

CDN MSOLAR CORP.

NOTICE OF MEETING

AND

MANAGEMENT INFORMATION CIRCULAR

FOR

ANNUAL GENERAL MEETING OF SHAREHOLDERS

IN RESPECT OF AN ANNUAL GENERAL MEETING OF CDN MSOLAR CORP.

November 17, 2014

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CDN MSOLAR CORP.

NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that an annual general meeting (the “**Meeting**”) of the shareholders (the “**CMS Shareholders**”) of CDN MSOLAR CORP. (the “**Company**”) will be held at the offices of Remedios & Company, 1010 The Burrard Building, 1030 West Georgia Street, Vancouver, British Columbia on December 18, 2014 at 11 a.m. for the following purposes:

1. To receive the audited financial statements of the Company for the fiscal year ended March 31, 2014, together with the auditors’ report thereon.
2. To appoint the auditors for the Company.
3. To fix the number of directors and to elect directors for the ensuing year.
4. To approve the Stock Option Plan for the Company, as more fully set forth in the Information Circular accompanying this Notice of Meeting.
5. To transact such other business as may properly be brought before the Meeting.

Information relating to the matters to be brought before the Meeting is set forth in the Information Circular accompanying this Notice of Meeting.

The Circular provides additional information relating to the matters to be dealt with at the Meeting and is deemed to form part of this Notice. Also accompanying the Notice and the Circular is a form of proxy for use at the Meeting. Any adjourned meeting resulting from an adjournment of the Meeting will be held at a time and place to be specified at the Meeting. Only CMS Shareholders of record at the close of business on November 17, 2014, will be entitled to receive notice of and vote at the Meeting.

Registered CMS Shareholders unable to attend the Meeting are requested to date, sign and return the enclosed form of proxy and deliver it in accordance with the instructions set out in the proxy and in the Circular. If you are a non-registered CMS Shareholder and receive the materials through your broker or through another intermediary, please complete and return the materials in accordance with the instructions provided to you by your broker or the other intermediary. Failure to do so may result in your shares of the Company not being voted at the Meeting.

Dated at Vancouver, British Columbia, this 17th day of November, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

“Lin Hoi Yu”

Lin Hoi Yu

President

**CDN MSOLAR CORP.
1010 – 1030 West Georgia Street
Vancouver, British Columbia V6E 2Y3**

This Circular is furnished in connection with the solicitation of proxies by management of CDN MSOLAR CORP. for use at an annual general meeting of shareholders of the Company (the “Meeting”) to be held on December 18, 2014 at 11:00 a.m. (Vancouver time) at the offices of Remedios & Company, 1010 The Burrard Building, 1030 West Georgia Street, Vancouver, British Columbia.

This Circular describes the matters that need to be dealt with in an annual general meeting of the Company.

Unless the context otherwise requires, capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Glossary of Terms in this Circular.

ANNUAL GENERAL MEETING MATTERS

At the Meeting, the CMS Shareholders will be asked, to consider and, if thought fit, to pass resolutions fixing the number of directors, electing directors, appointing auditors, and approving the Stock Option Plan.

INFORMATION CONTAINED IN THIS CIRCULAR

The information contained in this Circular is given as at November 17, 2014, unless otherwise noted.

No person has been authorized to give any information or to make any representation in connection with the matters described herein other than those contained in this Circular and, if given or made, any such information or representation should be considered not to have been authorized by the Company.

This Circular does not constitute the solicitation of an offer to purchase any securities or the solicitation of a proxy by any person in any jurisdiction in which such solicitation is not authorized or in which the person making such solicitation is not qualified to do so or to any person to whom it is unlawful to make such solicitation.

Information contained in this Circular should not be construed as legal, tax or financial advice and CMS Shareholders are urged to consult their own professional advisers in connection therewith.

[Descriptions in the body of this Circular of the terms of the Stock Option Plan are merely summaries of the terms in that document. CMS Shareholders should refer to the full text of the Stock Option Plan for complete details of those documents. The full text of the Stock Option Plan is attached to this Circular as Schedule “B”.]

INFORMATION CONCERNING FORWARD-LOOKING STATEMENTS

Except for statements of historical fact contained herein, the information presented in this Circular constitutes “forward-looking statements” or “information” (collectively “**statements**”). These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

In some cases, forward-looking statements can be identified by terminology such as “may”, “will”, “expect”, “plan”, “anticipate”, “believe”, “intend”, “estimate”, “predict”, “forecast”, “outlook”, “potential”, “continue”, “should”, “likely”, or the negative of these terms or other comparable terminology. Although management believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information because they involve assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements and information. Factors that could cause actual results to differ materially from those set forth in the forward-looking statements and information include, but are not limited to, risks related to our limited operating history and history of limited or no earnings, competition from other companies in similar industries, risks inherent with operations in emerging countries, uncertainties with respect to titles of patents, changes to government regulations in the area of the renewable energy industry, dependence on key personnel, general economic conditions, local economic conditions, interest rates, availability of equity and debt financing, development

costs, including costs of labor, equipment and environmental compliance, inability to secure permits and other risks factors described from time to time in the documents filed by us with applicable securities regulators.

Forward-looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update any forward-looking statement if these beliefs, estimates and opinions or other circumstances should change, except as may be required by applicable law.

GENERAL PROXY INFORMATION

Solicitation of Proxies

This Circular is furnished in connection with the solicitation of proxies by management of the Company for use at the Meeting, and at any adjournment(s) or postponement(s) thereof.

The solicitation of proxies will be primarily by mail, but proxies may be solicited personally or by telephone by directors or officers of the Company. The Company will bear all costs of this solicitation. The Company has arranged for Intermediaries to forward the meeting materials to Beneficial Shareholders held of record by those Intermediaries and the Company may reimburse the Intermediaries for their reasonable fees and disbursements in that regard.

Currency

In this Circular, except where otherwise indicated, all dollar amounts are expressed in the lawful currency of Canada.

Record Date

The Board has fixed November 17, 2014 as the record date (the "**Record Date**") for determination of persons entitled to receive notice of and to vote at the Meeting. Only CMS Shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described herein will be entitled to vote or to have their CMS Shares voted at the Meeting.

Appointment of Proxy holders

The individual(s) named in the accompanying form of proxy are management's representatives. **If you are a shareholder entitled to vote at the Meeting, you have the right to appoint a person or company other than the person(s) designated in the Proxy, who need not be a shareholder of the Company, to attend and act for you and on your behalf at the Meeting. You may do so either by inserting the name of that other person in the blank space provided in the Proxy or by completing and delivering another proper proxy and, in either case, delivering the completed Proxy to the office of Computershare Investor Services Inc., Proxy Department, 510 Burrard Street, 2nd Floor, Vancouver, British Columbia, V6C 3B9, not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof.**

Voting by Proxy holder

The person(s) named in the Proxy will vote or withhold from voting the CMS Shares represented thereby in accordance with your instructions on any ballot that may be called for. If you specify a choice with respect to any matter to be acted upon, your CMS Shares will be voted accordingly. The Proxy confers discretionary authority on the person(s) named therein with respect to:

- (a) each matter or group of matters identified therein for which a choice is not specified, other than the appointment of an auditor and the election of directors;
- (b) any amendment to or variation of any matter identified therein; and
- (c) any other matter that properly comes before the Meeting.

As at the date hereof, the Board knows of no such amendments, variations or other matters to come before the Meeting, other than the matters referred to in the Notice of Meeting. However, if other matters should properly come before the Meeting, the Proxy will be voted on such matters in accordance with the best judgment of the person(s) voting the Proxy.

In respect of a matter for which a choice is not specified in the Proxy, the person(s) named in the Proxy will vote the CMS Shares represented by the Proxy for the approval of such matter.

Registered Shareholders

Registered Shareholders may wish to vote by Proxy whether or not they are able to attend the Meeting in person. Registered Shareholders electing to submit a Proxy may do so by completing, dating and signing the enclosed form of Proxy and returning it to the Company's transfer agent Computershare Trust Company by mail to Proxy Department, 510 Burrard Street, 2nd Floor, Vancouver, British Columbia V6C 3B9 not less than 48 hours (excluding Saturdays and holidays) before the time fixed for the Meeting or any adjournment(s) or postponement(s) thereof, or in such other manner as may be provided for in the Proxy.

Beneficial Shareholders

The following information is of significant importance to shareholders who do not hold CMS Shares in their own name. Beneficial Shareholders should note that the only Proxies that can be recognized and acted upon at the Meeting are those deposited by Registered Shareholders (those whose names appear on the records of the Company as the registered holders of CMS Shares).

If CMS Shares are listed in an account statement provided to a shareholder by a broker, then in almost all such cases those CMS Shares will not be registered in the shareholder's name on the records of the Company. Such CMS Shares will more likely be registered under the names of the shareholder's broker or an agent of that broker. In the United States, the vast majority of such CMS Shares are registered under the name of CDS & Co. as nominee for The Depository Trust Company (which acts as depository for many U.S. brokerage firms and custodian banks), and in Canada under the name of CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms).

Intermediaries are required to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every intermediary has its own mailing procedures and provides its own return instructions to clients.

If you are a Beneficial Shareholder:

There are two kinds of Beneficial Shareholders, those who object to their name being made known to the issuers of securities which they own (called "**OBOs**" for objecting beneficial owners) and those who do not object to the issuers of the securities they own knowing who they are (called "**NOBOs**" for non – objecting beneficial owners).

The Company is taking advantage of those provisions of National Instrument 54–101, *Communication with Beneficial Owners of Securities of a Reporting Issuer*, of the Canadian Securities Administrators, which permits it to deliver proxy-related materials directly to its NOBOs and OBOs. As a result, NOBOs and OBOs can expect to receive a voting instruction form ("**VIF**"). These VIFs are to be completed and returned to Computershare in the envelope provided or by facsimile to the number provided in the VIF. In addition, Computershare will tabulate the results of the VIFs received from NOBOs and OBOs and will provide appropriate instructions at the Meeting with respect to the CMS Shares represented by the VIFs it receives.

This Circular, with related material, is being sent to both Registered and Beneficial Shareholders. If you are a Beneficial Shareholder and the Company or its agent has sent these materials directly to you, your name and address and information about your CMS Shares have been obtained in accordance with applicable securities regulatory requirements from the Intermediary who holds your CMS Shares on your behalf.

By choosing to send these materials to you directly, the Company (and not the Intermediary holding your CMS Shares on your behalf) has assumed responsibility for (i) delivering these materials to you, and (ii) executing your proper voting instructions. Please return your VIF as specified in your request for voting instructions that you receive. The Company will not be paying for mailing to OBOs.

Beneficial Shareholders who are OBOs should carefully follow the instructions of their Intermediary in order to ensure that their CMS Shares are voted at the Meeting.

The form of proxy that will be supplied to Beneficial Shareholders by the Intermediaries will be similar to the Proxy provided to Registered Shareholders by the Company. However, its purpose is limited to instructing the Intermediary on how to vote on behalf of the Beneficial Shareholder. Most Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. in the United States and Broadridge Financial Solutions Inc., Canada, in Canada (collectively “BFS”). BFS mails a VIF in lieu of a Proxy provided by the Company. The VIF will name the same person(s) as the Proxy to represent Beneficial Shareholders at the Meeting. Beneficial Shareholders have the right to appoint a person (who need not be a Beneficial Shareholder of the Company), other than the person(s) designated in the VIF, to represent them at the Meeting. To exercise this right, Beneficial Shareholders should insert the name of the desired representative in the blank space provided in the VIF. The completed VIF must then be returned to BFS in the manner specified and in accordance with BFS’s instructions. BFS then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of CMS Shares to be represented at the Meeting. **If you receive a VIF from BFS, you cannot use it to vote CMS Shares directly at the Meeting. The VIF must be completed and returned to BFS in accordance with its instructions, well in advance of the Meeting in order to have the CMS Shares voted.**

Although as a Beneficial Shareholder you may not be recognized directly at the Meeting for the purposes of voting CMS Shares registered in the name of your Intermediary, you, or a person designated by you, may attend at the Meeting as proxy holder for your Intermediary and vote your CMS Shares in that capacity. If you wish to attend the Meeting and indirectly vote your CMS Shares as proxy holder for your Intermediary, or have a person designated by you to do so, you should enter your own name, or the name of the person you wish to designate, in the blank space on the VIF provided to you and return the same to your Intermediary in accordance with the instructions provided by such Intermediary, well in advance of the Meeting.

Alternatively, you can request in writing that your broker send you a legal proxy which would enable you, or a person designated by you, to attend the Meeting and vote your CMS Shares.

Revocation of Proxies

In addition to revocation in any other manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by:

- (a) executing a proxy bearing a later date or by executing a valid notice of revocation, either of the foregoing to be executed by the Registered Shareholder or the Registered Shareholder’s authorized attorney in writing, or if the Registered Shareholder is a corporation, under its corporate seal by an officer or attorney duly authorized, and by delivering the Proxy bearing a later date to Computershare or at the registered office of the Company at 1010 – 1030 West Georgia Street, Vancouver, British Columbia V6E 2Y3, at any time up to and including the last Business Day that precedes the date of the Meeting or, if the Meeting is adjourned or postponed, the last Business Day that precedes any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or any reconvening thereof, or in any other manner provided by law; or
- (b) personally attending the Meeting and voting the Registered Shareholder’s CMS Shares.

A revocation of a proxy will not affect a matter on which a vote is taken before the revocation.

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

No director or executive officer of the Company, or any person who has held such a position since the beginning of the last completed financial year–end of the Company, nor any nominee for election as a director of the Company, nor any associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting, other than the election of directors, the appointment of the auditor and as may be otherwise set out herein.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Except as otherwise disclosed herein, no informed person of the Company, proposed director of the Company or any associate or affiliate of an informed person or proposed director, has 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 has materially affected or would materially affect the Company or any of its subsidiaries.

VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES

Outstanding CMS Shares

The Company is authorized to issue unlimited number of CMS Shares. As at November 17, 2014, there were 21,927,584 CMS Shares issued and outstanding, each carrying the right to one vote.

Principal Holders of CMS Shares

To the knowledge of the directors and executive officers of the Company, the following persons own, directly or indirectly, or exercise control or direction over, CMS Shares carrying more than 10% of the voting rights attached to all outstanding CMS Shares:

| Name | Approximate Number of CMS shares | Percentage |
|--|--------------------------------------|------------|
| Dongying Minghui New Energy Science & Technology Co., Ltd. | 14,000,000 Directly | 63.8% |
| Iceberg Ventures Inc. | 4,000,000 Directly | 18.2% |
| Lin Hoi Yu ⁽¹⁾ | 4,260,920 Directly and Indirectly | 19.4% |
| Dongying Huaxin Environmental Protection Technology Co., Ltd. ^{(2) (3)} | 3,612,000 Indirectly | 16.5 % |
| Dongying Jinhua Decoration Co., Ltd. ^{(4) (5)} | 3,500,000 Indirectly | 16.0% |
| Xian Jun Zong ⁽⁶⁾ | 2,324,000 Indirectly | 10.6% |
| Jin Hua Cui ⁽⁷⁾ | 2,275,000 Indirectly | 10.4% |

Notes:

⁽¹⁾ Lin Hoi Yu is the sole shareholder of Iceberg Ventures Inc., a company holding 4,000,000 common shares of the Issuer. Lin Hoi Yu personally holds 260,920 common shares of the Issuer.

⁽²⁾ The principal shareholder of Dongying Huaxin Environmental Protection Technology Co., Ltd. is Shu Qin Li, who holds 21.5% of Dongying Huaxin Environmental Protection Technology Co., Ltd. and is also its President.

⁽³⁾ Dongying Huaxin Environmental Protection Technology Co., Ltd. holds 25.8% of Dongying Minghui New Energy Science & Technology Co., Ltd., a company holding 14,000,000 common shares of the Issuer.

⁽⁴⁾ The principal shareholders of Dongying Jinhua Decoration Co., Ltd. are Guo Hua Cui, who holds 20% of Jinhua Decoration Co., Ltd., and Jin Hua Cui, who holds 65% of Jinhua Decoration Co., Ltd.

⁽⁵⁾ Dongying Jinhua Decoration Co., Ltd. holds 25% of Dongying Minghui New Energy Science & Technology Co., Ltd., a company holding 14,000,000 common shares of the Issuer.

⁽⁶⁾ Xian Jun Zong holds 16.6% of Dongying Minghui New Energy Science & Technology Co., Ltd., a company holding 14,000,000 common shares of the Issuer.

⁽⁷⁾ Jin Hua Cui holds 65% of Dongying Jinhua Decoration Co., Ltd., a company that holds 25% of Dongying Minghui New Energy Science & Technology Co., Ltd., a company holding 14,000,000 common shares of the Issuer.

VOTES NECESSARY TO PASS RESOLUTIONS

A simple majority of affirmative votes cast in person or by proxy at the Meeting is required to pass the resolution(s) described herein as ordinary resolutions.

GLOSSARY OF TERMS

The following is a glossary of general terms and abbreviations used in this Circular:

“**BCBCA**” means the *Business Corporations Act*, S.B.C. 2002, c. 57, as may be amended or replaced from time to time, including the regulations promulgated thereunder;

“**Board**” or “**Board of Directors**” means the board of directors of the Company;

“Business Day” means a day other than a Saturday, Sunday or other than a day when banks in the City of Vancouver, British Columbia are not generally open for business;

“CEO” means an individual who acted as chief executive officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“CFO” means an individual who acted as chief financial officer of the Company, or acted in a similar capacity, for any part of the most recently completed financial year;

“Circular” means this management information circular;

“CMS Shareholder” means a holder of CMS Shares;

“CMS Shares” means the common shares without par value in the authorized share structure of CMS, as constituted on the date of this Circular;

“Company” means Cdn MSolar Corp., a reporting issuer incorporated under the BCBCA;

“Computershare” means Computershare Investor Services Inc.;

“CSE” means the Canadian Securities Exchange;

“IFRS” means international financial reporting standards in effect in Canada at the relevant time, including the accounting recommendations in the Handbook of the Canadian Institute of Chartered Accountants;

“Incentive Plan” means any plan providing compensation that depends on achieving certain performance goals or similar conditions within a specified period;

“Incentive Plan Award” means compensation awarded, earned, paid, or payable under an Incentive Plan;

“Information Circular” means the management proxy circular of the Company to be sent by the Company to the CMS Shareholders in connection with the Meeting;

“Intermediaries” refers to brokers, investment firms, clearing houses and similar entities that own securities on behalf of Beneficial Shareholders;

“Meeting” means the annual general meeting of the CMS Shareholders to be held on December 18, 2014, and any adjournment(s) or postponement(s) thereof;

“NEO” or **“named executive officer”** means each of the following individuals:

- (a) a CEO;
- (b) a CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000, for that financial year; and
- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year;

“Notice of Meeting” means the notice of special meeting of the CMS Shareholders in respect of the Meeting;

“Person” means an individual, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, trustee, executor, administrator or other legal representative;

“Registrar” means the Registrar of Companies for the Province of British Columbia duly appointed under the BCBCA;

“**Registered Shareholder**” means a registered holder of CMS Shares as recorded in the shareholder register of the Company maintained by Computershare;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval;

“**Stock Option Plan**” means the stock option plan of the Company which is a fixed stock option plan that is being put to the Company’s Shareholders for consideration and approval at the Meeting;

ELECTION OF DIRECTORS

The size of the Board of the Company is currently determined at five (5). The Board proposes that the number of directors is fixed at seven (7). Shareholders will therefore be asked to approve by an ordinary resolution that the number of directors elected be fixed at seven (7).

The term of office of each of the current directors will end at the conclusion of the Meeting. Unless the director’s office is earlier vacated in accordance with the provisions of the BCBCA, each director elected will hold office until the conclusion of the next annual general meeting of the Company, or if no director is then elected, until a successor is elected.

The following table sets out the names of management’s nominees for election as directors, all major offices and positions with the Company and any of its significant affiliates each now holds, each nominee’s principal occupation, business or employment for the five preceding years for new director nominees, the period of time during which each has been a director of the Company and the number of CMS Shares of the Company beneficially owned by each, directly or indirectly, or over which each exercised control or direction, as at the record date of November 17, 2014.

| Name and Municipality of Residence | Current Positions with the Company | Principal Occupation, Business or Employment within 5 preceding years⁽¹⁾ | Date Appointed or Elected as Director | CMS Shares Beneficially Owned or Controlled⁽¹⁾ |
|--|---|--|--|--|
| Lin Hoi Yu⁽²⁾ Burnaby, British Columbia | President and Director | Chief Consultant of the Huanghe Delta Agriculture Company Limited; past director of Nanhai Holdings Limited (a reporting issuer on the Hong Kong Stock Exchange). | September 30, 2013 | 4,260,920 19.4% Beneficially |
| Ji Wu Li Jinan, China | CEO and Director | CEO and General Manager of Dongying Minghui New Energy Science & Technology Co., Ltd.; founder and past Vice General Manager of Donying Huaxin Environmental Technology Company Limited; founder of the China Environmental United Research Centre and its Vice Principal. | September 30, 2013 | nil |
| Thurman So Richmond, British Columbia | CFO | Director of United States & International Tax division of the Jim Pattison Group since December 2000; Director, Corporate Secretary and CFO of Alpha Peak Leisure Inc. since June 2011; Director of Maple Peak Investments Inc. since Feb 2013. | Proposed director | nil |
| Xian Jun Zong Dongying, China | Director | Chief Administrator of the China Recovery Desert Steppe Foundation Association, Shandong Office; Secretary of the Senior’s Economic | September 30, 2013 | 2,324,000 10.6% Beneficially |

| Name and Municipality of Residence | Current Positions with the Company | Principal Occupation, Business or Employment within 5 preceding years ⁽¹⁾ | Date Appointed or Elected as Director | CMS Shares Beneficially Owned or Controlled ⁽¹⁾ |
|--|------------------------------------|---|---------------------------------------|--|
| | | Development Centre. | | |
| Donald Albert Gordon ⁽²⁾⁽³⁾ North Vancouver, British Columbia | Director | Principal of DAG Consulting Corp. since 2000; Senior Advisor, Canadian Securities Exchange since 2005. | September 30, 2013 | 184,759 0.8% Beneficially |
| Brian Peterson ⁽²⁾⁽⁴⁾ Kelowna, British Columbia | Director | Chairman of Community Western Trust Corporation; Director of the Mortgage Brokers Institute of British Columbia; past President of the Mortgage Brokers Association of British Columbia; past director of the Mortgage Brokers Association of British Columbia. | September 30, 2013 | 50,000 0.2% Beneficially |
| Guo Hua Cui Dongying, China | N/A | Vice General Manager of Dongying Minghui New Energy Science & Technology Co. Ltd.; past General Manager of Dongying Jinhua Decoration Co. Ltd. | Proposed director | 700,000 3.9% Beneficially |

Notes:

- (1) The information as to principal occupation, business or employment, penalties, sanctions, cease trade orders, bankruptcies and Common Shares beneficially owned or controlled is not within the knowledge of the management of the Company and has been furnished by the respective nominees and obtained from insider filings.
- (2) Member of the Audit Committee.
- (3) Mr. Gordon is a director of Tomco Developments Inc., which was subject to a cease trade order issued by the British Columbia Securities Commission on October 12, 2005, for failure to file required financial information in the prescribed time. The cease trade order was revoked on January 13, 2006. Tomco Developments Inc. was cease traded October 7, 2008 by the British Columbia Securities Commission and January 5, 2009 by the Alberta Securities Commission for failure to file the audited financial statements for the year ended May 31, 2008 and subsequently has been struck from the Companies Branch Registrar. Mr. Gordon is a Director of AFG Flameguard Ltd. which is subject to a cease trade order issued by the British Columbia Securities Commission on May 8, 2014 and the Ontario Securities Commission on May 26, 2014 for failure to file required annual audited financial information in the prescribed time and the cease trade order remains in force at the date of this Circular. Mr. Gordon is a director of Sor Baroot Resources Corp., which was subject to a cease trade order issued by the British Columbia Securities Commission on August 6, 2014 for failure to file audited financial statements for the period ending March 31, 2014. The cease trade order was revoked on October 30, 2014.
- (4) Mr. Peterson was a director of Miramare Capital Inc. from June 2010 to November 2013, the shares of which have been ceased traded prior to his appointment, and remain cease traded for failure to file annual financial statements by the British Columbia Securities Commission dated February 10, 2009 and by the Alberta Securities Commission dated May 29, 2009. Mr. Peterson was a director of Aztek Resource Development Inc. from December 7, 2011 to December 3, 2013, the shares of which have been ceased traded prior to his appointment, and remain cease traded since May 28, 2007 by the British Columbia Securities Commission, May 30, 2007 by the Ontario Securities Commission and December 20, 2002 by the Alberta Securities Commission, for failure to file its financial statements. He became a director of Aztek Resource Development Inc. after the cease trade order was issued as part of a reorganization plan. Mr. Peterson is a director of Sor Baroot Resources Corp., which is subject to a cease trade order issued by the British Columbia Securities Commission on August 6, 2014 for failure to file audited financial statements for the period ending March 31, 2014. The cease trade order was revoked on October 30, 2014.

CORPORATE GOVERNANCE

General

The Board believes that good corporate governance improves corporate performance and benefits all shareholders. National Instrument 58-101, *Disclosure of Corporate Governance Practices*, prescribes certain disclosure by the Company of its corporate governance practices. This section sets out the Company's approach to corporate governance and addresses the Company's compliance with National Instrument 58-101.

Board of Directors

Directors are considered to be independent if they have no direct or indirect material relationship with the Company. A “material relationship” is a relationship which could, in the view of the Company’s Board of Directors, be reasonably expected to interfere with the exercise of a director’s independent judgment.

The board facilitates its independent supervision over management by holding periodic Board meetings to discuss the operations of the Company.

The non-independent directors by virtue of holding management positions with the Company are Lin Hoi Yu, President, and Ji Wu Li, Chief Executive Officer.

Xian Jun Zong, Donald Albert Gordon and Brian Peterson are independent members of the Board of Directors of the Company.

Directorships

The following is the information about directorships of the current and proposed directors of the Company in other reporting issuers.

Mr. Gordon is also a director or officer of the following listed public companies: Carrus Capital Corp, Rift Valley Resources Ltd., 360 Capital Financial Services Group Inc., Silk Road Ventures Ltd., AFG Flameguard Ltd., and Mahdia Gold Corp. He is also a director or officer of several reporting issuers that are not listed on any stock exchange: Sor Baroot Resources Corp., Web Watcher Systems Ltd., 0941092 B.C. Ltd, Ali Baba Innovations Corp. (formerly Cuprum Coatings Acquisition Corp.), Azzardo Game Acquisition Corp., Proelium MMA Acquisition Corp., Aida Minerals Corp (formerly Mianach Resource Acquisition Corp.), and Network Oncology Inc. (formerly Organach Beverage Acquisition Corp.).

Mr. Peterson a director or officer of several reporting issuers that are not listed on any stock exchange: Sor Baroot Resources Corp., Web Watcher Systems Ltd., 0941092 B.C. Ltd., Ali baba Innovations Corp. (formerly Cuprum Coatings Acquisition Corp.), Azzardo Game Acquisition Corp., Proelium MMA Acquisition Corp., Aida Minerals Corp (formerly Mianach Resource Acquisition Corp.), and Network Oncology Inc. (formerly Organach Beverage Acquisition Corp.), Saibhir Art Acquisition Corp., Lainineach Asset Acquisition Corp., Forbairt Development Acquisition Corp., Bresola Oil Acquisition Corp., and Marapharm Ventures Corp.

Mr. Thurman So is a director and/or officer of the following listed public companies: Alpha Peak Leisure Inc. and Maple Peak Investments Inc.

Mssrs. Yu, Li, Zong, and Cui are not directors of any other reporting issuers.

Orientation and Continuing Education

When new directors are appointed they receive orientation, commensurate with their previous experience, on the Company’s business and industry and on the responsibilities of directors. Board meetings may also include presentations by the Company’s management and employees to give the directors additional insight into the Company’s business. Directors are encouraged to take continuing education courses to enhance their knowledge of corporate governance

Ethical Business Conduct

The Board has found that the fiduciary duties placed on individual directors by the Company’s governing corporate legislation and the common law and the restrictions placed by applicable corporate legislation on an individual directors’ participation in decisions of the Board in which the director has an interest have been sufficient to ensure that the Board operates independently of management and in the best interests of the Company.

Nomination of Directors

The Board considers its size each year when it considers the number of directors to recommend to the shareholders for election at the annual meeting of shareholders, taking into account the number required to carry out the Board’s duties effectively and to maintain a diversity of views and experience. The Board does not have a nominating committee, and these

functions are currently performed by the Board as a whole. However, if there is a change in the number of directors required by the Company, this policy will be reviewed.

Compensation

The Board, as a whole, determines compensation for the directors and the Chief Executive Officer. The compensation is discussed and determined during board meetings. The following criteria have been taken into consideration while determining compensation: financial position of the Company, amount of time spent on the business of the Company, qualifications of directors and the Chief Executive Officer and organizational commitment.

Other Board Committees

The Board has no other committees other than the audit committee.

Assessments

The Board monitors the adequacy of information given to directors, communication between the Board and management and the strategic direction and processes of the Board and committees.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

The Company relies on the Board of Directors in determining executive compensation and option based awards to executive officers. The objectives of the compensation program of the Company are attraction and retention of qualified executives, compensation for services, compensation for services, and developing the Company's projects.

The amount of compensation is determined by the Board of Directors.

During the previously completed financial year, the compensation consisted of cash-based compensation. The Company does not presently have any stock option plans.

The Board of Directors considered the implications of the risks associated with the Company's compensation practices. The current situation of the financial markets has been identified as the major risk in implementing the compensation program of the Company.

The Company does not prohibit its executive officers to purchase financial instruments that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the executive officers of directors.

Summary Compensation Table

The following table reflects compensation of each NEO of the Company since incorporation.

| Name and Principal position | Year | Salary (\$) | Share based awards (\$) | Option based awards (\$) | Non-equity incentive plan compensation | | Pension value (\$) | All other compensation (\$) | Total compensation (\$) |
|------------------------------|------|-------------|-------------------------|--------------------------|--|---------------------------|--------------------|-----------------------------|-------------------------|
| | | | | | Annual incentive plans | Long term incentive plans | | | |
| Lin Hoi Yu, President | 2014 | 0 | Nil | N/A | Nil | Nil | Nil | Nil | 0 |
| | 2013 | 0 | Nil | N/A | Nil | Nil | Nil | Nil | 0 |
| Xian Jun Zong ⁽¹⁾ | 2014 | 0 | Nil | N/A | Nil | Nil | Nil | Nil | 0 |
| | 2013 | 0 | Nil | N/A | Nil | Nil | Nil | Nil | 0 |

| | | | | | | | | | |
|--------------------------------|--------------|--------|------------|------------|------------|------------|------------|------------|--------|
| Ji Wu Li, CEO | 2014 2013 | 0 0 | Nil Nil | N/A N/A | Nil Nil | Nil Nil | Nil Nil | Nil Nil | 0 0 |
| Thurman So, CFO ⁽²⁾ | 2014 | 0 | Nil | N/A | Nil | Nil | Nil | Nil | 0 |

⁽¹⁾ Xian Jun Zong was appointed as CFO of the Company on October 10, 2013 and ceased to be the CFO on April 8, 2014.

⁽²⁾ Thurman So was appointed as CFO of the Company on April 8, 2014.

Incentive Plan Awards

The following table provides for each NEO for all awards outstanding at the end of the most recently completed financial year and includes awards granted before the most recently completed financial year.

| Name | Option-based Awards | | | | Share-based Awards | | |
|-----------------------|---|----------------------------|------------------------|--|--|--|---|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) | Number of shares or units of shares that have not vested (#) | Market or payout value of share – based awards that have not vested (\$) | Market / payout value of vested share-based awards not paid out or distributed (\$) |
| Lin Hoi Yu, President | N/A | N/A | N/A | N/A | Nil | Nil | Nil |
| Xian Jun Zong | N/A | N/A | N/A | N/A | Nil | Nil | Nil |
| Ji Wu Li, CEO | N/A | N/A | N/A | N/A | Nil | Nil | Nil |
| Thurman So, CFO | N/A | N/A | N/A | N/A | Nil | Nil | Nil |

Pension Plan Benefits

The Company does not provide any pension plan benefits to its executive officers, directors or employees.

Termination and Change of Control Benefits

There are no written employment contracts between the Company and NEOs. There are no compensatory plan(s) or arrangement(s), with respect to the NEOs resulting from the resignation, retirement or any other termination of employment of the officer's employment or from a change of NEOs' responsibilities following a change in control. The Company has no termination or change of control benefits. In case of termination of NEOs common law and statutory law applies.

Director Compensation

The following are all amounts of compensation provided to the directors, who were not NEOs, for the Company's most recent completed financial year.

| Name | Fees earned (\$) | Share – based awards (\$) | Option based awards (\$) ⁽¹⁾ | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|----------------------|------------------|---------------------------|---|---|--------------------|-----------------------------|------------|
| Donald Albert Gordon | Nil | Nil | N/A | Nil | Nil | Nil | Nil |
| Brian Peterson | Nil | Nil | N/A | Nil | Nil | Nil | Nil |

The following table provides incentive plan awards – value vested or earned during the most recently completed financial year for directors, who were not NEOs.

| Name | Option – based awards Value vested during the year (\$) | Share – based awards Value vested during the year (\$) | Non-equity incentive plan compensation – Value earned during the year (\$) |
|----------------------|--|---|---|
| Donald Albert Gordon | N/A | Nil | Nil |
| Brian Peterson | N/A | Nil | Nil |

There are no other arrangements from those disclosed above under which directors were compensated by the Company and its subsidiaries during the most recently completed financial year for their services in their capacity as directors or consultants.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Company presently has no stock option plans.

The following table sets out equity compensation plan information as at the end of the financial year ended March 31, 2014.

EQUITY COMPENSATION PLAN INFORMATION

| | Number of securities to be issued upon exercise of outstanding options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights | Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) |
|--|--|--|--|
| Plan Category | (a) | (b) | (c) |
| Equity compensation plans approved by security holders | N/A | N/A | N/A |
| Equity compensation plans not approved by security holders | N/A | N/A | N/A |
| Total | N/A | N/A | N/A |

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No directors, proposed nominees for election as directors, executive officers or their respective associates or affiliates, or other management of the Company were indebted to the Company as of the end of the most recently completed financial year or as at the date hereof.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

To the knowledge of management of the Company, no informed person (a director, officer or holder of 10% or more of the CMS Shares) or nominee for election as a director of the Company or any associate or affiliate of any informed person or proposed director had any interest in any transaction which has materially affected or would materially affect the Company or any of its subsidiaries during the year ended March 31, 2014, or has any interest in any material transaction in the current year other than as set out herein.

MANAGEMENT CONTRACTS

There are no management functions of the Company, which are to any substantial degree performed by a person or company other than the directors or executive officers of the Company.

APPOINTMENT OF AUDITOR

The current auditor of the Company, Manning Elliot LLP, Chartered Accountants, of 1050 West Pender Street, Vancouver, British Columbia V6E 3S7, will be nominated at the Meeting for reappointment as auditor of the Company at remuneration to be fixed by the directors.

APPROVAL OF STOCK OPTION PLAN

The proposed stock option plan (the “**Stock Option Plan**”) is attached to this Circular as Schedule “B”. Shareholders will be asked to approve an ordinary resolution set forth below ratifying the Stock Option Plan.

The maximum number of Shares which may be issuable pursuant to options granted under the Stock Option Plan shall be the greater of 10% of the issued and outstanding shares of the Company on the date of the grant and 4,385,516 or such additional amount as may be approved from time to time by the shareholders of the Company.

As of the date of this Circular, the Company has 21,927,584 Common Shares issued and outstanding. 4,385,516 common shares represent 20% of the issued and outstanding common shares of the Company. As the number of options currently outstanding is 0, the number of options available for grant is 4,385,516.

The Company will be seeking the approval of the Stock Option Plan by a majority of the votes cast at the Meeting other than the votes attaching to securities beneficially owned by related persons to whom securities may be issued under the Stock Option Plan. Assuming that all related persons to whom securities may be issued under the Stock Option Plan will vote at the Meeting, the number of votes attaching to securities that, to the Company’s knowledge at the date of this Circular, will not be included for the purpose of determining whether security holder approval has been obtained is 7,519,679.

Any previously granted Stock Options are governed by the Stock Option Plan, and if Stock Options granted expire or terminate for any reason without having been exercised, the unpurchased common shares will again be available under the Stock Option Plan.

The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating directors, officers, employees and consultants (together “**service providers**”) of the Company and of its affiliates and to closely align the personal interests of such service providers with the interests of the Company and its shareholders. The Stock Option Plan is administered by the Board, which has full and final authority with respect to the granting of all options thereunder.

Stock Options may be granted under the Stock Option Plan to such service providers of the Company and its affiliates, if any, as the Board may from time to time designate. The exercise prices shall be determined by the Board, but shall, in no event, be less than the closing market price of the Company’s shares on the CSE, less the maximum discount permitted under the CSE policies.

Subject to earlier termination in the event of dismissal for cause, termination other than for cause or in the event of death or disability, all Stock Options granted under the Stock Option Plan will expire not later than the date that is ten years from the date that such Stock Options are granted. For further information regarding the expiry date of Stock Options in the event of termination other than for cause, death or disability, or in the event of death or disability, please refer to the full text of the Stock Option Plan attached hereto as Schedule “B”.

Stock Options granted under the Stock Option Plan are not transferable or assignable.

The foregoing information regarding the Stock Option Plan is intended as a brief description of the plan and is qualified in its entirety to the full text of the Stock Option Plan which is appended to this Circular as Schedule “B”. In order for the resolution approving the Stock Option Plan, set forth below, to be effective, it must be approved by the affirmative vote of a majority of the votes cast in respect thereof by shareholders present in person or by proxy at the Meeting.

“BE IT RESOLVED AS AN ORDINARY RESOLUTION THAT:

1. The Stock Option Plan of the Company is hereby ratified and shall continue and remain in effect until further ratification is required pursuant to the rules of the Canadian Securities Exchange or other applicable regulatory requirements.
2. Any one director or officer of the Company is authorized and directed, on behalf of the Company, to take all necessary steps and proceedings and to execute, deliver and file any and all declarations, agreements, documents and other instruments and do all such other acts and things that may be necessary or desirable to give effect to this ordinary resolution.”

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR at www.sedar.com. CMS Shareholders may contact the Company to request copies of the Company’s financial statements and management’s discussion and analysis by sending a written request to 708 – 1155 West Pender Street, Vancouver, British Columbia V6E 2P4, Attention: President. Financial information is provided in the Company’s comparative financial statements and management discussion and analysis for its most recently completed financial year.

TRANSFER AGENT AND REGISTRAR

The Company’s registrar and transfer agent is Computershare Investor Services Inc., 2nd Floor, 510 Burrard Street, Vancouver, British Columbia V6C 3B9.

LEGAL PROCEEDINGS

The Company is unaware of pending legal proceedings to which the Company is or is likely to be a party, or of which any of its properties are, or to the best of knowledge of management of the Company are, likely to be subject.

OTHER MATTERS

The Directors are not aware of any other matters which they anticipate will come before the Meeting as of the date of this Circular.

APPROVAL OF INFORMATION CIRCULAR

The undersigned hereby certifies that the contents and the sending of this Circular have been approved by the Board.

Dated at Vancouver, British Columbia this 17th day of November, 2014.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ “Lin Hoi Yu”
Lin Hoi Yu
President

CERTIFICATE OF THE COMPANY

Date: November 17, 2014

The foregoing management information circular constitutes full, true and plain disclosure of all material facts relating to the transactions contemplated in this management information circular as required by the securities legislation of the Province of British Columbia.

By: /s/ “Lin Hoi Yu”
Lin Hoi Yu
President and Director

LIST OF SCHEDULES

| | |
|--------------|---|
| SCHEDULE "A" | CDN MSOLAR CORP. THE AUDIT COMMITTEE DISCLOSURE |
| SCHEDULE "B" | STOCK OPTION PLAN |

SCHEDULE “A”

CDN MSOLAR CORP.

FORM 52 – 110F2

THE AUDIT COMMITTEE DISCLOSURE

National Instrument 52-110 (“**NI 52-110**”) requires the Company, as a venture issuer, to disclose annually in its Information Circular certain information concerning the constitution of its audit committee and its relationship with its independent auditor, as set forth in the following:

1. The Audit Committee’s Charter

The Audit Committee’s Charter of CDN MSOLAR CORP.

Purpose of the Committee

The purpose of the Audit Committee (the “Committee”) of the Board of Directors (the “Board”) of the Company is to provide an open avenue of communication between management, the Company’s independent auditor and the Board and to assist the Board in its oversight of:

- the integrity, adequacy and timeliness of the Company’s financial reporting and disclosure practices;
- the Company’s compliance with legal and regulatory requirements related to financial reporting; and
- the independence and performance of the Company’s independent auditor.

The Committee shall also perform any other activities consistent with this Charter, the Company’s charter documents and governing laws as the Committee or Board deems necessary or appropriate.

The Committee shall consist of at least three directors. Members of the Committee shall be appointed by the Board and may be removed by the Board in its discretion. The members of the Committee shall elect a Chairman from among their number. A majority of the members of the Committee must not be officers or employees of the Company or of an affiliate of the Company. The quorum for a meeting of the Committee is a majority of the members who are not officers or employees of the Company or of an affiliate of the Company. With the exception of the foregoing quorum requirement, the Committee may determine its own procedures.

The Committee’s role is one of oversight. Management is responsible for preparing the Company’s financial statements and other financial information and for the fair presentation of the information set forth in the financial statements in accordance with the international financial reporting standards (“IFRS”). Management is also responsible for establishing internal controls and procedures and for maintaining the appropriate accounting and financial reporting principles and policies designed to assure compliance with accounting standards and all applicable laws and regulations.

The independent auditor’s responsibility is to audit the Company’s financial statements and provide its opinion, based on its audit conducted in accordance with generally accepted auditing standards, that the financial statements present fairly, in all material respects, the financial position, results of operations and cash flows of the Company in accordance with IFRS.

The Committee is responsible for recommending to the Board the independent auditor to be nominated for the purpose of auditing the Company’s financial statements, preparing or issuing an auditor’s report or performing other audit, review or attest services for the Company, and for reviewing and recommending the compensation of the independent auditor. The Committee is also directly responsible for the evaluation of and oversight of the work of the independent auditor. The independent auditor shall report directly to the Committee.

Authority and Responsibility

In addition to the foregoing, in performing its oversight responsibilities the Committee shall:

1. Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
2. Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
3. Review with management and the independent auditor the adequacy and effectiveness of the Company's accounting and financial controls and the adequacy and timeliness of its financial reporting processes.
4. Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
5. Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
6. Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
7. Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
8. Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
9. Pre-approve all non-audit services to be provided to the Company by the independent auditor.
10. Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
11. Establish and review the Company's procedures for the:
 - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
 - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
12. Conduct or authorize investigations into any matters that the Committee believes is within the scope of its responsibilities. The Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
13. Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting issuer in National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* and the charter documents of the Company.

2. Composition of the Audit Committee

Donald Gordon, Brian Peterson and Lin Hoi Yu are members of the audit committee. Each member of the audit committee is financially literate as defined by NI 52-110. Lin Hoi Yu is not an independent member of the audit committee by virtue of his position as President. Donald Gordon and Brian Peterson are independent directors of the Company.

A member of the audit committee is independent if the member has no direct or indirect material relationship with the Company. A material relationship means a relationship which could, in the view of the Company's Board, reasonably interfere with the exercise of a member's independent judgment.

A member of the audit committee is considered financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company.

3. Relevant Education and Experience

The following is the description of education and experience of each audit committee member that is relevant to the performance of his duties.

Mr. Donald Gordon is a chartered financial analyst (CFA). Mr. Gordon holds a master's degree in business administration (MBA) and has over 20 years of experience and expertise in corporate finance analysis, conducting due diligence reviews for regulatory purposes and investment assessment, involving public and private companies and has acted as Consultant and Principal in dozens of reverse takeover transactions on the CSE and TSX-V stock exchanges.

Mr. Brian Peterson acquired his financial literacy mainly while serving in various management positions including Chairman of Community Western Trust Corporation, Director of the Mortgage Brokers Institute Of British Columbia, past President of Mortgage Brokers Institute of British Columbia, past President, and director of the Mortgage Brokers Association of British Columbia ("MBABC"), past Chair of the Policy and Legislation Committee for MBABC, past director of the Canadian Association of Mortgage Professionals, past owner of Cyrrus Building Corporation- commercial real estate developer, past Director of First Kelowna Mortgage Corporation, past Approving Officer of Mission Creek Mortgage, past Compliance Officer of Dominion Lending Centres Canada. Mr. Peterson

Mr. Lin Hoi Yu acquired his financial literacy while serving in various management positions including managing Jade Ocean Chinese Herbal Remedies Company Limited., establishing Hong Kong Jade Ocean Holdings Limited., and being a past director of Nanhai Holdings Limited in Hong Kong, and Chief Consultant of Huanghe Delta Agriculture Company Limited.

4. Audit Committee Oversight

The audit committee has not made any recommendations to the Board to nominate or compensate any external auditor.

5. Reliance on Certain Exemptions

The Company's auditors, Manning Elliot LLP, have not provided any material non-audit services.

6. Pre-Approval Policies and Procedures

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

7. External Auditor Service Fees

The audit committee has reviewed the nature and amount of the non-audit services provided by Manning Elliot LLP to the Company to ensure auditor independence. Fees incurred with Manning Elliot LLP for audit and non-audit services during the last two fiscal years for audit fees are outlined in the following table.

| Financial Year Ending | Audit Fees ⁽¹⁾ | Audit Related Fees ⁽²⁾ | Tax Fees ⁽³⁾ | All Other Fees ⁽⁴⁾ |
|------------------------------|----------------------------------|--|--------------------------------|--------------------------------------|
| March 31, 2014 | \$9,950 | \$NIL | \$NIL | \$NIL |
| March 31, 2013 | \$6,000 | \$NIL | \$NIL | \$NIL |

Notes:

- (1) "Audit Fees" include fees necessary to perform the annual audit and quarterly reviews of the Company's consolidated financial statements. Audit Fees include fees for review of tax provisions and for accounting consultations on matters reflected in the financial statements. Audit Fees also include audit or other attest services required by legislation or regulation, such as comfort letters, consents, reviews of securities filings and statutory audits.
- (2) "Audit Related Fees" include services that are traditionally performed by the auditor. These audit-related services include employee benefit audits, due diligence assistance, accounting consultations on proposed transactions, internal control reviews and audit or attest services not required by legislation or regulation.

- (3) “Tax Fees” include fees for all tax services other than those included in “Audit Fees” and “Audit-Related Fees”. This category includes fees for tax compliance, tax planning and tax advice. Tax planning and tax advice includes assistance with tax audits and appeals, tax advice related to mergers and acquisitions, and requests for rulings or technical advice from tax authorities.
- (4) “All Other Fees” include all other non-audit services.

Exemptions

In respect to the most recently completed financial year, the Company is relying on the exemption set out in section 6.1 of the Instrument with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of National Instrument 52 -110.

SCHEDULE "B"

STOCK OPTION PLAN

1. PURPOSE OF THE PLAN

The Company hereby establishes a stock option plan for directors, senior officers, Employees, Management Company Employees and Consultants (as such terms are defined below) of the Company and its subsidiaries (collectively "**Eligible Persons**"), to be known as the "Stock Option Plan" (the "**Plan**"). The purpose of the Plan is to give to Eligible Persons, as additional compensation, the opportunity to participate in the success of the Company by granting to such individuals options, exercisable over periods of up to ten (10) years as determined by the board of directors of the Company, to buy shares of the Company at a price equal to the Market Price prevailing on the date the option is granted less applicable discount, if any, permitted by the policies of the Exchanges and approved by the Board.

2. DEFINITIONS

In this Plan, the following terms shall have the following meanings:

- (a) "**Board**" means the Board of Directors of the Company.
- (b) "**Company**" means Cdn MSolar Corp. and its successors.
- (c) "**Disability**" means any disability with respect to an Optionee which the Board, in its sole and unfettered discretion, considers likely to prevent permanently the Optionee from:
 - (i) being employed or engaged by the Company, its subsidiaries or another employer, in a position the same as or similar to that in which he was last employed or engaged by the Company or its subsidiaries; or
 - (ii) acting as a director or officer of the Company or its subsidiaries.
- (d) "**Discounted Market Price**" means the last per share closing price for the Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) "**Eligible Persons**" has the meaning given to that term in paragraph 1 hereof.
- (f) "**Exchange**" means the Canadian Securities Exchange and, if applicable, any other stock exchange on which the Shares are listed.
- (g) "**Exchange Policies**" means the policies of the Exchange.
- (h) "**Expiry Date**" means the date set by the Board under section 4.1 of the Plan, as the last date on which an Option may be exercised.
- (i) "**Grant Date**" means the date specified in an Option Agreement as the date on which an Option is granted.
- (j) "**Insider**" has the meaning ascribed thereto in Exchange policies.
- (k) "**Market Price**" of Shares at any Grant Date means the last closing price per Share preceding the Company's announcement of the grant of the Option or, if the grant is not announced, on the trading day immediately preceding the Grant Date.
- (l) "**Option**" means an option to purchase Shares granted pursuant to this Plan.
- (m) "**Option Agreement**" means an agreement substantially in the form attached hereto as Appendix "A" evidencing the grant to an Optionee of an Option.
- (n) "**Optionee**" means each of the Eligible Persons granted an Option pursuant to this Plan and their heirs, executors and administrators.
- (o) "**Option Price**" means the price per Share specified in an Option Agreement, adjusted from time to time in accordance with the provisions of section 3.4.
- (p) "**Option Shares**" means the aggregate number of Shares which an Optionee may purchase under an Option.
- (q) "**Plan**" means the Company's incentive stock option plan.
- (r) "**Shares**" means the common shares in the capital of the Company as constituted on the Grant Date provided that, in the event of any adjustment pursuant to section 3.4, "**Shares**" shall thereafter mean the shares or other property resulting from the events giving rise to the adjustment.

- (s) **"Unissued Option Shares"** means the number of Shares, at a particular time, which have been reserved for issuance upon the exercise of an Option but which have not been issued, as adjusted from time to time in accordance with the provisions of section 3.4, such adjustments to be cumulative.
- (t) **"Vested"** means that an Option has become exercisable in respect of a number of Option Shares by the Optionee pursuant to the terms of the Option Agreement.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policies, including without limitation "Consultant", "Disinterested Shareholder Approval", "Employee", "Insider", "Investor Relations Activities" and "Management Company Employee".

3. GRANT OF OPTIONS

3.1 Option Terms

The Board may from time to time authorize the issue of Options to Eligible Persons of the Company and its subsidiaries. Subject to Exchange Policies and the limitations contained herein, the Board is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board. The Option Price under each Option shall be not less than the Discounted Market Price on the Grant Date. The Expiry Date for each Option shall be set by the Board at the time of issue of the Option and shall not be more than ten (10) years after the Grant Date. Options shall not be assignable (or transferable) by the Optionee. Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Company. No fractional Shares shall be reserved for issuance under this Plan and the Board may determine the manner in which an Option, insofar as it relates to the acquisition of a fractional Share, shall be treated. The Company shall, at all times while this Plan is in effect, reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of this Plan.

3.2 Limits on Shares Issuable on Exercise of Options

The maximum number of Shares which may be issuable pursuant to Options granted under the Plan shall be the greater of 10% of the issued and outstanding shares of the Company on the date of the grant and 4,385,516 or such additional amount as may be approved from time to time by the shareholders of the Company. The following comprise the limitations on grants and exercises of Options under the Plan:

- a) **To any one person.** The number of Shares reserved for issuance to any one person in any 12-month period under this Plan and any other share compensation arrangement shall not exceed 5% of the outstanding Shares at the time of the grant, unless the Company has obtained Disinterested Shareholder Approval to exceed such limit.
- b) **To Consultants.** The number of Shares reserved for issuance to any one Consultant in any 12-month period under this Plan and any other share compensation arrangement shall not exceed 2% of the outstanding Shares at the time of the grant.
- c) **To persons conducting Investor Relations Activities.** The aggregate number of Shares reserved for issuance to all Employees conducting Investor Relations Activities in any 12-month period under this Plan and any other share compensation arrangement shall not exceed 2% of the outstanding Shares at the time of the grant.
- d) **To Insiders.** Unless the Company has received Disinterested Shareholder Approval to do so:
 - (i) the aggregate number of Shares reserved for issuance to Insiders under this Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Shares at the time of the grant;
 - (ii) the aggregate number of Shares reserved for issuance to Insiders in any 12-month period under this Plan and any other share compensation arrangement shall not exceed 10% of the outstanding Shares at the time of the grant.
- b) **Exercises.** Unless the Company has received Disinterested Shareholder Approval to do so, the number of Shares issued to any person within a 12-month period pursuant to the exercise of Options granted under this Plan and any other share compensation arrangement shall not exceed 5% of the outstanding Shares at the time of the exercise.

3.3 Option Agreements

Each Option shall be confirmed by the execution of an Option Agreement. Each Optionee shall have the option to purchase from the Company the Option Shares at the time and in the manner set out in the Plan and in the Option Agreement applicable to that Optionee. For Options to Employees, Consultants, Consultant Companies or Management Company

Employees, the Company is representing herein and in the applicable Stock Option Agreement that the Optionee is a bona fide Employee, Consultant, Consultant Company or Management Company Employee, as the case may be, of the Company or its subsidiary. The execution of an Option Agreement shall constitute conclusive evidence that it has been completed in compliance with this Plan.

3.4 Adjustment of Option Price and Number of Option Shares

If there is a change in the outstanding Shares by reason of any share consolidation or split, reclassification or other capital reorganization, or a stock dividend, arrangement, amalgamation, merger or combination, or any other change to, event affecting, exchange of or corporate change or transaction affecting the Shares, the Board shall make, as it shall deem advisable and subject to the requisite approval of the relevant regulatory authorities, appropriate substitution and/or adjustment in:

- (a) the number and kind of Shares or other securities or property reserved or to be allotted for issuance pursuant to this Plan;
- (b) the number and kind of Shares or other securities or property reserved or to be allotted for issuance pursuant to any outstanding unexercised Options, and in the exercise price for such Shares or other securities or property; and
- (c) the vesting of any Options (subject to the approval of the Exchange if such vesting is mandatory under the policies of the Exchange), including the accelerated vesting thereof on conditions the Board deems advisable,

and if the Company undertakes an arrangement or is amalgamated, merged or combined with another corporation, the Board shall make such provision for the protection of the rights of Optionees as it shall deem advisable. If any questions arise at any time with respect to the Option Price or number of Unissued Option Shares deliverable upon exercise of an Option following a share or capital reorganization as described above, such questions shall be conclusively determined by the Company's auditor, or, if they decline to so act, any other firm of Chartered Accountants in Vancouver, British Columbia, that the Directors may designate and who will have access to all appropriate records and such determination will be binding upon the Company and all Optionees.

4. EXERCISE OF OPTION

4.1 When Options May be Exercised

Subject to sections 4.3 and 4.4, an Option may be exercised to purchase any number of Shares up to the number of Vested Unissued Option Shares at any time after the Grant Date up to 4:00 p.m. local time on the Expiry Date and shall not be exercisable thereafter.

4.2 Manner of Exercise

The Option shall be exercisable by delivering to the Company a notice specifying the number of Shares in respect of which the Option is exercised together with payment in full of the Option Price for each such Share. Upon notice and payment there will be a binding contract for the issue of the Shares in respect of which the Option is exercised, upon and subject to the provisions of the Plan. Delivery of the Optionee's cheque payable to the Company in the amount of the Option Price shall constitute payment of the Option Price unless the cheque is not honoured upon presentation in which case the Option shall not have been validly exercised.

4.3 Vesting of Option Shares

The Board may determine and impose terms upon which each Option shall become Vested in respect of Optioned Shares.

4.4 Termination of Employment

If an Optionee ceases to be a director, officer or service provider of the Company or one of the Company's subsidiaries, his Option shall be exercisable as follows:

- a) **Death or Disability.** If the Optionee ceases to be an Eligible Person, due to his death or Disability or, in the case of an Optionee that is a company, the death or Disability of the person who provides management or consulting services to the Company or to any entity controlled by the Company, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of:
 - (i) 365 days after the date of death or Disability; and
 - (ii) the Expiry Date;
- b) **Termination for Cause.** If the Optionee, or in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person as a result of termination for cause, as that

term has been interpreted by the courts of the jurisdiction in which the Optionee, or, in the case of a Management Company Employee or a Consultant Company, of the Optionee's employer, is employed or engaged; any outstanding Option held by such Optionee on the date of such termination, whether in respect of Option Shares that are Vested or not, shall be cancelled as of that date.

- c) **Early Retirement, Voluntary Resignation or Termination Other than for Cause.** If the Optionee or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, ceases to be an Eligible Person due to his retirement at the request of his employer earlier than the normal retirement date under the Company's retirement policy then in force, or due to his termination by the Company other than for cause, or due to his voluntary resignation, the Option then held by the Optionee shall be exercisable to acquire Vested Unissued Option Shares at any time up to but not after the earlier of the Expiry Date and the date which is 90 days after the Optionee ceases to be an Eligible Person if the Optionee is a director or officer of the Company and 30 days if the Eligible Person is not a director or officer of the Company or provides Investor Relations services. For greater certainty, an Option that had not become Vested in respect of certain Unissued Option Shares at the time that the relevant event referred to in this paragraph 4.4 occurred, shall not be or become vested or exercisable in respect of such Unissued Option Shares and shall be cancelled.

4.5 Acceleration of Expiry Date

If at any time when an Option granted under the Plan remains unexercised with respect to any Unissued Option Shares, an Offer is made by an offeror, the Board may, subject to the prior written consent of the Exchange, upon notifying each Optionee of full particulars of the Offer, declare all Option Shares issuable upon the exercise of Options granted under the Plan, Vested, and declare that the Expiry Date for the exercise of all unexercised Options granted under the Plan is accelerated so that all Options will either be exercised or will expire prior to the date upon which Shares must be tendered pursuant to the Offer. The Board shall give each Optionee as much notice as possible of the acceleration of the Options under this section, except that not less than 5 business days and not more than 35 days notice is required.

4.6 Exclusion from Severance Allowance, Retirement Allowance or Termination Settlement

If the Optionee, or, in the case of a Management Company Employee or a Consultant Company, the Optionee's employer, retires, resigns or is terminated from employment or engagement with the Company or any subsidiary of the Company, the loss or limitation, if any, pursuant to the Option Agreement with respect to the right to purchase Option Shares which were not Vested at that time or which, if Vested, were cancelled, shall not give rise to any right to damages and shall not be included in the calculation of nor form any part of any severance allowance, retiring allowance or termination settlement of any kind whatsoever in respect of such Optionee.

4.7 Shares Not Acquired

Any Unissued Option Shares not acquired by an Optionee under an Option which has expired may be made the subject of a further Option pursuant to the provisions of the Plan.

5. MISCELLANEOUS

5.1 Right to Employment

Neither this Plan nor any of the provisions hereof shall confer upon any Optionee any right with respect to employment or continued employment with the Company or any subsidiary of the Company or interfere in any way with the right of the Company or any subsidiary of the Company to terminate such employment.

5.2 Necessary Approvals

The Plan shall be effective only upon the approval of the shareholders of the Company given by way of an ordinary resolution. Any Options granted under this Plan prior to such approval shall only be exercised upon the receipt of such approval. Disinterested shareholder approval (as required by the Exchange) will be obtained for any reduction in the exercise price of any Option granted under this Plan if the Optionee is an Insider of the Company at the time of the proposed amendment. The obligation of the Company to sell and deliver Shares in accordance with the Plan is subject to the approval of the Exchange and any governmental authority having jurisdiction. If any Shares cannot be issued to any Optionee for any reason, including, without limitation, the failure to obtain such approval, then the obligation of the Company to issue such Shares shall terminate and any Option Price paid by an Optionee to the Company shall be immediately refunded to the Optionee by the Company.

5.3 Administration of the Plan

The Board shall, without limitation, have full and final authority in their discretion, but subject to the express provisions of the Plan, to interpret the Plan, to prescribe, amend and rescind rules and regulations relating to the Plan and to make all other

determinations deemed necessary or advisable in respect of the Plan. Except as set forth in section 3.4, the interpretation and construction of any provision of the Plan by the Board shall be final and conclusive. Administration of the Plan shall be the responsibility of the appropriate officers of the Company and all costs in respect thereof shall be paid by the Company.

5.4 Income Taxes

As a condition of and prior to participation in the Plan any Optionee shall on request authorize the Company in writing to withhold from any remuneration otherwise payable to him or her any amounts required by any taxing authority to be withheld for taxes of any kind as a consequence of his participation in the Plan.

5.5 Amendments to the Plan

The Board may from time to time, subject to applicable law and to the prior approval, if required, of the Exchange or any other regulatory body having authority over the Company or the Plan, suspend, terminate or discontinue the Plan at any time, or amend or revise the terms of the Plan or of any Option granted under the Plan and the Option Agreement relating thereto, provided that no such amendment, revision, suspension, termination or discontinuance shall in any manner adversely affect any Option previously granted to an Optionee under the Plan without the consent of that Optionee. Any amendments to the Plan or Options granted thereunder will be subject to the approval of the shareholders.

5.6 Form of Notice

A notice given to the Company shall be in writing, signed by the Optionee and delivered to the head business office of the Company.

5.7 No representation or Warranty

The Company makes no representation or warranty as to the future market value of any Shares issued in accordance with the provisions of the Plan.

5.8 Compliance with Applicable Law

This Plan, the grant and exercise of Options hereunder and the Company's obligation to sell, issue and deliver any Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, policies, rules and regulations, to the policies, rules and regulations of any stock exchanges or other markets on which the Shares are listed or quoted for trading and to such approvals by any governmental or regulatory agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obligated by the existence of this Plan or any provision of this Plan or the grant or exercise of Options hereunder to sell, issue or deliver Shares upon exercise of Options in violation of such laws, policies, rules and regulations or any condition or requirement of such approvals. If any provision of the Plan or any Option Agreement contravenes any law or any order, policy, by-law or regulation of any regulatory body or exchange having authority over the Company or the Plan, then such provision shall be deemed to be amended to the extent required to bring such provision into compliance therewith.

5.9 No Assignment

No Optionee may assign any of his rights under the Plan or any Option granted thereunder.

5.10 Rights of Optionees

An Optionee shall have no rights whatsoever as a shareholder of the Company in respect of any of the Unissued Option Shares (including, without limitation, voting rights or any right to receive dividends, warrants or rights under any rights offering).

5.11 Conflict

In the event of any conflict between the provisions of this Plan and an Option Agreement, the provisions of this Plan shall govern.

5.12 Governing Law

The Plan and each Option Agreement issued pursuant to the Plan shall be governed by the laws of the Province of British Columbia.

5.13 Time of Essence

Time is of the essence of this Plan and of each Option Agreement. No extension of time will be deemed to be or to operate as a waiver of the essentiality of time.

5.14 Entire Agreement

This Plan and the Option Agreement sets out the entire agreement between the Company and the Optionees relative to the subject matter hereof and supersedes all prior agreements, undertakings and understandings, whether oral or written.

**APPENDIX "A" TO
CDN MSOLAR CORP.
STOCK OPTION PLAN**

OPTION AGREEMENT

"WITHOUT COMPLIANCE WITH ALL APPLICABLE SECURITIES LEGISLATION, THE SECURITIES REPRESENTED BY THIS CERTIFICATE MAY NOT BE SOLD, TRANSFERRED, HYPOTHECATED OR OTHERWISE TRADED ON OR THROUGH THE FACILITIES OF THE CANADIAN SECURITIES EXCHANGE OR OTHERWISE UNTIL _____, 20__ [four months from date of grant]"

This Option Agreement is entered into between Cdn MSolar Corp. (the "Company") and the Optionee named below pursuant to the Company Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that on _____, 20__ (the "Grant Date") _____ (the "Optionee") was granted the option (the "Option") to purchase _____ Common Shares (the "Option Shares") of the Company for the price (the "Option Price") of \$_____ per share, which shall be exercisable ("Vested") as to ___ on the Grant Date and as to an additional ___ each ___ month(s) thereafter commencing on the ___ day of _____, 20__ in accordance with the terms of the Plan, terminating on the ___ day of _____, 20__ (the "Expiry Date") all on the terms and subject to the conditions set out in the Plan.

For greater certainty, once Option Shares have become Vested, they continue to be exercisable until the termination or cancellation thereof as provided in this Option Agreement and the Plan.

By signing this Option Agreement, the Optionee acknowledges that the Optionee has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Option Agreement as of the _____ day of _____, 20__.

CDN MSOLAR CORP.

Per:

Authorized Signatory

SIGNED, SEALED AND DELIVERED)
by * _____)
in the presence of:)
)
)
_____)
Name)
_____)
Address)
_____)