. 1 is standard in its form and governs all aspects of the business and affairs of the Company, such as the establishment of a quorum for meetings of directors and shareholders, the conduct of such meetings, signing authorities, the appointment of officers, the description of the officers, duties, the establishment of committees of the directors of the Company, the authority of persons to contract on behalf of the Company and similar matters. The complete text of By-Law No. 1 is attached hereto as Schedule "C".

Accordingly, at the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass, with or without amendment, the by resolution attached hereto as Schedule "B" (the "**By-Law Resolution**") being an ordinary resolution approving By-Law No. 1 upon substantially the terms and conditions set out herein.

By-Law No. 1 will differ materially from the Company's current Articles under British Columbia law in that the proposed By-Law No. 1 includes "Advance Notice Procedures", which are set out in full at Section 10 of the By-Law No. 1 attached hereto as Schedule "C." The purpose of the Advance Notice Procedures is to set forth a procedure requiring advance notice to the Company by any Shareholder who intends to nominate any person for election as director of the Company other than pursuant to: (i) a requisition of a meeting made pursuant to the provisions of the OBCA, or (ii) a Shareholder proposal made pursuant to the provisions of the OBCA. Among other things, the Advance Notice Procedures set a deadline by which such Shareholders must notify the Company in writing of any intention to nominate directors prior to any meeting of Shareholders at which directors are to be elected and set forth the information that the Shareholder must include in their notice for it to be considered valid.

The Advance Notice Procedures provide a clear and transparent process for all Shareholders to follow if they intend to nominate directors. In that regard, the Advance Notice Procedures provide a reasonable time frame for Shareholders to notify the Company of their intention to nominate directors and require Shareholders to disclose information concerning the proposed nominees that is mandated by applicable securities laws.

Subject only to the OBCA and the Company's by-laws, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Company. Nominations of persons for election to the Board may be made at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors: (a) by or at the direction of the Board, including pursuant to a notice of meeting; (b) by or at the direction or request of one or more Shareholders pursuant to a proposal made in accordance with the provisions of the OBCA, or a requisition of the Shareholders made in accordance with the provisions of the OBCA; or (c) by any person (a "**Nominating Shareholder**"): (A) who, at the close of business on the date of the giving of the notice provided for in the Advance Notice Procedures and on the record date for notice of such meeting, is entered in the securities register as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in the Advance Notice Procedures.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the corporate secretary of the Company at the principal executive offices of the Company.

To be timely, a Nominating Shareholder's notice to the secretary of the Company must be made: (a) in the case of an annual meeting of Shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of Shareholders; provided, however, that in the event that the annual meeting of Shareholders is to be held on a date that is less than 50 days after the date (the "**Notice Date**") on which the first public announcement of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and (b) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of Shareholders was made. In no event shall any adjournment or postponement of a meeting of Shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

To be in proper written form, a Nominating Shareholder's notice to the secretary of the Company must set forth: (a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (i) the name, age,

business address and residential address of the person; (ii) the principal occupation or employment of the person; (iii) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of Shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (iv) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the OBCA and Applicable Securities Laws (as defined below); and (b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Company and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the OBCA and Applicable Securities Laws. The Company may require any proposed nominee to furnish such other information, including a written consent to act, as may reasonably be required by the Company to determine the eligibility of such proposed nominee to serve as an independent director of the Company or that could be material to a reasonable Shareholder's understanding of the independence, or lack thereof, of such proposed nominee.

No person shall be eligible for election as a director of the Company unless nominated in accordance with the provisions of the Advance Notice Procedures; provided, however, that nothing in the Advance Notice Procedures shall be deemed to preclude discussion by a Shareholder (as distinct from the nomination of directors) at a meeting of Shareholders of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the OBCA. The chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

For purposes of the Advance Notice Procedures: (a) "public announcement" shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and (b) "Applicable Securities Laws" means the applicable securities legislation of each relevant province and territory of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province and territory of Canada.

Notwithstanding any other provision of the Advance Notice Procedures, notice given to the secretary of the Corporation pursuant to the Advance Notice Procedures may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the secretary of the Company for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the secretary at the address of the principal executive offices of the Company; provided that if such delivery or electronic communication is made on a day which is a not a business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day.

Notwithstanding any other provision of the Advance Notice Procedures, the Board may, in its sole discretion, waive any requirement of the Advance Notice Procedures.

**The By-Law Resolution must be passed by not less than a majority of the votes cast by those shareholders, who being entitled to do so, vote in person or by proxy in respect of that resolution at the Resumed Meeting. Management recommends that Shareholders vote in favour of the By-Law Resolution. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the By-Law Resolution.**

#### *Comparison of Rights under the OBCA and the BCBCA*

The provisions of the OBCA dealing with shareholder rights and protections are generally comparable to those contained in the BCBCA. Shareholders of the Company will not lose any significant rights or protection as a result of the Continuance.

The following is a summary comparison of the provisions of the OBCA and the BCBCA which pertain to the rights of shareholders. This summary is not intended to be exhaustive and Shareholders should consult their legal advisors regarding all of the implications of the Continuance.

### *Sale of the Company's Undertaking*

The OBCA requires approval of the holders of two-thirds of the shares of a Company represented at a duly called meeting to approve a sale, lease or exchange of all or substantially all of the property of a Company, other than in the ordinary course of business. If a sale, lease or exchange of all or substantially all of the property of a Company would affect a particular class or series of shares in a manner that is different than the shares of another class or series entitled to vote, then such class or series of shares are entitled to a separate class or series vote, regardless of whether or not such shares otherwise carry the right to vote.

Under the BCBCA, the directors of a company may dispose of all or substantially all of the business or undertaking of the company only if it is in the ordinary course of the Company's business or with shareholder approval authorized by special resolution. Under the BCBCA a special resolution requires the approval of a "special majority", which means the majority specified in a Company's articles of at least two-thirds and not more than by three-quarters of the votes cast by those shareholders voting in person or by proxy at a general meeting of the company.

### *Amendments to the Articles of a Company*

Under the OBCA, amendments to the articles of a Company require a resolution passed by not less than two thirds of the votes cast by the shareholders voting on the resolution authorizing the amendments and, where certain specified rights of the holders of a class or series of shares are affected differently by the amendments than the rights of the holders of other classes or series of shares, such holders are entitled to vote separately as a class or series, whether or not such class or series of shares otherwise carry the right to vote. A resolution to amalgamate an OBCA Company requires a special resolution passed by the holders of each class or series of shares, whether or not such shares otherwise carry the right to vote, if such class or series of shares are affected differently.

Changes to the articles of a Company under the BCBCA will be affected by the type of resolution specified in the articles of a Company, which, for many alterations, including change of name or alterations to the articles, could provide for approval solely by a resolution of the directors. In the absence of anything in the articles, most corporate alterations will require a special resolution. Alteration of the special rights and restrictions attached to issued shares requires, subject to the requirements set forth in the company's articles, consent by a special resolution of the holders of the class or series of shares affected. A proposed amalgamation or continuation of a Company out of the jurisdiction requires a special resolution.

### *Rights of Dissent and Appraisal*

The BCBCA provides that shareholders, including beneficial holders, who dissent from certain actions being taken by a company, may exercise a right of dissent and require the company to purchase the shares held by such shareholder at the fair value of such shares. The dissent right is applicable where the company proposes to (i) alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on, (ii) adopt an amalgamation agreement, (iii) approve an amalgamation under Division 4 of Part 9 of the BCBCA, (iv) approve an arrangement, the terms of which arrangement permit dissent, (v) authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking, and (vi) authorize the continuation of the company into a jurisdiction other than British Columbia. In certain circumstances, shareholders may also be entitled to dissent in respect of a resolution if dissent is authorized by such resolution, or if permitted by court order.

The OBCA contains a similar dissent remedy, although the procedure for exercising this remedy is different from that contained in the BCBCA.

### *Shareholder Derivative Actions*

Under the BCBCA, a shareholder, defined as including a beneficial shareholder and any other person whom the court considers to be an appropriate person to make an application under the BCBCA, or a director of a company may, with leave of the court, bring an action in the name and on behalf of the company to enforce an obligation owed to the company that could be enforced by the company itself or to obtain damages for any breach of such an obligation. An applicant may also, with leave of the court, defend a legal proceeding brought against a Company.

A broader right to bring a derivative action is contained in the OBCA and this right extends to former shareholders, directors or officers of a Company or its affiliates, and any person who, in the discretion of the court, is a proper person to make an application to court to bring a derivative action. In addition, the OBCA permits derivative actions to be commenced in the name and on behalf of a Company or any of its subsidiaries.

### *Oppression Remedies*

Under the OBCA a registered shareholder, beneficial shareholder, former registered shareholder or beneficial shareholder, director, former director, officer, former officer of a Company or any of its affiliates, or any other person who, in the discretion of a court, is a proper person to seek an oppression remedy, and in the case of an offering Company, the Ontario Securities Commission, may apply to a court for an order to rectify the matters complained of where in respect of a Company or any of its affiliates: (a) any act or omission of a Company or its affiliates effects or threatens to effect a result; (b) the business or affairs of a Company or its affiliates are or have been or are threatened to be carried on or conducted in a manner; or (c) the powers of the directors of the Company or any of its affiliates are, have been or are threatened to be exercised in a manner, that is oppressive or unfairly prejudicial to, or that unfairly disregards the interests of, any security holder, creditor, director or officer.

The oppression remedy under the BCBCA is similar to the remedy found in the OBCA, with a few differences. Under the OBCA, the applicant can complain not only about acts of the Company and its directors but also acts of an affiliate of the Company and the affiliate's directors, whereas under the BCBCA, the shareholder can only complain of oppressive conduct of the company. In addition, under the BCBCA the applicant must bring the application in a timely manner, which is not required under the OBCA.

### *Requisition of Meetings*

The OBCA permits the holders of not less than 5% of the issued shares that carry the right to vote at a meeting sought to be held to require the directors to call and hold a meeting of the shareholders of the Company for the purposes stated in the requisition. If the directors do not call a meeting within 21 days of receiving the requisition, any shareholder who signed the requisition may call the meeting.

The BCBCA provides that one or more shareholders of a company holding not less than 5% of the issued voting shares of the company may give notice to the directors requiring them to call and hold a general meeting which meeting must be held within 4 months.

### *Place of Meetings*

The OBCA provides that, subject to the articles and any unanimous shareholder agreement, meetings of shareholders may be held either inside or outside Ontario as the directors may determine.

The BCBCA requires all meetings of shareholders to be held in British Columbia unless a location outside the Province is provided for in the articles, approved by an ordinary resolution before the meeting or approved in writing by the Registrar.

### *Directors*

The OBCA requires that at least 25% of directors be resident Canadians and requires that for offering corporations not fewer than three individuals be elected and at least one-third of the directors not be officers or employees of the Company or its affiliates.

The BCBCA provides that a public company must have at least three directors but does not have any residency requirements for directors.

### **BCBCA Dissent Rights**

Section 238 of the BCBCA gives to registered Shareholders who object to the Continuance the right of dissent provided under section 238 of the BCBCA (the "**BCBCA Dissent Rights**") under Division 2 of Part 8 in respect of the Continuance and to be paid the fair value of their Common Shares determined as of the day before the resolution approving the Continuance was passed.

Beneficial Shareholders who wish to dissent should contact their broker or other intermediary for assistance with exercising the BCBCA Dissent Right.

The BCBCA Dissent Right is briefly summarized below, but Shareholders are referred to the full text of Sections 237 to 247 of the BCBCA attached to this Information Circular as Schedule "D" for a complete understanding of the BCBCA Dissent Right.



A registered Shareholder who has duly exercised a BCBCA Dissent Right (a “**Dissenting Shareholder**”) and has not withdrawn or been deemed to have withdrawn such exercise of the BCBCA Dissent Right, but only in respect of the Common Shares in respect of which the BCBCA Dissent Right has been validly exercised by such holder, who wishes to exercise his or her BCBCA Dissent Right must give a written notice required to be given by a Dissenting Shareholder under section 242 of the BCBCA (a “**Notice of Dissent**”) to the Company by depositing such Notice of Dissent with the Company, or by mailing it to the Company by registered mail c/o CDM Capital Suite 800, 789 West Pender Street, Vancouver, British Columbia, B6C 1H2 attention: Danica Topolewski, not later than two days before the Meeting. A Shareholder who wishes to dissent must prepare a separate Notice of Dissent for (i) the Shareholder, if the Shareholder is dissenting on its own behalf and (ii) each person who beneficially owns shares in the Shareholder’s name and on whose behalf the Shareholder is dissenting. To be valid, a Notice of Dissent must: (i) identify in each Notice of Dissent the person on whose behalf dissent is being exercised; (ii) set out the number of Common Shares in respect of which the Shareholder is exercising the Dissent Right (the “**Notice Shares**”), which number cannot be less than all of the Common Shares held by the beneficial holder on whose behalf the Dissent Right is being exercised; (iii) if the Notice Shares constitute all of the shares of which the Dissenting Shareholder is both the registered owner and beneficial owner and the Dissenting Shareholder owns no other Common Shares as beneficial owner, a statement to that effect; (iv) if the Notice Shares constitute all of the shares of which the Dissenting Shareholder is both the registered and beneficial owner but the Dissenting Shareholder owns other Common Shares as beneficial owner, a statement to that effect, and (a) the names of the registered owners of those other shares, (b) the number of those other shares that are held by each of those registered owners, and (c) a statement that Notices of Dissent are being or have been sent in respect of all those other shares; (v) if dissent is being exercised by the Dissenting Shareholder on behalf of a beneficial Shareholder who is not the Dissenting Shareholder, a statement to that effect, and (a) the name and address of the beneficial Shareholder, and (b) a statement that the Dissenting Shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial Shareholder that are registered in the Dissenting Shareholder’s name.

The giving of a Notice of Dissent does not deprive a Dissenting Shareholder of his or her right to vote at the Meeting on the Continuance Resolution. A vote against the Continuance Resolution or the execution or exercise of a proxy does not constitute a Notice of Dissent. A Shareholder is not entitled to exercise a BCBCA Dissent Right with respect to any Common Shares if the Shareholder votes (or instructs or is deemed, by submission of any incomplete proxy, to have instructed his or her proxyholder to vote) in favour of the Continuance Resolution.

If the Company intends to act on the authority of the Continuance Resolution, it must send a notice (the “**Notice to Proceed**”) to the Dissenting Shareholder promptly after the later of (i) the date on which the Company forms the intention to proceed, and (ii) the date on which the Notice of Dissent was received.

If the Company has acted on the Continuance Resolution, it must promptly send a Notice to Proceed to the Dissenting Shareholder. The Notice to Proceed must be dated not earlier than the date on which it is sent and state that the Company intends to act or has acted on the authority of the Continuance Resolution and advise the Dissenting Shareholder of the manner in which dissent is to be completed.

On receiving a Notice to Proceed, the Dissenting Shareholder is entitled to require the Company to purchase all of the Common Shares in respect of which the Notice of Dissent was given.

A Dissenting Shareholder who receives a Notice to Proceed, and who wishes to proceed with the dissent, must send to the Company within one month after the date of the Notice to Proceed (i) a written statement that the Dissenting Shareholder requires the Company to purchase all of the Notice Shares, (ii) the certificates representing the Notice Shares, and (iii) if dissent is being exercised by the Shareholder on behalf of a beneficial Shareholder who is not the Dissenting Shareholder, a written statement signed by the beneficial Shareholder setting out whether the beneficial Shareholder is the beneficial owner of other shares of the Company and if so, setting out (a) the names of the registered owners of those other shares, (b) the number of those other shares that are held by each of those registered owners, and (c) that dissent is being exercised in respect of all of those other shares, whereupon the Company is bound to purchase them in accordance with the Notice of Dissent.

The Company and the Dissenting Shareholder may agree on the amount of the payout value of the Notice Shares and in that event, the Company must either promptly pay that amount to the Dissenting Shareholder or send a notice to the Dissenting Shareholder that the Company is unable lawfully to pay Dissenting Shareholders for their shares as the Company is insolvent or if the payment would render the Company insolvent.

If the Company and the Dissenting Shareholder do not agree on the amount of the payout value of the Notice Shares, the Dissenting Shareholder or the Company may apply to the court and the court may (i) determine the payout value of the Notice Shares or order that the payout value of the Notice Shares be established by arbitration or by reference to the

registrar or a referee of the court, (ii) join in the application each Dissenting Shareholder who has not agreed with the Company on the amount of the payout value of the Notice Shares, and (iii) make consequential orders and give directions it considers appropriate.

Promptly after a determination of the payout value of the Notice Shares has been made, the Company must either pay that amount to the Dissenting Shareholder or send a notice to the Dissenting Shareholder that the Company is unable lawfully to pay Dissenting Shareholders for their shares as the Company is insolvent or if the payment would render the Company insolvent. If the Dissenting Shareholder receives a notice that the Company is unable to lawfully pay Dissenting Shareholders for their shares, the Dissenting Shareholder may, within 30 days after receipt, withdraw his or her Notice of Dissent. If the Notice of Dissent is not withdrawn, the Dissenting Shareholder remains a claimant against the Company to be paid as soon as the Company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the Company but in priority to its shareholders.

Any notice required to be given by the Company or a Dissenting Shareholder to the other in connection with the exercise of the BCBCA Dissent Right will be deemed to have been given and received, if delivered, on the day of delivery, or, if mailed, on the earlier of the date of receipt and the second business day after the day of mailing, or, if sent by telecopier or other similar form of transmission, the first business day after the date of transmittal.

A Dissenting Shareholder who (i) properly exercises the BCBCA Dissent Right by strictly complying with all of the procedures (“**Dissent Procedures**”) required to be complied with by a Dissenting Shareholder, will cease to have any rights as a Shareholder other than the right to be paid the fair value of the Common Shares by the Company in accordance with the Dissent Procedures, or (ii) seeks to exercise the BCBCA Dissent Right, but who for any reason does not properly comply with each of the Dissent Procedures required to be complied with by a Dissenting Shareholder loses such right to dissent.

A Dissenting Shareholder may not withdraw a Notice of Dissent without the consent of the Company.

A Dissenting Shareholder may, with the written consent of the Company, at any time prior to the payment to the Dissenting Shareholder of the full amount of money to which the Dissenting Shareholder is entitled, abandon such Dissenting Shareholder’s dissent to the Continuance by giving written notice to the Company, withdrawing the Notice of Dissent, by depositing such notice with the Company, or mailing it to the Company by registered mail c/o CDM Capital Suite 800, 789 West Pender Street, Vancouver, British Columbia, B6C 1H2 attention: Danica Topolewski.

Shareholders who wish to exercise their BCBCA Dissent Right should carefully review the dissent procedures described in Sections 237 to 247 of the BCBCA attached to this Information Circular as Schedule “D” and seek independent legal advice, as failure to adhere strictly to the BCBCA Dissent Right requirements may result in the loss of any right to dissent.

### **Approval and Ratification of Stock Option Plan**

The board of directors of the Company implemented and adopted a stock option plan (the “**Stock Option Plan**”) effective November 17, 2011, which was subsequently approved by the TSXV and the Company's shareholders. The number of common shares which may be issued pursuant to options previously granted and those granted under the Stock Option Plan is a maximum of 10% of the issued and outstanding common shares at the time of the grant. Under TSXV policy, all such “rolling” stock option plans must be approved and ratified by shareholders on an annual basis. See the section “*Executive Compensation – Incentive Stock Option Plan*” for a description of the material terms of the Stock Option Plan.

The full text of the Stock Option Plan is available for viewing up to the date of the Meeting at the Company’s registered and records office c/o CDM Capital Suite 800, 789 West Pender Street, Vancouver, British Columbia, V6C 1H2 attention: Danica Topolewski.

At the Meeting, shareholders will be asked to pass a resolution in the following form:

“UPON MOTION IT WAS RESOLVED that the Company approve and ratify, subject to regulatory approval, the stock option plan pursuant to which the directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company and its subsidiaries to a maximum of 10% of the issued and outstanding common shares at the time of the grant, with a maximum of 5% of the Company’s issued and outstanding shares being reserved to any one person on a yearly basis.”

**Management recommends that Shareholders vote in favour of the Stock Option Plan. Unless you give other instructions, the persons named in the enclosed form of proxy intend to vote FOR the re-approval of the Stock Option Plan.**

**ADDITIONAL INFORMATION**

Additional information relating to the Company is on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's comparative financial statements and MD&A for its most recently completed financial year, which have been provided to shareholders and are available on SEDAR.

**OTHER MATTERS**

Management of the Company is not aware of any other matter to come before the Meeting other than as set forth in the notice of Meeting. If any other matter properly comes before the Meeting, it is the intention of the persons named in the enclosed form of proxy to vote the shares represented thereby in accordance with their best judgment on such matter.

DATED this 28, day of January, 2016.

APPROVED BY THE BOARD OF DIRECTORS

*“Michael Collinson”*

Michael Collinson, Director

**SCHEDULE “A  
CONTINUANCE RESOLUTION**

**NOW THEREFORE BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

1. That the continuance of the Company under the laws of Ontario as if the Company had been incorporated under the laws of Ontario is hereby approved.
2. That the Company is hereby authorized to make an application to the Registrar under the *Business Corporations Act* (British Columbia) (“**BCBCA**”), pursuant to section 308 of the BCBCA, for authorization to continue under the *Business Corporations Act* (Ontario) (“**OBCA**”).
3. That the Company is hereby authorized to make application to the Registrar under the OBCA, pursuant to section 180 of such Act, for a Certificate of Continuance continuing the Company as a corporation pursuant to the OBCA.
4. That the Articles of Continuance of the Company, forming part of the application referred to in paragraph 3 of this Resolution shall be submitted to the Registrar under the OBCA.
5. Any one officer or director of the Company is hereby authorized and directed on behalf of the Company to sign, execute and deliver all documents and to do all things necessary or advisable in connection with the continuance of the Company under the laws of British Columbia and Ontario.
6. Upon the issue of a Certificate of Continuance under the OBCA, a copy of the Certificate and Articles of Continuance shall be filed with the Registrar under the BCBCA after the date of such issuance.
7. Notwithstanding the approval of this resolution, the directors of the Company are hereby authorized and empowered without further notice to or approval of the holders of the common shares not to proceed with the Continuance of the Corporation pursuant to this resolution.
8. Any one officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person’s opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**SCHEDULE "B"**  
**BY-LAW RESOLUTION**

**BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:**

1. By-Law No. 1 (General) is hereby approved, ratified and confirmed as a by-law of the Company.
2. Any one officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed, under the seal of the Company or otherwise, and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

**SCHEDULE “C”**  
**BY-LAW NO. 1**

**A BY-LAW RELATING GENERALLY TO THE TRANSACTION  
OF THE BUSINESS AND AFFAIRS OF**

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

BE IT ENACTED and it is hereby enacted as a by-law of

**BEE VECTORING TECHNOLOGIES INTERNATIONAL INC.**

(hereinafter called the “Corporation”) as follows:

**GENERAL BUSINESS**

**Registered Office**

1. The directors may from time to time by resolution fix the location of the registered office of the Corporation within the municipality or geographic township within Ontario as specified in its articles.

**Seal**

2. The Corporation may have a corporate seal which shall be adopted and may be changed by resolution of the directors.

**Financial Year**

3. The first financial year of the Corporation shall terminate on a date to be determined by the directors of the Corporation and thereafter on the anniversary date thereof in each year, until changed by resolution of the directors of the Corporation.

**Banking Arrangements**

4. The banking business of the Corporation, or any part thereof, shall be transacted with such bank, trust company or other firm or corporation carrying on a banking business as the directors may designate, appoint or authorize from time to time by resolution and all such banking business or any part thereof shall be transacted on the Corporation’s behalf by such one or more officers and / or other persons as the board may designate, direct or authorize from time to time by resolution and to the extent therein provided, including without restricting the generality of the foregoing, the operation of the Corporation’s accounts; the making, signing, drawing, accepting, endorsing, negotiating, allotting, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money; the giving of receipts for and orders relating to any property of the Corporation; the execution of any agreement relating to any banking business and defining the rights and powers of the parties thereto; and the authorizing of any officer of such banker to do any act or thing on the Corporation’s behalf to facilitate such banking business.

**Execution of Instruments**

5. Deeds, transfers, assignments, contracts, obligations and other instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by

**any director or officer**

and the corporate seal may be affixed to such instruments as may be required by any person so authorized to sign on behalf of the Corporation.

Notwithstanding any provisions to the contrary contained in the by-laws of the Corporation, the directors may at any time and from time to time by resolution direct the manner in which, and the person or persons by whom any particular deed, transfer, contract, obligation or other instrument in writing, any class of deeds, transfers, contracts, obligations or other instruments in writing requiring signature by the Corporation may or shall be signed.

**DIRECTORS**

**Power of Directors**

6. The directors shall manage or supervise the management of the business and affairs of the Corporation unless otherwise specifically provided in any unanimous shareholder agreement.

**Number of Directors and Quorum**

7. Subject to the articles of the Corporation, the number of directors of the Corporation shall be that number of directors as specified in the articles or shall be that number of directors as determined from time to time by a special resolution within the minimum and maximum as permitted by the articles of the Corporation. A majority of the number of directors or minimum number of directors required by the articles shall constitute a quorum at any meeting of the directors. Notwithstanding vacancies, the remaining directors may exercise all the powers of the board of directors so long as the quorum of the board of directors remains in office.

**Qualifications**

8. Each director shall be eighteen (18) or more years of age and shall be an individual as defined by the Act. No person who is of unsound mind and has been so found by a court in Canada or elsewhere or who has the status of a bankrupt shall be a director. If a director acquires the status of a bankrupt or becomes of unsound mind and is so found, he shall thereupon cease to be a director.

**Resident Canadians**

9. At least 25 per cent of the directors of the Corporation, other than a non-resident corporation as defined by the Act, shall be resident Canadians. Where the Corporation has less than four directors, at least one director shall be a resident Canadian.

**Nomination of Directors**

10. Subject only to the Act and to the articles, only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the Corporation. Nominations of persons for election to the board may be made at any annual meeting of shareholders, or at any special meeting of shareholders if one of the purposes for which the special meeting was called is the election of directors. Such nominations may be made in the following manner:
  - a) by or at the direction of the Board, including pursuant to a notice of meeting;
  - b) by or at the direction or request of one or more shareholders of the Corporation pursuant to a proposal made in accordance with the provisions of the Act, or a requisition of meeting of the shareholders of the Corporation made in accordance with the provisions of the Act; or
  - c) by any person (a "Nominating Shareholder"): (A) who, at the close of business on the date of the giving of the notice provided below in this Section 10 and on the record date for notice of such meeting, is entered in the securities register of the Corporation as a holder of one or more shares carrying the right to vote at such meeting or who beneficially owns shares that are entitled to be voted at such meeting; and (B) who complies with the notice procedures set forth in this Section 10.

In addition to any other applicable requirements, for a nomination to be made by a Nominating Shareholder, the Nominating Shareholder must have given timely notice thereof in proper written form to the Secretary of the Corporation at the principal executive offices of the Corporation.

To be timely, a Nominating Shareholder's notice to the Secretary of the Corporation must be made:

- a) in the case of an annual meeting of shareholders, not less than 30 nor more than 65 days prior to the date of the annual meeting of shareholders; provided, however, that in the event that the annual meeting of shareholders is to be held on a date that is less than 50 days after the date on which the first public announcement (the "Notice Date") of the date of the annual meeting was made, notice by the Nominating Shareholder may be made not later than the close of business on the tenth (10th) day following the Notice Date; and
- b) in the case of a special meeting (which is not also an annual meeting) of shareholders called for the purpose of electing directors (whether or not called for other purposes), not later than the close of business on the fifteenth (15th) day following the day on which the first public announcement of the date of the special meeting of shareholders was made.

In no event shall any adjournment or postponement of a meeting of shareholders or the announcement thereof commence a new time period for the giving of a Nominating Shareholder's notice as described above.

To be in proper written form, a Nominating Shareholder's notice to the Secretary of the Corporation must set forth:

- a) as to each person whom the Nominating Shareholder proposes to nominate for election as a director: (A) the name, age, business address and residential address of the person; (B) the principal occupation or employment of the person; (C) the class or series and number of shares in the capital of the Corporation which are controlled or which are owned beneficially or of record by the person as of the record date for the meeting of shareholders (if such date shall then have been made publicly available and shall have occurred) and as of the date of such notice; and (D) any other information relating to the person that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below); and
- b) as to the Nominating Shareholder giving the notice, any proxy, contract, arrangement, understanding or relationship pursuant to which such Nominating Shareholder has a right to vote any shares of the Corporation and any other information relating to such Nominating Shareholder that would be required to be made in a dissident's proxy circular in connection with solicitations of proxies for election of directors pursuant to the Act and Applicable Securities Laws (as defined below).

The Corporation may require any proposed director nominee to furnish such other information as may reasonably be required by the Corporation to determine the eligibility of such proposed director nominee to serve as an independent director of the Corporation or that could be material to a reasonable shareholder of the Corporation's understanding of the independence, or lack thereof, of such proposed director nominee.

No person shall be eligible for election as a director of the Corporation unless nominated in accordance with the provisions of this Section 10; provided, however, that nothing in this Section 10 shall be deemed to preclude discussion by a shareholder (as distinct from the nomination of directors) at a meeting of shareholders of the Corporation of any matter in respect of which it would have been entitled to submit a proposal pursuant to the provisions of the Act. The Chairman of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures set forth in the foregoing provisions and, if any proposed nomination is not in compliance with such foregoing provisions, to declare that such defective nomination shall be disregarded.

Notwithstanding any other provision of this Section 10, notice given to the Secretary of the Corporation may only be given by personal delivery, facsimile transmission or by email (at such email address as stipulated from time to time by the Secretary of the Corporation for purposes of this notice), and shall be deemed to have been given and made only at the time it is served by personal delivery, email (at the aforesaid address) or sent by facsimile transmission (provided that receipt of confirmation of such transmission has been received) to the Secretary of the Corporation at the address of the principal executive offices of the Corporation; provided that if such delivery or electronic communication is made on a day which is a not a



business day or later than 5:00 p.m. (Toronto time) on a day which is a business day, then such delivery or electronic communication shall be deemed to have been made on the subsequent day that is a business day. Notwithstanding the foregoing, the board may, in its sole discretion, waive any requirement in this Section 10.

For purposes of this Section 10:

- a) “public announcement” shall mean disclosure in a press release reported by a national news service in Canada, or in a document publicly filed by the Corporation under its profile on the System of Electronic Document Analysis and Retrieval at [www.sedar.com](http://www.sedar.com); and
- b) “Applicable Securities Laws” means the applicable securities legislation of each relevant province of Canada, as amended from time to time, the rules, regulations and forms made or promulgated under any such statute and the published national instruments, multilateral instruments, policies, bulletins and notices of the securities commission and similar regulatory authority of each province of Canada.

### **Election and Term**

11. The directors shall be elected yearly to hold office until the next annual meeting of the shareholders of the Corporation or until their successors shall have been duly elected. The whole board shall be elected at each annual meeting and all the directors then in office shall retire, but, if qualified, are eligible for re-election. The election may be by a show of hands or by a resolution of the shareholders unless a ballot be demanded by any shareholder.

### **Removal of Directors**

12. The shareholders may by ordinary resolution at an annual or special meeting of the shareholders of the Corporation remove any director from office. Notice of intention to pass any such resolution shall be given in the notice calling the meeting and the shareholders may by a majority of votes cast at that meeting elect a person otherwise qualified to fill the vacancy created by the removal of such director.

### **Vacancies**

13. Except as hereinafter provided vacancies on the board of directors may be filled for the remainder of its term of office by qualified persons by the remaining directors if they constitute a quorum. If there is not a quorum of directors or if a vacancy results from a failure to elect the number of directors required to be elected at any meeting of shareholders or if a vacancy results from an increase in the number of directors where the directors are otherwise authorized by special resolution to determine the number of directors and the appointment of an additional director would result in a total number of directors greater than one and one third (1 1/3) times the number of directors required to have been elected at the last annual meeting of shareholders then the directors then in office shall forthwith call a special meeting of the shareholders to fill the vacancy and, if they fail to call a meeting or if there are no directors then in office, the meeting may be called by any shareholder.

### **Calling of Meetings**

14. Meetings of the board of directors shall be held from time to time at such place, at such time and on such day as the President or a Vice-President who is a director or any two (2) directors may determine, and the Secretary shall call meeting when directed or authorized by the President or by a Vice-President who is a director or by any two (2) directors. Notice of every meeting so called shall be given to each director not less than forty-eight hours (excluding any part of a Sunday or Holiday as defined by the Interpretation Act of Canada for the time being in force) before the time when the meeting is to be held and such notice shall specify the general nature of any business to be transacted, save that no notice of a meeting shall be necessary if all the directors are present, and do not object to the holding of the meeting, or if those absent waive notice of or have otherwise signified their consent to the holding of such meeting.

### **First Directors Meeting**

15. After incorporation an incorporator or a director may call a meeting of the directors of the Corporation by the

giving of not less than five (5) days notice thereof to each director stating the time and place of the meeting at which the directors may, make by-laws; adopt forms of security certificates and corporate records; authorize the issue of securities; appoint officers; appoint one or more auditors to hold office until the first annual or a special meeting of shareholders; make banking arrangements; and transact any other business.

#### **Place of Meeting**

16. Meetings of the board of directors may be held at the registered office of the Corporation or at any other place within or outside of Ontario; except that unless the Corporation is a non-resident corporation a majority of the meetings of the board of directors in any financial year shall be held at a place within Canada.

#### **Participation by Telephone**

17. With the unanimous consent of all the directors of the Corporation present at or participating in a meeting, a meeting of directors or of a committee of directors may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in a meeting to communicate with each other simultaneously and instantaneously and a director participating in such a meeting by such means is deemed to be present at that meeting. If a majority of the directors participating at a meeting held as herein provided are then in Canada the meeting shall be deemed to have been held in Canada.

#### **Votes to Govern**

18. At all meetings of the board of directors, unless otherwise provided in the Act, every question shall be decided by a majority of the votes cast on the question and in case of an equality of votes, the Chairman of the meeting shall not be entitled to a second or casting vote.

#### **Remuneration of Directors**

19. The directors of the Corporation shall be paid such remuneration as may be determined by the board of directors. Any remuneration so payable to a director who is also an officer or employee of the Corporation or is counsel or solicitor of the Corporation or otherwise serves it in a professional capacity shall be, in addition to his salary as such officer, or his professional fees as the case may be. The directors shall also be paid such sums in respect of the out-of-pocket expenses incurred in attending board, committee or shareholder meetings or otherwise in respect of the performance by them of their duties as the board of directors may from time to time determine.

#### **Transaction of Business by Signature**

20. A resolution in writing signed by all the directors entitled to vote on that resolution at a meeting of directors or a committee of directors, is as valid as if it had been passed at a meeting of directors or a committee of directors.

#### **One Director**

21. Where the Corporation has only one director, that director may constitute a meeting.

#### **Declaration of Interest**

22. Every director or officer of the Corporation who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or is a director or an officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of the meeting of directors the nature and extent of his interest. All such disclosures shall be made at the time required by the applicable provisions of the Act and directors shall refrain from voting in respect of any such contract or transaction unless otherwise permitted by the Act.

### **Avoidance Standards**

23. If a material contract is made or a material transaction is entered into between the Corporation and a director or officer of the Corporation or between the Corporation and any other person of which a director or officer of the Corporation is a director or officer in which he has a material interest, the director or officer is not accountable to the Corporation or its shareholders for any profit or gain realized from the contract or transaction; and the contract or transaction is neither void or voidable, by reason only that relationship or by reason only that the director is present at or is counted to determine the presence of a quorum at the meeting of directors that authorized the contract or transaction, if the director or officer disclosed his interest as hereinbefore provided and the contract or transaction was reasonable and fair to the Corporation at the time it was so approved. A director or officer acting honestly and in good faith is not accountable to the Corporation or to its shareholders for any profit or gain realized from any such contract or transaction by reason only of his holding the office of director or officer and the contract or transaction, if it was reasonable and fair to the Corporation at the time it was approved, is not by reason only of the director's or officer's interests therein void or voidable where, the contract or transaction is confirmed or approved by special resolution at a meeting of the shareholders duly called for that purpose; and the nature and extent of the director's or officer's interest in the contract or transaction is disclosed in reasonable detail in the notice calling the meeting.

### **Standard of Care**

24. Every director and officer of the Corporation in exercising his powers and discharging his duties shall act honestly and in good faith with a view to the best interests of the Corporation and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Every director and officer of the Corporation shall comply with the Act, the regulations, articles, by-laws and any unanimous shareholder agreement.

### **Indemnity of Directors and Officers**

25. The Corporation shall indemnify the directors and officers of the Corporation, former directors or officers of the Corporation or a person who acts or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor and his heirs and legal representatives against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgement, reasonably incurred by him in respect of any civil, criminal or administrative action or proceeding to which he is made party by reason of being or having been a director or officer of the Corporation or body corporate and with the approval of the court in respect of an action by or on behalf of the Corporation or body corporate to procure a judgement in its favour to which he is made a party by reason of being or having been a director or officer of the Corporation or body corporate against all costs, charges and expenses reasonably incurred by him in connection with such action, if, he acted honestly and in good faith with a view to the best interests of the Corporation; and in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, he had reasonable grounds for believing that his conduct was lawful.

### **Insurance for Directors and Officers**

26. The Corporation may purchase and maintain insurance for the benefit of the directors or officers of the Corporation, former directors or officers of the Corporation or persons who act or acted at the Corporation's request as a director or officer of a body corporate of which the Corporation is or was a shareholder or creditor and his heirs and legal representatives against any liability incurred by him, in his capacity as a director or officer of the Corporation, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the Corporation; or in his capacity as a director or officer of another body corporate where he acts or acted in that capacity at the Corporation's request, except where the liability relates to his failure to act honestly and in good faith with a view to the best interests of the body corporate.

### **Financial Assistance**

27. The Corporation or any corporation with which it is affiliated, shall not, directly or indirectly, give financial assistance by means of a loan, guarantee or otherwise, to any shareholder, director, officer or employee of the Corporation or affiliated corporation or to an associate of any such person for any purpose; or to any person for the purpose of or in connection with a purchase of a share or a security convertible into or exchangeable

for a share, issued or to be issued by the Corporation or affiliated Corporation, where there are reasonable grounds for believing that, the Corporation is or after giving the financial assistance would be unable to pay its liabilities as they may become due; or the realizable value of the Corporation's assets, excluding the amount of any financial assistance in the form of a loan and in the form of any secured guarantee, after giving the financial assistance, would be less than the aggregate of the Corporation's liabilities and stated capital of all classes. The Corporation may give financial assistance by means of a loan, guarantee or otherwise, to any person in the ordinary course of business if the lending of money is part of the ordinary business of the Corporation; to any person on account of expenditures incurred or to be incurred on behalf of the Corporation; to its holding body corporate if the Corporation is a wholly owned subsidiary of the holding body corporate; to a subsidiary body corporate of the Corporation; or to its employees of the Corporation or any of its affiliates, to enable or assist them to purchase or erect living accommodation for their own occupation, or in accordance with a plan for the purchase of shares of the Corporation or any of its affiliates.

## **OFFICERS**

### **Appointed Officers**

28. The directors of the Corporation may from time to time designate the offices of the Corporation, appoint officers, specify their duties and, subject to the Act, delegate to them powers to manage the business and affairs of the Corporation. A director may be appointed to any office of the Corporation and two or more offices of the Corporation may be held by the same person. In the absence of a written agreement to the contrary, the board of directors may remove at its pleasure any officer of the Corporation. The terms of employment and remuneration of any officer so appointed by it shall be settled from time to time by the board of directors. Unless otherwise from time to time specified by the board of directors the offices of the Corporation, if so designated, and the officers so appointed shall have the following duties and powers.

### **President**

29. The President shall, when present, preside at all meetings of the shareholders and of the board of directors and shall be charged with the general supervision of the business and affairs of the Corporation. Except when the board of directors has appointed a general manager or managing director, the President shall also have the powers and be charged with the duties of that office.

The President shall be appointed from amongst the directors.

### **Vice-President**

30. During the absence or inability of the President his duties may be performed and his powers may be exercised by the Vice-President, or if there are more than one, by the Vice-President in order of seniority (as determined by the board of directors) save that no Vice-president shall preside at a meeting of the board of directors or at a meeting of shareholders who is not qualified to attend the meeting as a director, as the case may be. If a Vice-President exercises any such duty or power, the absence or inability of the President shall be presumed with reference thereto. A Vice-President shall also perform such duties and exercise such powers as the President may from time to time delegate to him or the board may prescribe.

### **General Manager**

31. The General Manager, if one be appointed, shall have the general management and direction, subject to the authority of the board of directors and supervision of the President, of the Corporation's business and affairs and the power to appoint and remove any and all officers, employees and agents of the Corporation not appointed directly by the board of directors and to settle the terms of their employment and remuneration. If and so long as the general manager is a director he may but need not be known as the Managing Director.

### **Secretary**

32. The Secretary shall give, or cause to be given, all notices required to be given to shareholders, directors, auditors and members of committees; he shall attend all meetings of the directors and of the shareholders and

shall enter or cause to be entered in books kept for that purpose minutes of all proceedings at such meetings; he shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and other instruments belonging to the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board of directors.

#### **Treasurer**

33. The Treasurer shall keep full and accurate books of account in which shall be recorded all receipts and disbursements of the Corporation and, under the direction of the board of directors, shall control the deposit of money, the safekeeping of securities and the disbursements of the funds of the Corporation; he shall render to the board of directors at the meetings thereof, or whenever required of him an account of all his transactions as Treasurer and of the financial position of the Corporation; and he shall perform such other duties as may from time to time be prescribed by the board of directors.

#### **Other Officers**

34. The duties of all other officers of the Corporation shall be such as the terms of their engagement call for or the board of directors requires of them. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board of directors otherwise directs.

#### **Variation of Duties**

35. From time to time the board may vary, add to or limit the powers and duties of any officer or officers.

#### **Agents and Attorneys**

36. The board of directors shall have power from time to time to appoint agents or attorneys for the Corporation in or out of Canada with such powers of management or otherwise (including the power to sub-delegate) as may be thought fit.

#### **Fidelity Bonds**

37. The board of directors may require such officers, employees and agents of the Corporation as the board of directors deems advisable to furnish bonds for the faithful discharge of their duties, in such form and with such surety as the board of directors may from time to time prescribe.

## **SHARES**

#### **Allotment**

38. The board of directors may from time to time accept subscriptions and allot or grant options to purchase the whole or any part of the authorized and unissued shares in the Corporation including any shares created by an amendment to the articles of the Corporation to such person or persons or class of persons as the board of directors shall by resolution determine.

#### **Payment of Commission**

39. The directors may authorize the Corporation to pay a reasonable commission to any person in consideration of his purchasing or agreeing to purchase shares of the Corporation from the Corporation or from any other person, or procuring or agreeing to procure purchasers for any such shares.
40. Every security holder including every shareholder shall be entitled, in the case of initial issuance without payment and in the case of any subsequent transfer upon payment of a fee of not more than three dollars (\$3.00) to a security certificate in respect of the securities held by him or to a non-transferable written acknowledgement of his right to obtain a security certificate from the Corporation in respect of the securities of the Corporation held by him. Security certificates shall be in such a form or forms as the board of directors

shall from time to time approve. Unless otherwise ordered by the board of directors, they shall be signed by any two directors and/or officers and need not be under the corporate seal; provided that certificates representing securities in respect of which a transfer agent and registrar (which term shall include a branch transfer agent and registrar) or trustee have been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and registrar or trustee. If authorized by resolution of the board of directors, the corporate seal of the Corporation and the signature of one of the signing officers, or in the case of security certificates representing securities in respect of which a transfer agent and registrar or trustee have been appointed, the signatures of both signing officers, may be printed, engraved, lithographed, or otherwise mechanically reproduced in facsimile upon security certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be valid notwithstanding that one or both of the officers whose signature (whether manual or facsimile) appears thereon no longer holds the office at the date of issue or delivery of the certificate.

#### **Replacement of Security Certificates**

41. The board of directors may by resolution prescribe, either generally or in a particular case, reasonable conditions upon which a new security certificate may be issued in lieu of and upon cancellation of the security certificate which has become mutilated or in substitution for certificate which has been lost, stolen or destroyed.

#### **Central and Branch Registers**

42. The Corporation shall maintain a central securities register and a central register of transfers at its registered office or at any other place in Ontario designated by the directors and may maintain one or more branch securities registers and register of transfers at such offices of the Corporation or other places either within or outside Ontario as designated by the directors. The board of directors may from time to time by resolution appoint a registrar, trustee or agent to keep the register of security holders and a transfer agent, trustee or other agent to keep the register of transfers and may also designate from time to time branch registers of security holders and branch registers of transfers. A registrar, trustee, transfer agent or other agent may but need not be the same individual or Corporation.

#### **Transfer of Securities**

43. Transfers of securities of the Corporation shall be registrable on the register of transfers or on one of the branch registers of transfers (if any) kept by or for the Corporation in respect thereof upon surrender of the security endorsed by the appropriate person together with such reasonable assurance as the Corporation shall require and subject to the other provisions of the Act relating to transfers and the restriction on transfer set forth in the articles of the Corporation.

#### **Dealings with Registered Holder**

44. The Corporation and any trustee appointed in respect of a security may, subject to the Act, treat the registered holder of a security as a person exclusively entitled to vote, to receive notices, to receive any interest, dividend or other payments in respect of the security, and otherwise to exercise all the rights and powers of a holder of the security and is not required to inquire into the existence of, or see to the performance or observance of, any duty owed to a third person by a registered holder of any of its securities or by anyone whom it treats, as permitted or required by the Act, as the owner or registered holder thereof.

#### **Lien on Shares**

45. Subject to the provisions of the Act, the Corporation has a lien on a share registered in the name of a shareholder or his legal representative for a debt of that shareholder to the Corporation which lien may be realized by the sale or other disposition of such share or by any other method permitted by law.

## **SHAREHOLDERS**

### **Annual Meetings**

46. The annual meeting of shareholders shall, subject to the articles and any unanimous shareholder agreement be held at such place in or outside Ontario as the directors may determine for the purpose of hearing and receiving the reports and statements required by the Act to be read and laid before the shareholders at any annual meeting, electing directors, reappointing, if necessary, the incumbent auditor and fixing or authorizing the board of directors to fix his remuneration. No other business shall be transacted at an annual meeting of shareholders unless such meeting is also properly constituted as a special meeting of shareholders.

### **Special Meeting**

47. The directors of the Corporation may at any time and from time to time call a special meeting of shareholders of the Corporation to be held at such time and at such place in or outside Ontario as the directors determine. The phrase "meeting of shareholders" wherever it occurs in this by-law shall mean and include the annual meeting of shareholders and a special meeting of shareholders and shall also include a meeting of any class or classes of shareholders.

### **Notices**

48. No public notice or advertisement of any meeting of shareholders shall be required, but notice of the time and place of each such meeting shall be given not less than ten (10) days nor more than fifty (50) days before the day on which the meeting is to be held, to the auditor, if any, the directors and to each shareholder entitled to vote at the meeting. Notice of a special meeting of shareholders shall state or be accompanied by a statement of, the nature of that special business in sufficient detail to permit the shareholder to form a reasoned judgement thereon; and the text of any special resolution or by-law to be submitted to the meeting. A meeting of shareholders may be held at any time without notice if all the shareholders entitled to vote thereat are present or represented by proxy and do not object to the holding of the meeting or those not present or represented by a proxy have waived notice, if all the directors are present or have waived notice and if the auditor, if any, is present or has waived notice.

### **Reports to Shareholders**

49. Subject to the provisions of the Act a copy of the financial statements for the period that began immediately after the end of the last completed financial year and ended not more than six (6) months before than annual meeting, a copy of the auditor's report, if any, and any further information respecting the financial position of the Corporation and the results of its operations required by the articles, the by-laws or any unanimous shareholder agreement shall be sent to each shareholder not less than ten (10) days before each annual meeting of shareholders or before the transaction of the annual business of the Corporation pursuant to paragraph 66 hereof.

### **Persons Entitled to be Present**

50. Persons entitled to attend a meeting of shareholders shall be those entitled to vote thereat, the auditor, if any, of the Corporation, the directors of the Corporation and others who although not entitled to vote are entitled or required under the provisions of the Act or by-laws of the Corporation or any unanimous shareholder agreement to be present at the meeting. Any other person may be admitted only on the invitation of the Chairman of the meeting or with the consent of the meeting.

### **Record Date**

51. The directors may fix in advance a date preceding by not more than fifty (50) days or by less than twenty-one (21) days a record date for the determination of persons entitled to receive notice of a meeting of shareholders and notice thereof shall be given not less than seven (7) days before the date so fixed by advertisement and by notice as provided in the Act. The directors may also fix in advance the date as the record date for the purpose of determining shareholders, entitled to receive payment of a dividend; entitled to participate in a liquidation

or distribution; or for any other purpose except the right to receive notice of or to vote at a meeting which such record date shall not precede by more than fifty (50) days the date on which such particular action is to be taken and notice thereof shall be given as hereinbefore provided.

### **Quorum**

52. Two persons present and each entitled to vote thereat shall constitute a quorum for the transaction of business at any meeting of shareholders.

### **Right to Vote**

53. At each meeting of shareholders every shareholder shall be entitled to vote who is entered on the books of the Corporation as a holder of one or more shares carrying the right to vote at such meeting in accordance with a shareholder list which, in the case of a record date shall be prepared no later than ten (10) days after such record date and where there is no record date at the close of business on the day immediately preceding the day on which notice is given or where notice is given on the day on which the meeting is held. Where a person has transferred any of his shares after the date on which the list hereinbefore referred to was prepared and the transferee produces satisfactory evidence in accordance with the provisions of the Act not later than (10) days before the meeting that such person owns shares in the Corporation such transferee is entitled to vote his shares at the meeting. Where a share or shares have been mortgaged or hypothecated, the person who mortgaged or hypothecated such share or shares (or his proxy) may nevertheless represent the shares at meetings and vote in respect thereof unless in the instrument creating the mortgage or hypothec he has expressly empowered the holder of such mortgage or hypothec to vote thereon, in which case such holder (or his proxy) may attend meetings to vote in respect of such shares upon filing with the Secretary of the meeting sufficient proof of the terms of such instrument.

### **Representatives**

54. An executor, administrator, committee of a mentally incompetent person, guardian or trustee and where a Corporation is such executor, administrator, committee, guardian or trustee of a testator, intestate, mentally incompetent person, ward or *cestui que* trust, any person duly appointed a proxy for such corporation, upon filing with the Secretary of the meeting sufficient proof of his appointment, shall represent the shares in his or its hands at all meeting of the shareholders of the Corporation and may vote accordingly as a shareholder in the same manner and to the same extent as the shareholder of record. If there be more than one executor, administrator, committee, guardian or trustee, the provisions of paragraph 56 shall apply.

### **Proxies**

55. Every shareholder entitled to vote at a meeting of shareholders may by means of a proxy appoint a proxy holder or one or more alternate proxy holders, who need not be shareholders, as his nominee to attend and act at the meeting in manner, to the extent and with the authority conferred by the proxy. The instrument appointing a proxy shall be executed by the shareholder or his attorney authorized in writing or, if the shareholder is a body corporate, by an officer or attorney thereof duly authorized and shall cease to be valid after the expiration of one year from the date thereof. The instrument appointing a proxy shall comply with the provisions of the Act and regulations thereto and shall be in such form as the directors may from time to time prescribe or in such other form as the Chairman of the meeting may accept as sufficient and shall be deposited with the Secretary of the meeting before any vote is cast under its authority, or at such earlier time and in such manner as the board or directors may prescribe in accordance with the Act.

### **Joint Shareholders**

56. Where two or more persons hold shares jointly, one of those holders present at a meeting of shareholders may in the absence of the others vote the shares, but if two or more of those persons are present, in person or by proxy, they shall vote as one of the shares jointly held by them.



### **Scrutineers**

57. At each meeting of shareholders one or more scrutineers may be appointed by a resolution of the meeting or by the Chairman with the consent of the meeting to serve at the meeting. Such scrutineers need not be shareholders of the Corporation.

### **Votes to Govern**

58. At all meetings of shareholders every question shall, unless otherwise required by the articles or by-laws of the Corporation or by the Act, be decided by the majority of the votes duly cast on the question.

### **Show of Hands**

59. At all meetings of shareholders every question shall be decided by a show of hands unless a poll thereon be required by the Chairman or be demanded by any shareholder present or represented by proxy and entitled to vote per share held. Upon a show of hands every person present and entitled to vote shall have one vote. After a show of hands has been taken upon any question the Chairman may require or any shareholder present in person or represented by proxy and entitled to vote may demand a poll thereon. Whenever a vote by show of hands shall have been taken upon a question, unless a poll thereon be so required or demanded, a declaration by the Chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the proceedings at the meeting shall be *prima facie* evidence of the fact without proof of the number or proportions of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the Corporation in annual or special meeting, as the case may be, upon the question. A demand for a poll may be withdrawn at any time prior to the taking of the poll.

### **Polls**

60. If a poll be required by the Chairman of the meeting or be duly demanded by any shareholder and the demand be not withdrawn, a poll upon the question shall be taken in such manner as the Chairman of the meeting shall direct. Upon a poll each shareholder who is present in person or represented by proxy shall be entitled to one vote for each share in respect of which he is entitled to vote at the meeting and the result of the poll shall be the decision of the Corporation in annual or special meeting, as the case may be, upon the question.

### **Casting Vote**

61. In case of an equality of votes at any meeting of shareholders, either upon a show of hands or upon a poll, the Chairman of the meeting shall not be entitled to a second or casting vote.

### **Adjournment**

62. The Chairman of the meeting of shareholders may, with the consent of the meeting and subject to such conditions as the meeting may decide, or where otherwise permitted under the provisions of the Act, adjourn the meeting from time to time and from place to place.

### **Transaction of Business by Signature**

63. Subject to the provisions of the Act, a resolution in writing signed by all the shareholders entitled to vote on that resolution at a meeting of shareholders is as valid as if it had been passed at a meeting of shareholders; and a resolution in writing dealing with all matters required by this Act, be dealt with at a meeting of shareholders and signed by all the shareholders entitled to vote at that meeting, satisfies all other requirements of the Act relating to that meeting of shareholders.

### **One Shareholder**

64. Where the Corporation has only one shareholder, all business which the Corporation may transact at an annual or special meeting of shareholders shall be transacted in the manner provided for in paragraph 63 hereof.

## **Dividends**

65. The board of directors may from time to time declare dividends payable to shareholders according to their respective rights and interests in the Corporation. The Corporation may pay a dividend by issuing fully paid shares of the Corporation or options or rights to acquire fully paid shares of the Corporation and the Corporation may pay a dividend in money or property. A dividend payable in money shall be paid by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class in respect of which it has been declared and mailed by ordinary mail, postage prepaid, to such registered holder at his last address appearing on the books of the Corporation, or it may be provided by electronic transfer to such shareholder, or by such other method of payment as may otherwise be determined by the board of directors. In the case of joint holders the payment shall, unless such joint holders otherwise direct, be made payable to the order of all such joint holders and if payment be by cheque, if more than one address appears on the books of the Corporation in respect of such joint holding the cheque shall be mailed to the first address so appearing. The mailing of such cheque or providing payment as aforesaid shall satisfy and discharge all liability for the dividend to the extent of the sum represented thereby, unless such cheque be not paid at par on due presentation or payment not be processed. In the event of non-receipt of any cheques for dividends by the person to whom it is so sent as aforesaid, the Corporation on proof of such non-receipt and upon satisfactory indemnity being given to it, shall issue to such person a replacement cheque for a like amount. Any dividend which remains unclaimed after a period of twelve (12) years after the date on which it has been declared payable shall be forfeited and revert to the Corporation.

## **NOTICES**

### **Method of Giving**

66. Any notice, communication or other document to be given by the Corporation to a shareholder, director, officer or auditor of the Corporation under the provisions of the articles or by-laws or the Act shall be sufficiently given if sent to such shareholder, director, officer or auditor by facsimile, e-mail, the Internet or other electronic means or by prepaid mail addressed to, or may be delivered personally to, a shareholder at his last address as shown in the records of the Corporation or in the case of a director or officer in the most recent notice filed under the Corporations Information Act, whichever is the most current. A notice or document sent by prepaid mail as hereinbefore provided to a shareholder, director, officer or auditor of the Corporation shall be deemed to be received by the addressee on the fifth day after mailing. Where the Corporation sends a notice or document to a shareholder by prepaid mail as hereinbefore provided and the notice or document is returned on three consecutive occasions because the shareholder cannot be found, the Corporation is not required to send any further notice or documents to the shareholder until he informs the Corporation in writing of his new address.

### **Computation of Time**

67. In computing the date when notice must be given under any provision of the articles or by-laws requiring a specified number of days' notice of any meeting or other event, the date of giving the notice and the date of the meeting or other event shall be excluded.

### **Omissions and Errors**

68. The accidental omission to give any notice to any shareholder, director, officer or auditor or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

### **Notice to Joint Shareholders**

69. All notices with respect to any shares registered in more than one name may if more than one address appears on the books of the Corporation in respect of such joint holding, be given to such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to all the holders of such shares.

### **Persons Entitled by Death or Operation of Law**

70. Every person who by operation of law, transfer, death of a shareholder or by any means whatsoever, shall become entitled to any share or shares, shall be bound by every notice in respect of such share or shares which shall have been duly given to the person from whom he derives his title to such share or shares, previously to his name and address being entered on the books of the Corporation (whether it be before or after the happening of the event upon which he became entitled).

### **Waiver of Notice**

71. Where a notice or document is required by the Act, or the articles or by-laws of the Corporation to be sent, the notice may be waived or the time for sending the notice or document may be waived or abridged at any time with the consent in writing of the person entitled thereto.

### **INTERPRETATION**

72. In this by-law and all other by-laws of the Corporation, words importing the singular number only shall include the plural and vice-versa; words importing the masculine gender shall include the feminine and neuter genders; words importing persons shall include individuals, sole proprietorships, partnerships, unincorporated associations, unincorporated syndicates, unincorporated organizations, trusts, corporate bodies and natural persons in their capacity as trustees, executors, administrators or other legal representatives; “resident Canadian” means an individual who is determined to be a resident Canadian as defined by the Act; “articles” shall include the original or restated articles of incorporation, articles of amendment, articles of amalgamation, articles of continuance, articles of reorganization, articles of arrangement, articles of dissolution, articles of revival and any amendments thereto; the “Act” shall mean the *Business Corporations Act*, 1990 as amended from time to time or any act that may hereafter be substituted therefor.

MADE by the board on the • day of •, 2015.

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• – President

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• – Secretary

**SCHEDULE "D"**  
**BCBCA DISSENT RIGHTS**

**DIVISION 2 — DISSENT PROCEEDINGS**

**Definitions and application**

237. (1) In this Division:

“**dissenter**” means a shareholder who, being entitled to do so, sends written notice of dissent when and as required by section 242;

“**notice shares**” means, in relation to a notice of dissent, the shares in respect of which dissent is being exercised under the notice of dissent;

“**payout value**” means,

(a) in the case of a dissent in respect of a resolution, the fair value that the notice shares had immediately before the passing of the resolution,

(b) in the case of a dissent in respect of an arrangement approved by a court order made under section 291 (2) (c) that permits dissent, the fair value that the notice shares had immediately before the passing of the resolution adopting the arrangement, or

(c) in the case of a dissent in respect of a matter approved or authorized by any other court order that permits dissent, the fair value that the notice shares had at the time specified by the court order,

excluding any appreciation or depreciation in anticipation of the corporate action approved or authorized by the resolution or court order unless exclusion would be inequitable.

(2) This Division applies to any right of dissent exercisable by a shareholder except to the extent that

(a) the court orders otherwise, or

(b) in the case of a right of dissent authorized by a resolution referred to in section 238 (1) (g), the court orders otherwise or the resolution provides otherwise.

**Right to dissent**

238. (1) A shareholder of a company, whether or not the shareholder's shares carry the right to vote, is entitled to dissent as follows:

(a) under section 260, in respect of a resolution to alter the articles to alter restrictions on the powers of the company or on the business it is permitted to carry on;

(b) under section 272, in respect of a resolution to adopt an amalgamation agreement;

(c) under section 287, in respect of a resolution to approve an amalgamation under Division 4 of Part 9;

(d) in respect of a resolution to approve an arrangement, the terms of which arrangement permit dissent;

(e) under section 301 (5), in respect of a resolution to authorize or ratify the sale, lease or other disposition of all or substantially all of the company's undertaking;

(f) under section 309, in respect of a resolution to authorize the continuation of the company into a jurisdiction other than British Columbia;

(g) in respect of any other resolution, if dissent is authorized by the resolution;

(h) in respect of any court order that permits dissent.

(2) A shareholder wishing to dissent must

(a) prepare a separate notice of dissent under section 242 for

(i) the shareholder, if the shareholder is dissenting on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is dissenting,

(b) identify in each notice of dissent, in accordance with section 242 (4), the person on whose behalf dissent is being exercised in that notice of dissent, and

(c) dissent with respect to all of the shares, registered in the shareholder's name, of which the person identified under paragraph (b) of this subsection is the beneficial owner.

(3) Without limiting subsection (2), a person who wishes to have dissent exercised with respect to shares of which the person is the beneficial owner must

(a) dissent with respect to all of the shares, if any, of which the person is both the registered owner and the beneficial owner, and

(b) cause each shareholder who is a registered owner of any other shares of which the person is the beneficial owner to dissent with respect to all of those shares.

#### **Waiver of right to dissent**

**239.** (1) A shareholder may not waive generally a right to dissent but may, in writing, waive the right to dissent with respect to a particular corporate action.

(2) A shareholder wishing to waive a right of dissent with respect to a particular corporate action must

(a) provide to the company a separate waiver for

(i) the shareholder, if the shareholder is providing a waiver on the shareholder's own behalf, and

(ii) each other person who beneficially owns shares registered in the shareholder's name and on whose behalf the shareholder is providing a waiver, and

(b) identify in each waiver the person on whose behalf the waiver is made.

(3) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on the shareholder's own behalf, the shareholder's right to dissent with respect to the particular corporate action terminates in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and this Division ceases to apply to

(a) the shareholder in respect of the shares of which the shareholder is both the registered owner and the beneficial owner, and

(b) any other shareholders, who are registered owners of shares beneficially owned by the first mentioned shareholder, in respect of the shares that are beneficially owned by the first mentioned shareholder.

(4) If a shareholder waives a right of dissent with respect to a particular corporate action and indicates in the waiver that the right to dissent is being waived on behalf of a specified person who beneficially owns shares registered in the name of the shareholder, the right of shareholders who are registered owners of shares beneficially owned by that specified person to dissent on behalf of that specified person with respect to the particular corporate action terminates and this Division ceases to apply to those shareholders in respect of the shares that are beneficially owned by that specified person.

#### **Notice of resolution**

**240.** (1) If a resolution in respect of which a shareholder is entitled to dissent is to be considered at a meeting of shareholders, the company must, at least the prescribed number of days before the date of the proposed meeting, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a notice of the meeting that specifies the date of the meeting, and contains a statement advising of the right to send a notice of dissent.

(2) If a resolution in respect of which a shareholder is entitled to dissent is to be passed as a consent resolution of shareholders or as a resolution of directors and the earliest date on which that resolution can be passed is specified in the resolution or in the statement referred to in paragraph (b), the company may, at least 21 days before that specified date, send to each of its shareholders, whether or not their shares carry the right to vote,

(a) a copy of the proposed resolution, and

(b) a statement advising of the right to send a notice of dissent.

(3) If a resolution in respect of which a shareholder is entitled to dissent was or is to be passed as a resolution of shareholders without the company complying with subsection (1) or (2), or was or is to be passed as a directors' resolution without the company complying with subsection (2), the company must, before or within 14 days after the passing of the resolution, send to each of its shareholders who has not, on behalf of every person who beneficially owns shares registered in the name of the shareholder, consented to the resolution or voted in favour of the resolution, whether or not their shares carry the right to vote,

(a) a copy of the resolution,

(b) a statement advising of the right to send a notice of dissent, and

(c) if the resolution has passed, notification of that fact and the date on which it was passed.

(4) Nothing in subsection (1), (2) or (3) gives a shareholder a right to vote in a meeting at which, or on a resolution on which, the shareholder would not otherwise be entitled to vote.

#### **Notice of court orders**

**241.** If a court order provides for a right of dissent, the company must, not later than 14 days after the date on which the company receives a copy of the entered order, send to each shareholder who is entitled to exercise that right of dissent

(a) a copy of the entered order, and

(b) a statement advising of the right to send a notice of dissent.

#### **Notice of dissent**

**242.** (1) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (a), (b), (c), (d), (e) or (f) must,

(a) if the company has complied with section 240 (1) or (2), send written notice of dissent to the company at least 2 days before the date on which the resolution is to be passed or can be passed, as the case may be,

(b) if the company has complied with section 240 (3), send written notice of dissent to the company not more than 14 days after receiving the records referred to in that section, or

(c) if the company has not complied with section 240 (1), (2) or (3), send written notice of dissent to the company not more than 14 days after the later of

(i) the date on which the shareholder learns that the resolution was passed, and

(ii) the date on which the shareholder learns that the shareholder is entitled to dissent.

(2) A shareholder intending to dissent in respect of a resolution referred to in section 238 (1) (g) must send written notice of dissent to the company

(a) on or before the date specified by the resolution or in the statement referred to in section 240 (2) (b) or (3) (b) as the last date by which notice of dissent must be sent, or

(b) if the resolution or statement does not specify a date, in accordance with subsection (1) of this section.

(3) A shareholder intending to dissent under section 238 (1) (h) in respect of a court order that permits dissent must send written notice of dissent to the company

(a) within the number of days, specified by the court order, after the shareholder receives the records referred to in section 241, or

(b) if the court order does not specify the number of days referred to in paragraph (a) of this subsection, within 14 days after the shareholder receives the records referred to in section 241.

(4) A notice of dissent sent under this section must set out the number, and the class and series, if applicable, of the notice shares, and must set out whichever of the following is applicable:

(a) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner and the shareholder owns no other shares of the company as beneficial owner, a statement to that effect;

(b) if the notice shares constitute all of the shares of which the shareholder is both the registered owner and beneficial owner but the shareholder owns other shares of the company as beneficial owner, a statement to that effect and

(i) the names of the registered owners of those other shares,

(ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and

(iii) a statement that notices of dissent are being, or have been, sent in respect of all of those other shares;

(c) if dissent is being exercised by the shareholder on behalf of a beneficial owner who is not the dissenting shareholder, a statement to that effect and

(i) the name and address of the beneficial owner, and

(ii) a statement that the shareholder is dissenting in relation to all of the shares beneficially owned by the beneficial owner that are registered in the shareholder's name.

(5) The right of a shareholder to dissent on behalf of a beneficial owner of shares, including the shareholder, terminates and this Division ceases to apply to the shareholder in respect of that beneficial owner if subsections (1) to (4) of this section, as those subsections pertain to that beneficial owner, are not complied with.

### **Notice of intention to proceed**

**243.** (1) A company that receives a notice of dissent under section 242 from a dissenter must,

(a) if the company intends to act on the authority of the resolution or court order in respect of which the notice of dissent was sent, send a notice to the dissenter promptly after the later of

(i) the date on which the company forms the intention to proceed, and

(ii) the date on which the notice of dissent was received, or

(b) if the company has acted on the authority of that resolution or court order, promptly send a notice to the dissenter.

(2) A notice sent under subsection (1) (a) or (b) of this section must

(a) be dated not earlier than the date on which the notice is sent,

(b) state that the company intends to act, or has acted, as the case may be, on the authority of the resolution or court order, and

(c) advise the dissenter of the manner in which dissent is to be completed under section 244.

### **Completion of dissent**

**244.** (1) A dissenter who receives a notice under section 243 must, if the dissenter wishes to proceed with the dissent, send to the company or its transfer agent for the notice shares, within one month after the date of the notice,

- (a) a written statement that the dissenter requires the company to purchase all of the notice shares,
- (b) the certificates, if any, representing the notice shares, and
- (c) if section 242 (4) (c) applies, a written statement that complies with subsection (2) of this section.

(2) The written statement referred to in subsection (1) (c) must

- (a) be signed by the beneficial owner on whose behalf dissent is being exercised, and
- (b) set out whether or not the beneficial owner is the beneficial owner of other shares of the company and, if so, set out
  - (i) the names of the registered owners of those other shares,
  - (ii) the number, and the class and series, if applicable, of those other shares that are held by each of those registered owners, and
  - (iii) that dissent is being exercised in respect of all of those other shares.

(3) After the dissenter has complied with subsection (1),

- (a) the dissenter is deemed to have sold to the company the notice shares, and
- (b) the company is deemed to have purchased those shares, and must comply with section 245, whether or not it is authorized to do so by, and despite any restriction in, its memorandum or articles.

(4) Unless the court orders otherwise, if the dissenter fails to comply with subsection (1) of this section in relation to notice shares, the right of the dissenter to dissent with respect to those notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares.

(5) Unless the court orders otherwise, if a person on whose behalf dissent is being exercised in relation to a particular corporate action fails to ensure that every shareholder who is a registered owner of any of the shares beneficially owned by that person complies with subsection (1) of this section, the right of shareholders who are registered owners of shares beneficially owned by that person to dissent on behalf of that person with respect to that corporate action terminates and this Division, other than section 247, ceases to apply to those shareholders in respect of the shares that are beneficially owned by that person.

(6) A dissenter who has complied with subsection (1) of this section may not vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, other than under this Division.

### **Payment for notice shares**

**245.** (1) A company and a dissenter who has complied with section 244 (1) may agree on the amount of the payout value of the notice shares and, in that event, the company must

- (a) promptly pay that amount to the dissenter, or
- (b) if subsection (5) of this section applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(2) A dissenter who has not entered into an agreement with the company under subsection (1) or the company may apply to the court and the court may

- (a) determine the payout value of the notice shares of those dissenters who have not entered into an agreement with the company under subsection (1), or order that the payout value of those notice shares be established by arbitration or by reference to the registrar, or a referee, of the court,



(b) join in the application each dissenter, other than a dissenter who has entered into an agreement with the company under subsection (1), who has complied with section 244 (1), and

(c) make consequential orders and give directions it considers appropriate.

(3) Promptly after a determination of the payout value for notice shares has been made under subsection (2) (a) of this section, the company must

(a) pay to each dissenter who has complied with section 244 (1) in relation to those notice shares, other than a dissenter who has entered into an agreement with the company under subsection (1) of this section, the payout value applicable to that dissenter's notice shares, or

(b) if subsection (5) applies, promptly send a notice to the dissenter that the company is unable lawfully to pay dissenters for their shares.

(4) If a dissenter receives a notice under subsection (1) (b) or (3) (b),

(a) the dissenter may, within 30 days after receipt, withdraw the dissenter's notice of dissent, in which case the company is deemed to consent to the withdrawal and this Division, other than section 247, ceases to apply to the dissenter with respect to the notice shares, or

(b) if the dissenter does not withdraw the notice of dissent in accordance with paragraph (a) of this subsection, the dissenter retains a status as a claimant against the company, to be paid as soon as the company is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the company but in priority to its shareholders.

(5) A company must not make a payment to a dissenter under this section if there are reasonable grounds for believing that

(a) the company is insolvent, or

(b) the payment would render the company insolvent.

### **Loss of right to dissent**

**246.** The right of a dissenter to dissent with respect to notice shares terminates and this Division, other than section 247, ceases to apply to the dissenter with respect to those notice shares, if, before payment is made to the dissenter of the full amount of money to which the dissenter is entitled under section 245 in relation to those notice shares, any of the following events occur:

(a) the corporate action approved or authorized, or to be approved or authorized, by the resolution or court order in respect of which the notice of dissent was sent is abandoned;

(b) the resolution in respect of which the notice of dissent was sent does not pass;

(c) the resolution in respect of which the notice of dissent was sent is revoked before the corporate action approved or authorized by that resolution is taken;

(d) the notice of dissent was sent in respect of a resolution adopting an amalgamation agreement and the amalgamation is abandoned or, by the terms of the agreement, will not proceed;

(e) the arrangement in respect of which the notice of dissent was sent is abandoned or by its terms will not proceed;

(f) a court permanently enjoins or sets aside the corporate action approved or authorized by the resolution or court order in respect of which the notice of dissent was sent;

(g) with respect to the notice shares, the dissenter consents to, or votes in favour of, the resolution in respect of which the notice of dissent was sent;

(h) the notice of dissent is withdrawn with the written consent of the company;

(i) the court determines that the dissenter is not entitled to dissent under this Division or that the dissenter is not entitled to dissent with respect to the notice shares under this Division.

**Shareholders entitled to return of shares and rights**

**247.** If, under section 244 (4) or (5), 245 (4) (a) or 246, this Division, other than this section, ceases to apply to a dissenter with respect to notice shares,

(a) the company must return to the dissenter each of the applicable share certificates, if any, sent under section 244 (1) (b) or, if those share certificates are unavailable, replacements for those share certificates,

(b) the dissenter regains any ability lost under section 244 (6) to vote, or exercise or assert any rights of a shareholder, in respect of the notice shares, and

(c) the dissenter must return any money that the company paid to the dissenter in respect of the notice shares under, or in purported compliance with, this Division.