



**BIOME GROW INC.**

**NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS**

**AND**

**MANAGEMENT INFORMATION CIRCULAR**

Annual and Special Meeting of Shareholders of Biome Grow Inc.

commencing at 10:00 a.m. (Toronto time) on July 26, 2021

to be held virtually via Zoom at

<https://torkinmanes.zoom.us/j/93261693004?pwd=OVh4VkpiWG81MIU5bSsweXVFZWZsZz09>

and Via Conference Call at:

Dial In: +1 647 558 0588  
Meeting ID: 932 6169 3004  
Passcode: 184358

**June 24, 2021**





## BIOME GROW INC.

### NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that an annual and special meeting (the “**Meeting**”) of the shareholders of Biome Grow Inc. (“**Biome**” or the “**Corporation**”) will held in a virtual format only via live webcast online at <https://torkinmanes.zoom.us/j/93261693004?pwd=OVh4VkpIWG81MIU5bSsweXVFZWZsZz09> or by conference call at **1 647 558 0588, Meeting ID: 932 6169 3004, Passcode: 184358**, on July 26, 2021 commencing at 10:00am (Toronto time) for the following purposes:

1. to receive the audited annual consolidated financial statements of the Corporation for the fiscal years ended December 31, 2020 and 2019, together with the report of the auditor thereon;
2. to elect directors for the ensuing year;
3. to appoint Manning Elliott LLP as auditors of the Corporation for the ensuing year and to authorize the board of directors of the Corporation to fix their remuneration;
4. to transact such other business as may properly be put before the Meeting.

Only registered shareholders of record of Biome at the close of business on May 26, 2021, or the persons they appoint as their proxies, will be entitled to receive notice of and vote at the Meeting. Registered shareholders of Biome who are unable to attend the Meeting in person are requested to sign, date and return the enclosed form of proxy to Computershare Investor Services Inc. (“**Computershare**”), Proxy Department, 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, Canada.

In order to be valid for use at the Meeting, proxies must be received by Computershare by 10:00am (Toronto time) on July 22, 2021 or, if the Meeting is adjourned or postponed, 48 hours prior to the time to which the Meeting has been adjourned or postponed, excluding Saturdays, Sundays and holidays. The chair of the Meeting may waive or extend the proxy cut-off without notice. Non-registered shareholders of Biome who receive these materials through their broker or other intermediary should carefully follow the instructions provided by their broker or intermediary.

Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of our Shareholders, colleagues and the broader community, the Meeting will be held in a virtual meeting format only via live webcast online at ● or by conference call at ●. Shareholders and duly appointed proxyholders will be able to attend the Meeting (virtually), and submit questions, provided they have an internet connection. It is possible that Shareholders will not be able to cast live votes at the meeting and as such each shareholder is strongly encouraged to complete and submit the proxy accompanying this circular in advance of the meeting. Nonregistered shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but will not be able to vote at the Meeting.

**DATED** at Toronto, Ontario this 24<sup>th</sup> day of June, 2021.

**BY ORDER OF THE BOARD OF DIRECTORS**

*(signed) “Khurram Malik”*

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**Khurram Malik**

Director





## MANAGEMENT INFORMATION CIRCULAR

### VOTING INFORMATION

#### PERSONS MAKING THIS SOLICITATION

This management information circular (the “**Circular**”) is furnished in connection with the solicitation of proxies by the management of Biome Grow Inc. (“**Biome**” or the “**Corporation**”) for use at the annual and special meeting of shareholders of Biome (the “**Meeting**”) to be in a virtual meeting format only via live webcast at <https://torkinmanes.zoom.us/j/93261693004?pwd=OVh4VkpW81MIU5bSsweXVFZWZsZz09> or by conference call at **1 647 558 0588, Meeting ID: 932 6169 3004, Passcode: 184358**, on July 26, 2021 commencing at 10:00 p.m. (Toronto time) for the purposes set forth in the accompanying notice of meeting (the “**Notice of Meeting**”). Only registered shareholders of Biome (“**Shareholders**”) at the close of business on May 26, 2021 (the “**Record Date**”), or the persons they appoint as their proxies, will be entitled to receive notice of and vote at the Meeting.

**Consistent with the latest directives and orders of public health and governmental authorities regarding the COVID-19 coronavirus and in consideration of the health and safety of our Shareholders, colleagues and the broader community, the Meeting, including any and all adjournments or postponements of the Meeting, will be held in a virtual meeting format only via webcast only for the purposes set forth in the accompanying Notice of Annual and Special Meeting of Shareholders (the “Notice of Meeting”). It is possible that shareholders will not be able to cast live votes at the meeting, and as such each shareholder is strongly encouraged to complete and submit the proxy form accompanying this circular in advance of the meeting.**

The Corporation will not be relying on the notice and access delivery procedures outlined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators (“**NI 54-101**”) to distribute copies of proxy-related materials in connection with the Meeting.

While it is expected that the solicitation will be made primarily by mail, proxies may also be solicited personally, by facsimile or by telephone by employees of the Corporation. **The solicitation of proxies by this Circular is being made by or on behalf of the management of the Corporation and the total cost of the solicitation will be borne entirely by the Corporation.**

#### RECORD DATE

The board of directors (the “**Board**” or the “**Board of Directors**”) of the Corporation has fixed May 26, 2021 as the record date (the “**Record Date**”) for determination of persons entitled to receive notice of the Meeting. Only shareholders of record at the close of business on the Record Date who either attend the Meeting personally or complete, sign and deliver a form of proxy in the manner and subject to the provisions described below will be entitled to vote or to have their Common Shares voted at the Meeting.

#### APPOINTMENT OF PROXIES

The individuals named in the accompanying management form of proxy are directors or officers of the Corporation. **Shareholders have the right to appoint a person or company to represent him, her or it at the Meeting other than those persons designated on the form of proxy. A Shareholder who wishes to appoint some other person at the Meeting may do so by clearly inserting such person’s name in the blank space provided in the form of proxy. Such other person need not be a Shareholder.** A proxy will not be valid unless the completed, dated and signed form of proxy is (a) delivered to Computershare Investor Services Inc. (“**Computershare**”), Proxy Department, 100 University Avenue, 8<sup>th</sup>

Floor, Toronto, Ontario M5J 2Y1, Canada; (b) voted by telephone (toll free) at 1-866-732-VOTE (8683); or (c) voted on the internet at [www.investorvote.com](http://www.investorvote.com), in all cases by 2:00 p.m. (Toronto time) on July 22, 2021 or, if the Meeting is adjourned or postponed, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time of the adjourned or postponed Meeting.

#### **REVOCAION OF PROXIES**

A Shareholder who has given a proxy may revoke it by an instrument in writing executed by the Shareholder or by his, her or its attorney authorized in writing or, if the Shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered either to the registered office of the Corporation, at 1800 – 510 West Georgia Street, Vancouver, B.C. V6B 0M3, Canada or to Computershare, located at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement of the Meeting. Only registered Shareholders have the right to revoke a proxy. Non-registered holders of common shares in the capital of the Corporation (“**Common Shares**”) who wish to change their voting instructions must contact the intermediary through which their Common Shares are held and follow the instructions of the intermediary respecting the revocation of such voting instructions.

#### **EXERCISE OF DISCRETION**

The Common Shares represented by the proxies solicited hereby will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for, and if a Shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares represented by such proxy will be voted or withheld from voting accordingly. Shareholders may indicate the manner in which the proxyholder is to vote with respect to any specific item by checking the appropriate space. If a Shareholder wishes to confer discretionary authority with respect to any item of business, then the space opposite the item should be left blank.

The enclosed form of proxy confers discretionary authority upon the named proxyholder(s) with respect to any amendments to or variations in matters identified in the accompanying Notice of Meeting, including other matters which may properly come before the Meeting or any adjournment or postponement thereof, in each instance, to the extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine and whether or not the amendment, variation or other matter that comes before the Meeting is contested. As at the date of this Circular, management of the Corporation is not aware of any amendments, variations, or other matters, other than as set out in the accompanying Notice of Meeting. If such amendment, variation or other matter should occur, the persons designated by management or such other proxyholder as properly designated by the Shareholder will vote in accordance with their best judgment.

**If a choice with respect to such matters is not specified, the persons designated by management of the Corporation in the enclosed proxy will vote the Common Shares represented by the proxy in favour of each matters identified in the proxy.**

#### **REGISTERED SHAREHOLDERS**

Registered Shareholders may wish to vote by proxy whether or not they are able to attend the Meeting in person. Registered Shareholders may choose one of the following options to submit their proxy:

- a) completing, dating and signing the enclosed form of proxy and returning it to the transfer agent of the Corporation, (a) by hand at Computershare Trust Company of Canada, Proxy Department, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, Canada, or (b) by fax to 1-866-249-7775;
- b) use a touch-tone phone and dial (toll free) at 1-866-732-VOTE (8683). Registered shareholders must follow the instructions of the voice response system and refer to the enclosed proxy form for the holder’s account number and the control number; or

- c) use the internet and visit [www.investorvote.com](http://www.investorvote.com). Registered Shareholders must follow the instructions that appear on the screen and refer to the enclosed proxy form for the holder's account number and the control number.

In all cases, the Registered Shareholder must ensure the proxy is received at least 48 hours (excluding Saturdays, Sundays and statutory holidays) before the Meeting, or any adjournment thereof, at which the proxy is to be used.

#### **NON-REGISTERED SHAREHOLDERS**

Most shareholders of the Corporation are "Non-Registered Shareholders" because the Common Shares they beneficially own are not registered in their names but are instead registered in the name of an intermediary such as a brokerage firm, bank, trust corporation, securities dealer or broker and trustee or administrator of self-administered RRSPs, RRIFs, RESPs and similar plans through which they purchased the Common Shares (an "Intermediary"). A Non-Registered Shareholder typically holds their Common Shares either: (a) in the name of the Intermediary that the Non-Registered Shareholder deals with in respect of the Common Shares; or (b) in the name of a clearing agency (such as The Canadian Depository for Securities Limited ("CDS")), of which the Intermediary is a participant.

Non-Registered Shareholders who have not objected to their Intermediary disclosing certain beneficial ownership information about themselves to the Corporation are referred to as Non-Objecting Beneficial Owners ("NOBOs"). Non-Registered Shareholders who have objected to their Intermediary disclosing the ownership information about themselves to the Corporation are referred to as Objecting Beneficial Owners ("OBOs"). NI 54-101 permits the Corporation to send the Notice of Meeting, this Circular and a form of proxy or voting instruction form, as applicable, (collectively, the "Meeting Materials") directly to NOBOs. In accordance with NI 54-101, the Corporation has elected to send the Meeting Materials directly to NOBOs and has distributed copies of the Meeting Materials to Intermediaries for distribution to OBOs. The Corporation will pay for an Intermediary to deliver the Meeting Materials to Non-Registered Shareholders who are OBOs, including a voting instruction form (as described further below).

If you are a Non-Registered Shareholder and you have not declined to receive the Meeting Materials, then you will receive a voting instruction form. The purpose of this form is to permit you to direct the voting of the Common Shares that you beneficially own. If you are a Non-Registered Shareholder you should follow the procedures set out below, depending on which type of form you receive.

- a) Voting Instruction Form. In most cases, you will receive, as part of the Meeting Materials, a voting instruction form, which is not the same as a form of proxy. If you do not wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), the voting instruction form must be completed, signed and returned in accordance with the directions on the voting instruction form. If you wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), then you must complete, sign and return the voting instruction form in accordance with the directions provided and a form of proxy giving the right to attend and vote at the Meeting will be forwarded to you.

or

- b) Form of Proxy. Less frequently, you will receive, as part of the Meeting Materials, a form of proxy that has already been executed by the Intermediary (typically by a facsimile, stamped signature) and which is restricted as to the number of Common Shares beneficially owned by you, but which is otherwise incomplete. If you do not wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you must complete the form of proxy and deposit it with Computershare, located at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or by fax to 1-866-249-7775, as described above. If you wish to attend and vote at the Meeting in person (or have another person attend and vote on your behalf), you must insert your name (or such other person's name) in the blank space provided.

In any case, the purpose of these procedures is to permit Non-Registered Shareholders to direct the voting of the Common Shares which they beneficially own. Should a Non-Registered Shareholder who receives one of the above forms wish to vote at the Meeting in person, the Non-Registered Shareholder should insert the Non-Registered Shareholder's name in the blank space provided. **Non-Registered Shareholders should follow the instructions on the forms they receive, including those regarding when and where the forms are to be delivered, and contact their Intermediaries promptly if they need assistance.**

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

No person who has been a director or executive officer of the Corporation since the beginning of the Corporation's most recently completed financial year, or any proposed nominee by management of the Corporation for election as a director of the Corporation, 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 matters to be acted upon at the Meeting, other than the election of directors or the appointment of auditors.

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

The Common Shares of the Corporation are listed for trading on the Canadian Securities Exchange (the "CSE") under the symbol "BIO", on the OTCQB under the stock symbol "BIOIF" and on the Frankfurt Exchange under stock symbol "6OTA:GR".

The Corporation's authorized capital consists of (a) an unlimited number of Common Shares, (b) an unlimited number of Class B Preferred Shares and (c) an unlimited number of Special Class C Shares of which, as of the date hereof, 112,417,435 Common Shares, one (1) Special Class C Share and nil Class B Preferred Shares are issued and outstanding.

#### **COMMON SHARES**

The holders of Common Shares have the right to one vote per Common Share at all meetings of the shareholders of the Corporation, the right to receive any dividend declared by the Board of Directors, and the right to receive the remaining property of the Corporation on its dissolution, liquidation, winding up or other distribution of its assets or property among the shareholders for the purpose of winding up its affairs.

Except as otherwise provided, the Common Shares do not have any (i) pre-emptive, conversion or exchange rights, (ii) redemption, retraction, purchase for cancellation, surrender or sinking or purchase fund provisions, (iii) provisions permitting or restricting the issuance of additional securities or other material restrictions, or (iv) provisions requiring a security holder to contribute additional capital.

#### **CLASS B PREFERRED SHARES**

The Class B Preferred Shares are issuable, in one or more series, in accordance with and subject to the provisions of the Business Corporations Act (British Columbia), and the Board is authorized to fix the number of shares of each series, and to determine the designation, rights, privileges, restrictions and conditions attaching to each series, including dividend rates, redemption prices, conversion rights and other matters. The Class B Preferred Shares have priority over the Common Shares and any other shares of the Corporation ranking junior to the Class B Preferred Shares with respect to the payment of dividends and in the event of the voluntary or involuntary liquidation, dissolution or winding-up of the Corporation, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs.

#### **SPECIAL CLASS C SHARES**

The holder of a Special Class C Share is not entitled to receive notice of, to attend or vote at any meeting of the Shareholders of the Corporation, unless such business being transacted is solely and directly affecting the existence, rights and obligations of such Special Class C Share, in which case, the holder of the Special Class C Share shall be entitled to one vote in respect of each Special Class C Share held. The rights of the holder of the Special Class C Share may only be modified, amended or varied upon the approval of the holder of the Special Class C Share in addition to any other approval required by the



Business Corporations Act (Ontario) (the “**OBCA**”) and the approval of holders of not less than two-thirds of the issued and outstanding Common Shares, except where no Special Class C Share is issued and outstanding, in which case, modification, amendment or variation shall only require the approval of the holders of not less than two-thirds of the issued and outstanding Common Shares in addition to any other approval required by the OBCA.

The Special Class C Share does not have any (i) dividend rights, (ii) rights upon dissolution or winding-up, (iii) pre-emptive rights, (iv) redemption, retraction, purchase for cancellation, surrender or sinking or purchase fund provisions, (v) provisions permitting or restricting the issuance of additional securities or other material restrictions, or (vi) provisions requiring a security holder to contribute additional capital.

The Special Class C Share may, upon notice to Biome and upon satisfaction of certain conditions, be converted into fully paid and non-assessable Common Shares. It is being proposed at the Meeting that the rights, privileges, restrictions and conditions attaching to the Special Class C Shares be amended in accordance with the terms of the amending agreement entered into by the Corporation and Mr. Francis MacMaster, the sole holder of the Special Class C Shares.

Any Shareholder as of the Record Date who either personally attends the Meeting or who has completed and delivered a proxy in the manner specified, subject to the provisions described above, shall be entitled to vote or to have their Common Shares voted at the Meeting. As the rights, privileges, restrictions and conditions of the Special Class C Shares are proposed to be amended at the Meeting, the sole holder of such Special Class C shares will also receive notice of and shall be entitled to attend and vote at the Meeting or to have the Special Class C Shares voted at the Meeting.

**PRINCIPAL SECURITYHOLDERS**

As of the date hereof, to the knowledge of the Corporation’s directors and executive officers, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, voting securities of the Corporation carrying more than 10% of the voting rights attached to any class of voting securities of the Corporation, except as set out below.

Principal Security Holder	Number of Common Shares Owned or Controlled	Approximate Percentage of Issued and Outstanding Common Shares
Sasha Jacob	49,800,000 <sup>(1)</sup>	44.3%

<sup>(1)</sup> To the knowledge of the Corporation, 21,000,000 of these Common Shares are held by Jacob Securities Holdings Inc., 15,000,000 of these Common Shares are held by Jacob Capital Management Inc., 6,600,000 of these Common Shares are held by Mr. Jacob’s spouse and the remaining 7,200,000 are held directly by Mr. Jacob.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**FINANCIAL STATEMENTS**

The audited annual consolidated financial statements of the Corporation for the fiscal year ended December 31, 2020 and 2019, together with the report of the auditor thereon, will be presented to Shareholders for review at the Meeting. No vote by the Shareholders is required with respect to this matter.

**ELECTION OF DIRECTORS**

The term of office of each of the directors of the Corporation expires at the close of the Meeting. The Board of Directors is currently composed of three directors consisting of J. Mark Lievonen, Khurram Malik and Steven Poirier.

At the Meeting, management of the Corporation proposes to nominate all of the current directors including J. Mark Lievonen, Khurram Malik and Steven Poirier (collectively, the “**Nominees**”) for election as directors of the Corporation for the ensuing year.

Management of the Corporation does not anticipate that any of the Nominees will be unable to serve as a director, but, if such should be the case at the Meeting, the persons whose names are printed on the form of proxy, in the absence of a specification to the contrary, intend to vote for such other nominees as their best judgment may deem advisable.

The Board recognizes that gender diversity is a significant aspect of board diversity and acknowledges the important role that women with appropriate and relevant skills and experience play in contributing to diversity of perspective and effectiveness in the boardroom. The Board has not set specific targets regarding gender representation (or other diversity-related targets) and instead is relying on the Governance Committee to consider all relevant factors in making recommendations on board appointments.

If elected, each Nominee will hold office until the close of the next annual meeting of Shareholders or until a successor is elected or appointed, unless earlier resigned or otherwise removed from office.

### MAJORITY VOTING POLICY

The Board of Directors has adopted a policy (the “**Majority Voting Policy**”) that requires that Shareholders be able to vote for, or withhold from voting, separately for each Nominee. If, in an “uncontested” election of directors of the Corporation, the number of votes withheld from voting by Shareholders in respect of any particular Nominee exceeds the number of votes for the election of the Nominee by Shareholders, then, although the Nominee will have been successfully elected to the Board of Directors pursuant to applicable corporate law, such Nominee will then be required to promptly tender his or her resignation from the Board of Directors. The Board or a committee of the Board, as applicable, will consider such resignation and will promptly accept the resignation within 90 days of the Meeting absent extraordinary circumstances, and disclose by press release its decision and the reasons for such decision.

### NOMINEE INFORMATION

The following table sets out the names, province and country of residence of each Nominee, the present offices of the Corporation now held by each of them, the principal occupations of each Nominee, the period of time for which each has been a director of the Corporation and the number of Common Shares beneficially owned by each Nominee, directly or indirectly, or over which control or direction is exercised.

Name, Province and Country of Residence	Present Position(s) with the Corporation	Principal Occupation(s) for the Past Five Years <sup>(1)</sup>	Director Since	Number of Common Shares Beneficially Owned or Controlled, Directly or Indirectly <sup>(1)</sup>
<b>J. Mark Lievonen</b> <sup>(2)(3)(4)</sup> Ontario, Canada	Director	Principal, JML Advisory Services from May 2019 to Present. President of Sanofi Pasteur Limited, a vaccine development, manufacturing and marketing company, from 1999 to 2016; Corporate Director.	October 3, 2018	Nil
<b>Khurram Malik</b> Ontario, Canada	Director & Chief Executive Officer	Chief Executive Officer of the Corporation; Head of Research and Research analyst at Jacob Securities Inc. from December 2007 to December 2015; Partner and Head of Research at Jacob Capital Management Inc. from December 2015 to present; President and Secretary of Cultivator Catalyst Corp. from April 2017 to October 3, 2018.	October 3, 2018	3,000,000

Name, Province and Country of Residence	Present Position(s) with the Corporation	Principal Occupation(s) for the Past Five Years <sup>(1)</sup>	Director Since	Number of Common Shares Beneficially Owned or Controlled, Directly or Indirectly <sup>(1)</sup>
Steven Poirier <sup>(2)(3)(4)</sup> Toronto, Canada	Director	Until 2017 Mr. Poirier was Senior Vice President of Sales for Arterra Wines Canada (formerly Constellation Brands Canada) responsible for the National Sales organization, Trade Marketing and Business Insights. Currently, Mr. Poirier is a strategy consultant in the Beverage Alcohol industry and a Corporate Director.	October 3, 2018	Nil

(1) The information as to principal occupation and number of Common Shares beneficially owned, or controlled or directed, directly or indirectly, by each respective Nominee is not within the knowledge of management of the Corporation and has been furnished by the respective Nominees.

(2) Member of the Audit Committee.

(3) Member of the Governance Committee.

(4) Member of the Compensation Committee.

A Shareholder can vote for all of the above nominees, vote for some of the above nominees and withhold for other of the above nominees, or withhold for all of the above nominees. **The persons designated as proxyholders by management of the Corporation in the form of proxy which accompanies this Circular intend to vote FOR the election of the Nominees as directors of the Corporation whose names are set forth above, unless the Shareholder has specified in the form of proxy that the Common Shares represented by such form of proxy are to be withheld from voting in respect thereof.**

**THE BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT EACH SHAREHOLDER VOTE "FOR" THE ELECTION OF THE ABOVE NOMINEES AS DIRECTORS.**

#### **BIOGRAPHICAL INFORMATION**

##### *J. Mark Lievonen*

J. Mark Lievonen was the President of Sanofi Pasteur Limited, the Canadian vaccine division of Sanofi, which he joined in 1983. Under his leadership, Sanofi Pasteur has become a billion-dollar enterprise in Canada, manufacturing over 50 million doses of vaccines for both domestic and international markets. A veteran of the industry for over 30 years, Mark began his career in finance and rose through Sanofi Pasteur's ranks, guiding the company through a number of significant milestones and initiatives. Beyond his work in the biopharmaceutical industry, Mr. Lievonen has always been a passionate advocate for public health access, education and giving back to the community. He is a former Chair of the Markham Stouffville Hospital Foundation and served as an ex-officio member on the Markham Stouffville Hospital Board. Mr. Lievonen received the Queen's Golden and Diamond Jubilee Medallions, Lifetime Achievement Awards from Life Sciences Ontario and the Pharmaceutical Sciences Group, an Honorary Doctor of Laws degree from York University and, in 2015, Mr. Lievonen was appointed to the Order of Canada. He was named a Chevalier de l'Ordre National de Mérite by the government of France in 2007 and was inducted into Canadian Healthcare Marketing Hall of Fame in 2013. Mr. Lievonen devotes 20% of his time to the business of the Corporation. Mr. Lievonen is an independent contractor of the Corporation and it is not anticipated that Mr. Lievonen will enter into a non-competition or non-disclosure agreement with the Corporation.

##### *Khurram Malik*

Khurram Malik holds the position of Partner and Head of Research at Jacob Capital Management Inc., an advisory firm that provides strategic and financial advisory services to companies in the power, infrastructure, technology, energy and mining sectors. Mr. Malik has worked in capital markets for over 15

years with companies ranging in size from Berkshire Hathaway and American International Group to early-stage cannabis and cleantech companies. His career spans from working in New York with UBS PaineWebber and Morgan Stanley to leading boutique investment banks in Canada. The bulk of Mr. Malik's career has been in the equity research realm with coverage of the property-casualty insurance, industrials, airlines, hardware technology, cleantech, cannabis and water sectors. With respect to cannabis, Mr. Malik was the first research analyst in North America to publish a report on the sector and is regularly quoted in the media with respect to his views and forecasts on the global cannabis market. Moreover, Mr. Malik has provided financial and strategic advice over the last five years to over 20 cannabis companies around the world including applicants and licenced producers in Canada. With respect to Cultivator Catalyst Corp., Mr. Malik was tasked with designing a platform that would not only create compelling value for shareholders, but would also grow to be a leading global platform 5-10 years out in what is currently a young industry. Mr. Malik devotes 60% of his time to the business of the Corporation. Mr. Malik is an independent contractor of the Corporation and it is not anticipated that Mr. Malik will enter into an employment, non-competition or non-disclosure agreement with the Corporation.

#### *Steven Poirier*

Steven Poirier has 25 years of experience in the wine, beer and spirits industry. Currently, Mr. Poirier manages SMP Management Consultants, specializing in strategy consulting to the beverage and alcohol industry. Mr. Poirier's broad spectrum of experience has spanned sales, marketing and new product development. Throughout his career, Mr. Poirier has worked with major industry enterprises such as Treasury Wine Estates and Arterra Wine Canada (formerly Constellation Brands). Mr. Poirier spent 11 years at Moosehead Breweries serving in senior roles, including President. Having worked in medium and large businesses and with both public and private firms, Mr. Poirier brings a wealth of understanding of the complexities of various business models. Mr. Poirier holds a Bachelor of Commerce degree from Concordia University and an MBA from York University. Mr. Poirier devotes 20% of his time to the business of the Corporation. Mr. Poirier is an independent contractor of the Corporation and it is not anticipated that Mr. Poirier will enter into a non-competition or non-disclosure agreement with the Corporation.

#### **CORPORATE CEASE TRADE ORDERS OR BANKRUPTCIES**

To the knowledge of management of the Corporation, except as disclosed below, no Nominee is, at the date of this Circular, or has been, within ten years before the date of this Circular,

- a) a director, chief executive officer or chief financial officer of any company (including the Corporation) that:
  - i. was subject to an order that was issued while the Nominee was acting in the capacity as director, chief executive officer or chief financial officer; or
  - ii. was subject to an order that was issued after the Nominee 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,
- b) a director or executive officer of any company (including the Corporation) that, which such Nominee was acting in that capacity, or within one year of such Nominee 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, arrangements or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of such Nominee.

For the purposes of section (a) above, the term "order" means a cease trade order, an order similar to a cease trade order or an order that denied the relevant corporation access to any exemption under

securities legislation that was in effect for a period of more than 30 consecutive days.

#### **PENALTIES OR SANCTIONS**

To the knowledge of management of the Corporation, no Nominee has:

- a) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- b) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a director nominee.

#### **APPOINTMENT OF AUDITOR**

The auditor of the Corporation is Manning Elliott LLP located at 1030 West Georgia St., Suite 1700, Vancouver, BC V6E 2Y3. Manning Elliott LLP has been the auditor of the Corporation since October 3, 2018. Management proposes to nominate Manning Elliott LLP for re-appointment as auditor of the Corporation to hold office until the next annual meeting of Shareholders and to authorize the Board of Directors to fix the auditor's remuneration. An affirmative vote of a majority of the votes cast at the Meeting is sufficient for the appointment of the auditor.

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

<b>Financial Year Ending</b>	<b>Audit Fees</b>	<b>Audit Related Fees</b>	<b>Tax Fees</b>	<b>All Other Fees</b>
<b>2020</b>	117,500	Nil	8,500	Nil
<b>2019</b>	128,500	5,500	8,500	Nil

**The persons designated as proxyholders by management of the Corporation in the form of proxy which accompanies this Circular intend to vote FOR the re-appointment of Manning Elliott LLP, as the auditor of the Corporation unless the Shareholder has specified in the form of proxy that the Common Shares represented by such form of proxy are to be withheld from voting in respect thereof.**

#### **COMPENSATION OF EXECUTIVE OFFICERS**

##### **EXECUTIVE COMPENSATION**

In this section "Named Executive Officer" means the Chief Executive Officer, the Chief Financial Officer and each of the three most highly compensated executive officers, other than the Chief Executive Officer and the Chief Financial Officer, making over \$150,000 in annual compensation.

Khurram Malik, Chief Executive Officer and Interim Chief Financial Officer; Abbey Abdiye, past Chief Financial Officer (resigned November 2020) are each a Named Executive Officer of the Corporation for the purposes of the following disclosure.

The directors of the Corporation who were not Named Executive Officers are Michael Weiner (resigned August 2020), J. Mark Lievonen and Steven Poirier.

##### **COMPENSATION DISCUSSION AND ANALYSIS**

The Corporation's process for determining executive compensation is based largely on broad discussion between management, the Compensation Committee and the Board of Directors at large.

The Compensation Committee members are active in the business community and have experience in the determination of compensation packages. Proposed compensation is evaluated by the Compensation Committee based on current requirements of management and in reference to external experience. The current members of the Corporation's Compensation Committee are: Steven Poirier (Chair) and J. Mark Lievonen.

The Compensation Committee has assessed the Corporation's compensation plans and programs for its executive officers to ensure alignment with the Corporation's business plan and to evaluate the potential risks associated with those plans and programs. The Compensation Committee has concluded that the compensation policies and practices do not create any risks that are reasonably likely to have a material adverse effect on the Corporation. The Compensation Committee considers the risks associated with executive compensation and corporate incentive plans when designing and reviewing such plans and programs.

## **PHILOSOPHY AND OBJECTIVES**

The compensation program for the management of the Corporation is designed with a view that the level and form of compensation achieves certain objectives, including:

- a) attracting and retaining qualified executives;
- b) motivating the short and long-term performance of these executives; and
- c) better aligning their interests with those of the Corporation's shareholders.

In compensating its management, the Corporation has employed a combination of base salary and / or equity participation through its stock option plan (as defined in greater detail below). Recommendations for management compensation are presented to the Board for review by the Compensation Committee.

## **EQUITY PARTICIPATION**

An important part of the Corporation's compensation program is to offer the opportunity and incentive for executives and staff to own shares of the Corporation. The Compensation Committee and the Board believe that ownership of the Corporation's shares will align the interests of executives and future staff with the interests of the Corporation's shareholders. Share-based and option-based awards are granted as the compensation is reviewed by the Compensation Committee from time to time, which is anticipated to occur on a recurring annual basis in the future. When reviewing awards, consideration is given to the total compensation package of the executives and staff and a weighting of appropriate incentives, including past grants. At the time of any award, consideration is also given to the available pool remaining for new positions being contemplated by the Corporation.

## **COMPENSATION REVIEW PROCESS**

### *Risks Associated with the Corporation's Compensation Practices*

Executive compensation is comprised of short-term compensation in the form of a base salary and in some cases, long-term ownership through the stock option plan (as defined in greater detail below). This structure ensures that a portion of executive compensation is both long-term and "at risk" and, accordingly, is directly linked to the achievement of business results and the creation of long-term shareholder value. As the benefits of such compensation, if any, are not realized by officers until a significant period of time has passed, the ability of officers to take inappropriate or excessive risks that are beneficial to their compensation at the expense of the Corporation and the shareholders is extremely limited. As a result, it is unlikely that an officer would take inappropriate or excessive risks at the expense of the Corporation or the shareholders that would be beneficial to their short-term compensation when their long-term compensation might be put at risk from their actions. Due to the current level of the Corporation's activity, the Board is able to closely monitor and consider any risks which may be associated with the Corporation's compensation policies and practices. Risks, if any, may be identified and mitigated through regular meetings of the Board during which financial and other information of the Corporation are reviewed. No risks have been identified arising from the Corporation's compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation.

### *Internal Controls*

The Board is aware of and a part of material share issuance discussions and/or decisions. For example, executive recruitment, selection, and compensation. Further, internal controls at both the Board of Directors and management level are in place with respect to share issuances and/or obligations, as appropriate. Specifically, the board must duly sign off on all share issuances via a board review and resolution. Shares cannot be issued without the board.

### *Base Salary or Consulting Fees*

In determining the base salary of an executive officer, the Board considers the following factors:

- a) the particular responsibilities related to the position;
- b) salaries paid by other companies in the same industry which is similar in size as the Corporation;
- c) the experience level of the executive officer;
- d) the amount of time and commitment which the executive officer devotes to the Corporation;
- e) the executive officer's overall performance and performance in relation to the achievement of corporate milestones and objectives; and
- f) rewarding the advancement of key performance indicators (“KPI”) of the organization throughout various verticals (i.e., the obtainment of Health Canada cultivation, processing, or sales licenses).

### **BENEFITS AND PERQUISITES**

The Corporation does not, as of the date of this Circular, offer any benefits or perquisites to its Named Executive Officers.

### **HEDGING BY NAMED EXECUTIVE OFFICERS OR DIRECTORS**

The Corporation restricts its executive officers and directors from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, which are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by executive officers or directors. As of the date of this Information Circular, entitlement to grants of incentive stock options under the stock option plan (as defined in greater detail below) are the only equity security element awarded by the Corporation to its executive officers and directors.



## SUMMARY COMPENSATION TABLE

The following table provides a summary of the compensation earned by the Named Executive Officer and directors for services rendered in all capacities during the years ended December 31, 2018, 2019 and 2020:

Name and principal position	Year	Salary (\$) <sup>(1)</sup>	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			
CEO and interim CFO Khurram Malik <sup>(1)</sup>	2020	Nil	Nil	9,322	Nil		Nil	Nil	9,322
	2019	Nil	Nil	Nil	Nil		Nil	Nil	Nil
	2018	21,000	Nil	Nil	Nil		Nil	Nil	21,000
Former CFO Abbey Abdiye <sup>(1)</sup>	2020	101,700	Nil	Nil	Nil		Nil	Nil	101,700
	2019	59,400	Nil	Nil	Nil		Nil	Nil	59,400
	2018	Nil	Nil	Nil	Nil		Nil	25,000	25,000

**Notes:**

- (1) Mr. Abdiye served as the CFO since May 4, 2017 and resigned on November 2020 (Khurram Malik was appointed interim CFO on November 2020)

Compensation for the applicable Named Executive Officer provides a base salary component which is intended to provide a fixed level of pay that reflects each executive officer's primary duties and responsibilities while keeping in mind the size and current stage of development of the Corporation. Biome pays base salaries to its executive officers, including the Chief Executive Officer, that are competitive to other companies that are similar in terms of overall corporate size and stage of development.

In addition to base salaries, the Corporation has a discretionary bonus plan pursuant to which the Board may award annual cash bonuses to executive officers and employees. The cash bonus element of the compensation program is structured to drive and reward current year results. It is the Board's philosophy that an individual bonus should be tied primarily to that individual's contribution to achieving corporate goals. The Corporation did not pay any member of Biome's executive management team or any employee of Biome a cash bonus for the year ended December 31, 2020.

## COMPENSATION SECURITIES TABLE

While the Corporation has a stock option plan (the **Stock Option Plan**), as at the date hereof, there have been no options granted under such plan. All options granted to date were either granted prior to the implementation of the Stock Option Plan or were granted pursuant to a standalone option agreement. It is the intention of the Corporation to utilize and grant options pursuant to and in accordance with the Stock Option Plan going forward and when it is considered appropriate to do so. See *Securities Authorized for Issuance Under Equity Compensation Plans – Stock Option Plan*.

The following table reports the equity compensation granted to the Named Executive Officers and directors of the Corporation for the 2020 financial year in the form of stock options:

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 (\$) <sup>(2)</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
<b>CEO</b> Khurram Malik	500,000	0.08	31-Jul-25	Nil	Nil	Nil	Nil
<b>CFO</b> Abbey Abdiye	Nil	Nil	Nil	Nil	Nil	Nil	Nil

**Note:**

- (1) Value is calculated based on the difference between the exercise price of the options and the closing price of the Common Shares on the CSE on December 31, 2020, the last trading day of the year, of \$0.055.

## INCENTIVE PLAN AWARDS

The following table sets forth information with respect to the value of awards granted to Named Executive Officers pursuant to the Option Plan and RSU Plan that vested during the year ended December 31, 2020:

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 (\$)
<b>CEO</b> Khurram Malik	9,322	Nil	Nil
<b>CFO</b> Abbey Abdiye	Nil	Nil	Nil

Named Executive Officer share options are time and/or milestone sensitive, reflecting expiration of the option entitlement if the option is not exercised by the applicable deadline – for example, a defined period commencing the incumbent’s start date with the company, or if a performance milestone is not achieved by a prescribed deadline. The goal is to ensure the interests of shareholders, the company, and respective employees are aligned; wherein, time and organizational performance is of the essence.

Some Named Executive Officer option shares were impacted by the Share Term Amending Agreement dated September 26, 2018 as they relate to CCC Special Class C shares, which were converted on a 1:1 basis to Orca Special Class C Shares upon completion of the reverse takeover. Further, per the terms of the foregoing Share Term Amending Agreement, upon the issuance by Health Canada to Highland Grow Inc., an authorization under the ACMPR (or successor legislation) to sell marijuana, then a Special Class C Share as noted herein may, in accordance with applicable terms and conditions as delineated in the Share Term Amending Agreement, be converted at any time by the holder thereof into fully paid Common Shares of Biome.

**TERMINATION**

If applicable, any common shares earned by an employee as part of their employment agreement with the Corporation is earned on a monthly basis and restricted to the period of continuous employment. Should an employee’s employment with the Corporation terminate for any reason, the shares entitled to the employee for the applicable month is prorated in accordance with the number of days of continuous employment as a fraction of the total days within that same month. For example, if an employee, earning shares on a monthly basis, ceases employment on the 10th day of a 30 day month, then they would earn 33.333% of the shares for that month and forfeit the rest.

An employee’s right to share options pursuant to their employment agreement with the Corporation expires on their last date of employment if their employment with the Corporation terminates for any reason.

**DIRECTOR COMPENSATION TABLE**

The following table provides a summary of the compensation earned by the Named Executive Officer and directors for services rendered in all capacities during the previous completed financial year:

Name	Fees earned (\$)	Share-based awards (\$)	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension value (\$)	All other compensation (\$)	Total (\$)
Steven Poirier	Nil	Nil	9,322	Nil	Nil	Nil	9,322
Mark Lievonen	Nil	Nil	9,322	Nil	Nil	Nil	9,322
Michael Weiner	Nil	Nil	Nil	Nil	Nil	800,000	800,000

(1) Michael Weiner resigned on August 4, 2020.

**EXERCISE OF STOCK OPTIONS BY NAMED EXECUTIVE OFFICERS AND DIRECTORS**

As of the Record Date, none of the Named Executive Officers or Directors have exercised any of their options.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding the number of Common Shares to be issued upon the exercise of outstanding options, and the weighted average exercise price of outstanding options, outstanding on May 26, 2021:

Plan Category	Number of securities to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by securityholders	1,700,000	\$1.60	9,541,744
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
<b>TOTAL</b>	1,700,000	\$1.60	9,541,744

### *Stock Option Plan*

The Corporation has adopted an incentive Stock Option Plan under which options to purchase Common Shares ("Options") may be granted to any Director, Officer, Employee or Consultant (as such terms are defined in the Stock Option Plan) of the Corporation or its subsidiaries. As of the date hereof, Options to purchase a total of 1,700,000 Common Shares are outstanding under the Stock Option Plan (representing approximately 1.51% of the total number of Common Shares outstanding as of the date hereof).

The purpose of the Stock Option Plan is to advance the interests of the Corporation by providing additional incentive to eligible persons, encouraging stock ownership by such persons, increasing the proprietary interest of such persons in the success of the Corporation, encouraging such persons to remain with the Corporation and attracting new employees, executive officers or consultants of the Corporation or its subsidiaries. The maximum number of Common Shares that may be issued under the Stock Option Plan is 10% of the total number of Common Shares issued and outstanding from time to time, less Common Shares issuable under any other security-based compensation arrangements at any given time, subject to adjustment pursuant to the Stock Option Plan. If an Option expires, terminates, ceases to be exercisable or is surrendered before being exercised or without having been exercised in full, then the Common Shares that were subject to the Option but which were not issued pursuant to the exercise of the Option, shall no longer be reserved and, unless the Stock Option Plan has been terminated, shall become available for issuance pursuant to the exercise of Options under the Stock Option Plan. The Stock Option Plan also provides that the total number of Common Shares subject to an Option that may be granted to any one individual in any 12-month period under the Stock Option Plan, shall not exceed 5% of the issued and outstanding Common Shares determined at the time of such grant. The Stock Option Plan also provides that the total number of Common Shares subject to an Option that may be granted to any one Consultant or person conducting Investor Relations Activities (as such terms is defined in the Stock Option Plan) in any 12-month period under the Stock Option Plan, shall not exceed 2% of the issued and outstanding Common Shares determined at the time of such grant.

The exercise price of the Options is fixed by the Board of Directors at the date of grant and, subject to limited exceptions as specified in the Stock Option Plan, such price shall be equal to the greater of (i) \$0.10 and (ii) the closing market price of the Common Shares on the trading day immediately preceding the date of grant of the Option, less any applicable discount allowed by the CSE. Options vest at the discretion of the Board of Directors, but in the absence of such determination, Options will vest immediately. Subject to certain exceptions, Options granted under the Stock Option Plan may have a term of up to five years (subject to an extension of the scheduled expiry date in the event the option would otherwise expire during a blackout period). Options granted under the Stock Option Plan are not transferable or assignable except pursuant to the laws of descent.

The Stock Option Plan also contains provisions providing for the adjustment of the exercise price or the substitution or adjustment of the number and kind of shares or other securities to be received upon exercise of outstanding Options in the event of any share dividend, share consolidation or subdivision, exchange of shares, or other fundamental or similar corporate change, in order to preserve proportionally the interests of participants under the Stock Option Plan.

Upon the termination of a participant's employment for any reason other than death, any vested Options held by the participant as at the termination date may be exercised until the earlier of the expiry date of the Options or 90 days after the termination date, after which time all Options will expire.

Upon the death of a participant, any vested Options held by the participant may be exercised by his or her administrators within 12 months from the date of death of the participant, after which all Options will expire. If a participant who is engaged in Investor Relations Activities ceases to be so engaged by the Corporation, such participant shall have the right to exercise any vested Option granted to the participant and not exercised prior to such termination within a period of 30 days after the date of termination, or such shorter period as may be set out in the Stock Option Plan.

In connection with a Change of Control (as such term is defined in the Option Plan) of the Corporation, the Board of Directors may, in its sole and absolute discretion and without the need for the consent of any Optionee (as such term is defined in the Stock Option Plan), take one or more of the following actions contingent upon the occurrence of such Change of Control: (1) cause any or all outstanding Options to become vested and immediately exercisable, in whole or in part; (2) cause any outstanding Option to become fully vested and immediately exercisable for a reasonable period in advance of the Change of Control and, to the extent not exercised prior to that Change of Control, cancel that Option upon closing of the Change of Control; and (3) cancel any Option in exchange for a substitute award.

The Board may, at any time, amend or revise the terms of the Option Plan, subject to the receipt of all necessary regulatory approvals, provided that no such amendment or revision shall alter the terms of any options previously granted under the Option Plan. The Board may also, at any time, amend or revise the terms of any Options previously granted under the Option Plan, subject to the receipt of all necessary regulatory approvals and the approval of the Optionee or Optionees, as applicable. The Board has the discretion to make amendments which it may deem necessary, without having to obtain Shareholder approval. Such changes include, without limitation:

- amendments of a minor nature as may be required from time to time to correct typographical or other minor errors;
- a change to the vesting provisions of options; and
- a change to the termination provisions of options which does not entail an extension beyond the original expiry date.

Notwithstanding the foregoing, the following may not be amended without approval of the Shareholders of Biome:

- increases to the maximum number of Common Shares reserved for issuance under the Option Plan;
- amendment to the "Amendment and Termination" provisions of the Option Plan;
- reduction in the exercise price of Options or other entitlements held by insiders;
- extension of the term of Options held by insiders; and
- changes to the insider participation limits which result in Shareholder approval to be required on a disinterested basis.

The Board may at any time and from time to time by resolution terminate the Option Plan, but no such termination shall, except with the written consent of the Eligible Persons (as defined in the Option Plan) concerned, affect the terms and conditions of Options previously granted under the Option Plan to the extent that they have not been exercised, unless the rights of such Eligible Persons shall then have terminated or been wholly exercised.

### INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

No current or former director, executive officer or employee of the Corporation, or any associate of any such person, is, or has been at any time since the incorporation of the Corporation, indebted to the Corporation or any of its subsidiaries nor is, or at any time since the incorporation of the Corporation has, any indebtedness of any such person to another entity been the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation or any of its subsidiaries.

### REPORT ON CORPORATE GOVERNANCE

#### *General*

The securities regulatory authorities in Canada adopted National Instrument 58-101 – Disclosure of Corporate Governance Practices (“**NI 58-101**”) and National Policy 58-201 – Corporate Governance Guidelines (“**NP 58-201**”). NP 58-201 contains a series of guidelines for effective corporate governance. The guidelines deal with such matters as the constitution and independence of corporate boards, their functions, the effectiveness and education of board members and other items dealing with sound corporate governance.

For the purposes of this disclosure, the applicable meaning of “independent” is that which is provided in NI 58-101, which states that a director is considered “independent” if he or she has no direct or indirect “material relationship” with the Corporation, which is one that could, in the view of the Board of Directors, be reasonably expected to interfere with the exercise of a member’s independent judgment; provided that, with respect to the members of the audit committee of the Board of Directors (the “**Audit Committee**”), the meaning of “independent” shall be that defined under, and required by, National Instrument 52-110 – Audit Committees.

#### *Board of Directors*

Two of the three members of the Board of Directors are “independent”, as that term is defined in NI 58 101, being J. Mark Lievonen and Steven Poirier. Khurram Malik is not considered “independent” because Mr. Malik is the Chief Executive Officer of the Corporation.

Certain members of the Board of Directors are also members of the board of directors of other reporting issuers, as noted below:

<u>Name of Director</u>	<u>Name(s) of Reporting Issuer(s) and Exchange</u>
J. Mark Lievonen.....	Sona Nanotech Inc. (CNSX) Quest Pharmatech Inc. (TSX) – Term ended April 28, 2020 Gairdner Foundation

### *Director Tenure*

The Board of Directors has not adopted a term limit for directors. The imposition of director term limits may discount the value of experience and continuity amongst board members and runs the risk of excluding experienced and potential valuable board members. The Board of Directors will rely on an annual director assessment procedure, as more fully described below, in evaluating board members, and believes that it can best strike the right balance between continuity and fresh perspectives without mandated term limits.

### *Board and Senior Management Diversity*

Biome recognizes the benefits of having diversity on the Board of Directors and in its senior management. Presently the Corporation has no female executive officers (0%) or female directors on the Board of Directors (0%). The Corporation has adopted a diversity policy, which recognizes that it is important to ensure that members of the Board of Directors and senior management provide the necessary range of perspectives, experience and expertise required to achieve our objectives and deliver for the Corporation's stakeholders.

The Corporation also recognizes that the Board of Directors and its senior management appointments must be based on performance, ability, merit and potential. Therefore, the Corporation ensures a merit based competitive process for appointments. The Corporation's commitment to diversity includes ensuring that diversity is given due consideration by the Board.

### *Board Mandate*

The mandate of the Board of Directors is to provide oversight for the Corporation and to act honestly and in good faith with a view to its best interests. The Board of Directors acts in accordance with the Business Corporations Act (British Columbia) and the Corporation's constating documents, by-laws, as well as with other applicable laws and Corporation policies. The Board of Directors discharges its responsibilities both directly and through the work performed by its standing committees, as well as any other committees appointed from time to time on an ad hoc basis. The Board of Directors reviews and approves any transactions and decisions that fall within its approval mandate in advance and reviews the results of these decisions on a regular basis.

The mandate of the Board of Directors requires that the Board of Directors meet as many times as it considers necessary to carry out its responsibilities effectively and, in any event, on a quarterly basis, at minimum, and that all Board of Directors' meetings include meetings of independent directors without any members of management present to allow for open discussions between such independent directors. A copy of the mandate of the Board of Directors is attached as Appendix "A" to this Circular.

### *Orientation and Continuing Education*

The Board of Directors of the Corporation briefs all new directors with respect to the policies of the Board of Directors and other relevant corporate and business information. The Board does not provide any continuing education, but does encourage directors to individually and as a group keep themselves informed on changing corporate governance and legal issues. Directors are individually responsible for updating their skills required to meet their obligations as directors. In addition, the Board undertakes strategic planning sessions with management.

### *Code of Business Conduct and Ethics*

The Corporation has a code of business ethics (the "**Code of Conduct**") for directors, officers, employees and consultants. Directors and executive officers are required by applicable law and the Corporation's corporate governance practices and policies to promptly disclose any potential conflict of interest that may arise. If a director or executive officer has a material interest in an agreement or transaction, applicable law and principles of sound corporate governance require them to declare the interest in writing and, where required by applicable law, to abstain from voting with respect to such agreement or transaction.

Employees and consultants of Biome are required to immediately report any such conflicts of interest to their direct supervisor or a senior executive officer of the Corporation. The Code of Conduct also sets out: (i) standards for the Corporation's and its employees' relationships with customers and others; (ii) standards for the accuracy of the Corporation's books and records and the provision of information to external auditors; and (iii) rules regarding the ownership, protection and proper use of the Corporation's assets.

Any waiver of the Code of Conduct's provisions in respect of a director or executive officer must be approved by a majority of the Governance Committee consisting mainly of independent, non-executive members of the Board and must be disclosed to the Shareholders. The chief executive officer may approve waivers in respect of employees and consultants, and must report such waivers to the Board of Directors.

A copy of the Code of Conduct is available on the Corporation's SEDAR profile at [www.sedar.com](http://www.sedar.com).

## **Committees**

### *Audit Committee*

The Audit Committee is comprised of Mr. Malik, Mr. Poirier with Mr. Lievonen acting as chair of the Audit Committee. Each of the members of the Audit Committee are "independent" and "financially literate", each within the meaning of NI 52-110. Additional information concerning the Audit Committee can be found in Appendix "B" to this Management Information Circular.

Each member of the Audit Committee has an understanding of the accounting principles used to prepare Biome's financial statements, experience preparing, auditing, analyzing or evaluating comparable financial statements and experience as to the general application of relevant accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. For more information about the relevant education and experience of each member of the Audit Committee, see "Directors and Officers – Biographies".

The role of the Audit Committee is to assist the Board in fulfilling its financial oversight obligations, including the responsibility: (i) to assist the Board in fulfilling its responsibility to oversee the Company's accounting and financial reporting processes and audits of the Company's financial statements; (ii) to review the Company's financial reports and other financial information, disclosure controls and procedures and internal accounting and financial controls; (iii) to oversee the work of the external auditor in preparing or issuing an audit report or related work, monitor the independence of the external auditor and pre-approve all auditing services and permitted non-audit services provided by the external auditor; and (iv) to serve as an independent and objective party to monitor the Company's financial reporting processes and internal control systems. A copy of the charter of the Audit Committee is attached as Appendix "A" to this Annual Information Form.

### *Pre-Approval Policies and Procedures*

The Audit Committee charter includes responsibilities regarding the provision of non-audit services by Biome's external auditors. This policy encourages consideration of whether the provision of services other than audit services is compatible with maintaining the auditor's independence and requires Audit Committee pre approval of permitted audit and audit-related services.

### *Governance Committee*

The Board of Directors has established a standing committee named the Governance Committee, which is comprised of three directors, each of whom are "independent", as that term is defined in NI 58-101. The members of the Governance Committee are Mr. Malik, Mr. Lievonen and Mr. Poirier with Mr. Lievonen acting as Chair the Governance Committee.

The Governance Committee fulfills its responsibilities by performing the following primary functions:



- a) developing and recommending to the Board corporate governance principles and guidelines applicable to the Corporation;
- b) establishing assessment criteria to ensure the Board, its committees, the individual directors, the chair of the Board, each committee chair and the chief executive officer are effectively performing the duties, competencies and skills expected of them and as set out under their mandates or terms of reference, as applicable, and to encourage continuous improvement;
- c) assisting the Board with assessing the composition of senior management, and identify individuals qualified to become members of senior management with the objective of attaining a proper balance of experiences, competencies and attributes;
- d) conducting an annual performance evaluation of the Governance Committee;
- e) identifying individuals qualified to become Board members; and
- f) recommending to the Board proposed nominees for election to the Board at the annual meetings of the shareholders.

In addition to the above primary functions, the Governance Committee will also (i) act in an advisory capacity to the Board; (ii) annually review and assess the Corporation's governance practices and the performance of the Corporation's corporate governance systems and, at the committee's discretion, recommend any changes to the Board for consideration; (iii) review the recommendations of management, if any, with respect to committee membership and recommend to the Board, the assignment of members to each committee of the Board, including the appointment of a Chair of each committee; (iv) review on a periodic basis the mandate of the Board, the mandates of the committees of the Board and any position descriptions and make recommendations, as deemed appropriate, with respect to such mandates; (v) regularly review the Corporation's constituting documents and recommend any changes to the Board for consideration; (vi) oversee the evaluation of, assess and consider the effectiveness of the Board as a whole, the committees of the Board and the contribution of individual members on a periodic basis; (vii) be available as a forum for addressing the concerns of individual directors; (viii) review and recommend to the Board for approval the corporate governance disclosure statements required by applicable securities legislation in respect of the Corporation; (ix) ensure that any issues relating to governance that are identified by the directors are raised with management; and (x) perform any other activities consistent with their mandate and, generally, governing laws as the Governance Committee or the Board deems necessary or appropriate.

Additionally, with respect to identifying candidates for the Board, the Governance Committee will identify and recommend suitable candidates for nomination for election as directors and, in making its recommendations, should: (i) consider the competencies and skills the Board as a whole should possess; (ii) formulate criteria for candidates after considering the competencies and skills of each existing director and after considering the level of diversity on the Board; (iii) consider the competencies and skills of each new Nominee and whether or not each new Nominee can devote sufficient time and resources to his or her duties as a Board member; (iv) establish the procedure for approaching prospective candidates and maintaining a list of potential candidates; (v) canvass current Board members for suggestions for candidates; (vi) give consideration to an appropriate size for the Board for the ensuing year; and (vii) recommend to the Board proposed nominees for election to the Board at the next annual meeting of shareholders and to fill any vacancies in the intervening period.

#### *Compensation Committee*

The Board of Directors has established a standing committee named the Compensation Committee, which is comprised of three directors, each of whom are "independent", as that term is defined in NI 58-101. The members of the Governance Committee are Mr. Lievonen and Mr. Poirier with Mr. Poirier acting as Chair the Compensation Committee.

The Compensation Committee is responsible for:

- a) assisting the Board in fulfilling its oversight responsibilities with respect to executive compensation matters;
- b) monitoring and assessing the Corporation's approach to the compensation of its directors, senior management and employees; and
- c) reviewing and approving, prior to public disclosure, all public disclosure on executive compensation and produce a report on executive officer compensation for inclusion in the Corporation's management information circular and proxy statement.

In addition to the above responsibilities, the Compensation Committee will (i) assess the linkage of pay to performance to ensure that total compensation packages vary appropriately with corporate performance outcomes; (ii) review meaningful and measurable corporate goals for performance based compensation and the payment tied to the achievement of those goals; (iii) review the potential results of its compensation programs under a variety of scenarios to ensure that the committee has an understanding of the linkage between shareholder interests and senior management compensation; (iv) ensure that significant leverage has been built into the compensation package for "exceptional" performance, versus "ordinary" performance, versus "inadequate" performance and ensure that the intended relationship between pay and performance is appropriate and that, in aggregate, the resulting compensation package under various performance scenarios is reasonable, not excessive, and will deliver the intended differentiation of compensation value based on corporate performance; (v) annually review and approve corporate objectives and objectives specific to the chief executive officer in connection with chief executive officer compensation; (vi) assist the Board in evaluating the chief executive officer's performance in light of such objectives; (vii) assess and recommend to the Board the chief executive officer's compensation level (considering all elements of the compensation package) based on the Board's evaluation of the chief executive officer's performance in light of applicable objectives; (viii) recommend for approval to the Board after reviewing the recommendations of the chief executive officer, each element of total compensation for executive officers other than the chief executive officer based on individual performance, the performance of the Corporation and an analysis of the compensation paid to such executive officers relative to a peer group of companies; each element of total compensation for all directors; non-equity based compensation plans; and equity-based compensation plans; and (ix) within any limits prescribed by the Board, the committee may recommend grants of equity and incentive compensation awards in accordance with Board-approved equity and incentive compensation plans.

Further, with respect to annual bonuses, the Compensation Committee: (i) shall recommend approval to the Board of the payment of annual bonus amounts to all participants in light of the Corporation's performance; (ii) shall administer the Corporation's executive officer incentive and other compensation-related plans, if any, and shall report to the Board annually on whether incentives and bonuses awarded or paid to the CEO and each of the other executive officers have been awarded or paid in accordance with the applicable plans; and (iii) in reviewing the incentives and bonuses awarded or paid to the CEO and each of the other executive officers under the applicable plans, ensure that if any allocation of incentives is made in respect of a particular component of an applicable plan, consideration is given for the minimum business performance levels determined under that component. The Compensation Committee shall ensure that incentives and bonuses adequately award exceptional performance levels in relation to the components of an applicable plan.

With respect to review of the external auditors of the Corporation, the Compensation Committee shall: (i) conduct an annual review of all work performed by and all fees paid to independent consultants retained by the committee; (ii) annually, and on an as-needed basis, specify the work to be undertaken for the committee by such independent consultants and agree with such consultants the fees associated with this work; and (iii) report annually to the Board, for inclusion in appropriate public documents on: (a) the identity of the independent consultants; (b) the independent consultants' mandate(s); and (c) the amount of fees paid to the independent consultants for all work done for the committee.

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

Except as otherwise described herein or in the AIF, none of the persons who were directors or executive officers of the Corporation or a subsidiary of the Corporation at any time during the Corporation's last financial year, the Nominees, any person or corporation who beneficially owns, directly or indirectly, or who exercises control or direction over (or a combination of both) more than 10% of the issued and outstanding Common Shares, nor any associate or affiliate of those persons, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any transaction or proposed transaction which has materially affected or would materially affect the Corporation.

#### **ADDITIONAL INFORMATION**

Additional information relating to Biome is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Corporation's audited consolidated financial statements and Management's Discussion and Analysis ("**MD&A**") for its most recently completed financial year which are filed on SEDAR. In addition, copies of the Corporation's annual financial statements and MD&A and this Circular may be obtained upon request to the Corporation at 480 University Avenue, Suite 1401, Toronto, Ontario M5G 1V2 Attention: Vice President – Corporate Services.

## CERTIFICATION AND BOARD APPROVAL

The undersigned hereby certifies that the contents and the sending of this Circular to Biome's Shareholders have been approved by the Board of Directors. A copy of this Circular has been sent to each director, each Shareholder entitled to notice of the Meeting and the auditors of the Corporation.

DATED at Toronto, Ontario, on the 24<sup>th</sup> day of June, 2021.

ON BEHALF OF THE BOARD OF DIRECTORS OF BIOME GROW INC.

*(signed) "Khurram Malik"*

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**Khurram Malik**  
Director and Chief Executive Officer

## **APPENDIX “A” MANDATE OF THE BOARD OF DIRECTORS**

### **1. PURPOSE**

The members of the board of directors (the “Board”) of Biome Grow Inc. (the “Corporation”) are ultimately responsible for the stewardship of the Corporation’s business and affairs. In exercising their powers and discharging their duties, the directors shall act honestly and in good faith with a view to the best interests of the Corporation and shall exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

Although directors may be appointed or elected by the shareholders to bring special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency, and the best interests of the Corporation as a whole shall be paramount at all times.

Subject to the limitations set forth under applicable laws, the Board may discharge its responsibilities, including those listed below, through one or more Board committees. The Board shall have three standing committees: (i) the Audit Committee, (ii) the Governance Committee and (iii) the Compensation Committee (together, the “**Standing Committees**”). In addition to the Standing Committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature.

### **2. COMPOSITION, TERM AND INDEPENDENCE**

#### **2.1 Board composition**

Subject to the Corporation’s constating documents and applicable laws, the Board shall be comprised of a minimum of three directors. The Board shall periodically review its size in light of its duties and responsibilities from time to time.

#### **2.2 Board term**

Subject to the Corporation’s constating documents and applicable laws, directors shall be elected by the shareholders at each annual meeting of shareholders (the “**AGM**”) at which an election of directors is required, and shall hold office until the next AGM.

#### **2.3 Independence**

The Board shall be comprised of a majority of independent directors. A director shall be considered independent if he or she would be considered independent for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The Board shall appoint an independent lead director (the “**Lead Director**”) from among the directors, who shall serve for such term as the Board may determine. If the Corporation has a non-executive Chair (as defined below), then the role of the Lead Director will be filled by the non-executive Chair. The Lead Director or non-executive Chair shall chair any meetings of the independent directors and assume such other responsibilities as the independent directors may designate in accordance with any applicable position descriptions or other applicable guidelines that may be adopted by the Board from time to time.

### **3. MANDATE AND RESPONSIBILITIES**

To fulfill its mandate, the Board assumes responsibility for the following matters:

#### **3.1 Appointment of senior management**

- a) The Board has the responsibility for (i) appointing the Chief Executive Officer (the “**CEO**”) and all other senior executives and delegating to the CEO and other senior executives the authority over the day-to-day management of the business and affairs of the Corporation, and (ii) assessing the

performance of the CEO, following a review of the recommendations of the Compensation Committee. To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and that the executive officers create a culture of integrity throughout the Corporation.

- b) The Board has the responsibility for determining the compensation to be paid to the CEO, and approving the compensation to be paid to all other executive officers following a review of the recommendations of the Compensation Committee and of the CEO (with respect to the other executive officers' compensation).
- c) The Board may, from time to time, delegate to executive officers the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits and material transactions outside the ordinary course of business shall be reviewed by, and subject to the prior approval of, the Board.
- d) The Board oversees that appropriate succession planning programs are in place, including programs to appoint, train, develop and monitor senior management.

### **3.2 Strategic planning**

- a) The Board has the responsibility for adopting a strategic planning process and approving and reviewing, on at least an annual basis, the strategic direction of the Corporation and its business, operational, and financial plans. Such strategic planning shall take into account, among other things, the opportunities and risks of the Corporation's business and affairs.
- b) The Board has the responsibility for:
  - i. adopting processes for monitoring the Corporation's progress toward its strategic and operational goals, and providing input and guidance to management in light of changing circumstances affecting the Corporation; and
  - ii. taking action when the Corporation's performance falls short of its goals or when other special circumstances warrant.

### **3.3 Monitoring of financial performance and financial reporting**

The Board has the responsibility for:

- a) approving the audited financial statements, interim financial statements and the notes and management's discussion and analysis accompanying such financial statements;
- b) reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Corporation's constituting documents or applicable laws, including the payment of dividends, the issuance, purchase and redemption of securities, the acquisitions and dispositions of material capital assets and material capital expenditures;
- c) overseeing the accurate reporting of the financial performance of the Corporation to shareholders, other stakeholders and regulators (as applicable) on a timely basis; and
- d) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and disclosure requirements under applicable laws.

### **3.4 Risk management**

The Board has the responsibility for:

- a) identifying, in conjunction with management, the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to effectively monitor and manage such

risks, with a view to balancing such risks against the potential shareholder returns and the long-term viability of the Corporation; and

- b) implementing a system of internal control measures, including management of all information systems, and ensuring that any remedial actions or adoption of new control measures are implemented effectively.

### **3.5 Corporate governance**

- a) The Board has the responsibility for developing the Corporation's approach to corporate governance, including developing a set of corporate governance guidelines for the Corporation.
- b) Following a review of the recommendations of the Governance Committee, the Board has the responsibility for approving and monitoring compliance with all of the Corporation's policies and procedures related to corporate governance.

### **3.6 Communications and stakeholder engagement**

The Board has the responsibility for adopting a communications policy which addresses, among other things:

- a) the timely disclosure of any material changes, material facts and other developments that have a significant and material impact on the Corporation;
- b) how the Corporation interacts with analysts, investors, other key stakeholders and the public;
- c) determining who is authorized to communicate on behalf of the Corporation;
- d) measures for the Corporation to comply with its continuous and timely disclosure obligations and to avoid selective disclosure;
- e) understanding and enforcing the prohibition on tipping and restrictions on the purchase and sale of securities of the Corporation, including by insiders and other persons with a special relationship with the Corporation;
- f) the management and use of electronic communications channels, including the Corporation's website;
- g) reporting periodically, at least annually, to shareholders on its stewardship for the preceding year; and
- h) the Corporation's development of stakeholder engagement programs and the implementation of systems which accommodate feedback from stakeholders.

### **3.7 Orientation and continuing education**

The Board has the responsibility for:

- a) developing a description of the expectations and responsibilities of directors, including basic duties and responsibilities with respect to attendance at Board meetings and advance review of meeting materials;
- b) ensuring that all new directors receive a comprehensive orientation, that they fully understand the role and duties of the Board, as well as the contribution individual directors are expected to make (including the commitment of time and resources that the Corporation expects from its directors) and that they understand the nature, operation and strategic direction of the Corporation's business; and

- c) providing continuing education opportunities for all directors so that individuals may maintain or enhance their skills and abilities as directors, as well as ensuring that their knowledge and understanding of the Corporation's business, including opportunities and risks, remains current.

### **3.8 Nomination of directors**

In connection with the nomination or appointment of directors, the Board has the responsibility for reviewing periodically, at least annually, what competencies and skills the Board, as a whole, should possess, and assessing what competencies and skills each existing director possesses, identifying any gaps while taking into account the Corporation's strategic direction and changing needs. In the course of this process, the members of the Board shall identify the strengths in a director that would benefit the Board and then seek out individuals who may possess such strengths.

### **3.9 Board evaluation**

The Board has the responsibility for assessing periodically, at least annually, the Board, the Standing Committees and any other committee, and each individual director regarding his, her or its effectiveness and contribution. Such assessment will consider, in the case of the Board or any Standing Committee or any other committee, its performance against its mandate or charter and, in the case of an individual director, his or her attendance and against the competencies and skills each individual director is expected to bring to the Board.

The chair of the Board (the "**Chair**"), together with the independent lead director, if any, shall be responsible for assessing the effectiveness of the Board as a whole as well as individual Board members.

### **3.10 Role and responsibilities of the Chair**

In addition to the duties and responsibilities of the Board generally, the Chair has the duties and responsibilities set out below.

#### **a) Working with Management**

The Chair has the responsibility to:

- i. act as the principal sounding board, counselor and confidant for the CEO, including helping to review strategies, define issues, maintain accountability, and build relationships;
- ii. in co-operation with the CEO, assist in representing the Corporation both internally and externally, including as a designated spokesperson;
- iii. regularly communicate and ensure the CEO is aware of concerns of the Board, shareholders, other stakeholders and the public; and
- iv. assess, in conjunction with the Compensation Committee and the Board, the performance of the CEO and other executive officers, and provide input with respect to compensation and succession.

#### **b) Managing the Board**

The Chair of the Board has the responsibility to:

- i. chair the Board;
- ii. ensure the Board is aware of its obligations to the Corporation, shareholders, management, other stakeholders and lead the Board in carrying out such obligations pursuant to applicable law;



- iii. establish, in conjunction with the Governance Committee, the frequency of Board meetings and review such frequency from time to time, as considered appropriate or as requested by the Board;
- iv. recommend the committees of the Board and their composition, review the need for, and the performance and suitability of such committees and make such adjustments as are deemed necessary from time to time;
- v. ensure the co-ordination of the agenda, information packages and related events for Board meetings;
- vi. ensure the Board receives adequate and regular updates from the CEO and executive officers on all material issues relating to the Corporation;
- vii. act as a liaison and regularly communicate with all directors and committee chairs to coordinate input from directors and optimize the effectiveness of the Board and its committees; and
- viii. in conjunction with the Governance Committee and the Compensation Committee, review and assess director attendance, performance and compensation as well as the size and composition of the Board.

### **3.11 Corporate policies**

The Board shall adopt and periodically review policies and procedures designed to ensure that the Corporation and its directors, officers and employees comply with all applicable laws, rules and regulations and conduct the Corporation's business ethically and with honesty and integrity.

## **4. MEETINGS**

### **4.1 Meetings**

Directors are expected to attend, in person or via tele- or video-conference, all meetings of the Board and the committees upon which they serve, to come to such meetings fully prepared, and to remain in attendance for the duration of the meeting. Where a director's absence from a meeting is unavoidable, the director should, as soon as practicable after the meeting, contact the Chair, the CEO or the Secretary of the meeting for a briefing on the substantive elements of the meeting.

Subject to the Corporation's constating documents and applicable laws, the time at which and the place where the meetings of the Board shall be held, the calling of meetings and the procedure at such meetings shall be determined by the Chair. The Board shall meet as many times as it considers necessary to carry out its responsibilities effectively and shall, in any event, meet at least once per quarter. Meetings of the Board will also include in-camera meetings of the independent members of the Board without management present.

### **4.2 Attendance**

The Board Committee may invite such officers, directors or employees of the Corporation, financial, technical or legal advisors, or other persons as it sees fit, from time to time, to attend at meetings of the Board and to assist in the discussion of matters being considered by the Board.

### **4.3 Authority to engage advisors**

The Board shall have the authority to engage, at the expense of the Corporation, such outside advisors as it determines necessary or advisable to carry out its duties, including legal, financial, technical and accounting advisors, and establish the compensation of such advisors.

### **4.4 Review**

The Board shall review and assess the adequacy of this mandate, taking into account the strategic direction of the Corporation, its changing needs, and propose recommended changes for approval.

**This mandate is not intended to give rise to civil liability on the part of the Corporation or its directors or officers to shareholders, other security holders, customers, suppliers, competitors, employees or other persons or to any other liability whatsoever on their part.**

## **APPENDIX "B"**

### **AUDIT COMMITTEE CHARTER**

This Charter establishes the composition, the authority, roles and responsibilities and the general objectives of the Company's audit committee, or its Board of Directors in lieu thereof (the "**Audit Committee**"). The roles and responsibilities described in this Charter must at all times be exercised in compliance with the legislation and regulations governing the Company and any subsidiaries.

#### **1. Composition**

- a. *Number of Members.* The Audit Committee must be comprised of a minimum of three directors of the Company, a majority of whom will be independent. Independence of the board members will be as defined by applicable legislation.
- b. *Chair.* If there is more than one member of the Audit Committee, members will appoint a chair of the Audit Committee (the "**Chair**") to serve for a term of one (1) year on an annual basis. The Chair may serve as the chair of the Audit Committee for any number of consecutive terms.
- c. *Financially Literacy.* All members of the Audit Committee will be financially literate as defined by applicable legislation. If upon appointment a member of the Audit Committee is not financially literate as required, the person will be provided with a period of three months to acquire the required level of financial literacy.

#### **2. Meetings**

- a. *Quorum.* The quorum required to constitute a meeting of the Audit Committee is set at a majority of members.
- b. *Agenda.* The Chair will set the agenda for each meeting, after consulting with management and the external auditor. Agenda materials such as draft financial statements must be circulated to all Audit Committee members for members to have a reasonable amount of time to review the materials prior to the meeting.
- c. *Notice to Auditors.* The Company's auditors (the "**Auditors**") will be provided with notice as necessary of any Audit Committee meeting, will be invited to attend each such meeting and will receive an opportunity to be heard at those meetings on matters related to the Auditor's duties.
- d. *Minutes.* Minutes of the Audit Committee meetings will be accurately recorded, with such minutes recording the decisions reached by the Audit Committee.

#### **3. Roles and Responsibilities**

The roles and responsibilities of the Audit Committee include the following:

- a. *External Auditor*

The Audit Committee will:

- i. *Selection of the external auditor.* Select, evaluate and recommend to the Board, for shareholder approval, the Auditor to examine the Company's accounts, controls and financial statements.

- ii. Scope of Work.* Evaluate, prior to the annual audit by the Auditors, the scope and general extent of the Auditor's review, including the Auditor's engagement letter.
- iii. Compensation.* Recommend to the Board the compensation to be paid to the external auditors.
- iv. Replacement of Auditor.* If necessary, recommend the replacement of the Auditor to the Board of Directors.
- v. Approve Non-Audit Related Services.* Pre-approve all non-audit services to be provided by the Auditor to the Company or its subsidiaries.
- vi. Direct Responsibility for Overseeing Work of Auditors.* Must directly oversee the work of the Auditor. The Auditor must report directly to the Audit Committee.
- vii. Resolution of Disputes.* Assist with resolving any disputes between the Company's management and the Auditors regarding financial reporting.

b. Consolidated Financial Statements and Financial Information

The Audit Committee will:

- i. Review Audited Financial Statements.* Review the audited consolidated financial statements of the Company, discuss those statements with management and with the Auditor, and recommend their approval to the Board.
- ii. Review of Interim Financial Statements.* Review and discuss with management the quarterly consolidated financial statements, and if appropriate, recommend their approval by the Board.
- iii. MD&A, Annual and Interim Earnings Press Releases, Audit Committee Reports.* Review the Company's management discussion and analysis, interim and annual press releases, and Audit Committee reports before the Company publicly discloses this information.
- iv. Auditor Reports and Recommendations.* Review and consider any significant reports and recommendations issued by the Auditor, together with management's response, and the extent to which recommendations made by the Auditor have been implemented.

c. Risk Management, Internal Controls and Information Systems

The Audit Committee will:

- i. Internal Control.* Review with the Auditors and with management, the general policies and procedures used by the Company with respect to internal accounting and financial controls. Remain informed, through communications with the Auditor, of any weaknesses in internal control that could cause errors or deficiencies in financial reporting or deviations from the accounting policies of the Company or from applicable laws or regulations.
- ii. Financial Management.* Periodically review the team in place to carry out financial reporting functions, circumstances surrounding the departure of any officers in charge of financial reporting, and the appointment of individuals in these functions.
- iii. Accounting Policies and Practices.* Review management plans regarding any changes in accounting practices or policies and the financial impact thereof.

- iv. *Litigation.* Review with the Auditors and 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 consolidated financial statements.
- v. *Other.* Discuss with management and the Auditors correspondence with regulators, employee complaints, or published reports that raise material issues regarding the Company's financial statements or disclosure.

#### d. Complaints

- i. *Accounting, Auditing and Internal Control Complaints.* The Audit Committee must establish a procedure for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls or auditing matters.
- ii. *Employee Complaints.* The Audit Committee must establish a procedure for the confidential transmittal on condition of anonymity by the Company's employees of concerns regarding questionable accounting or auditing matters.

#### 4. Authority

- a. *Auditor.* The Auditors, and any internal auditors hired by the company, will report directly to the Audit Committee.
- b. *To Retain Independent Advisors.* The Audit Committee may, at the Company's expense and without the approval of management, retain the services of independent legal counsels and any other advisors it deems necessary to carry out its duties and set and pay the monetary compensation of these individuals.

#### 5. Reporting

The Audit Committee will report to the Board on:

- a. the Auditor's independence;
- b. the performance of the Auditor and any recommendations of the Audit Committee in relation thereto;
- c. the reappointment and termination of the Auditor;
- d. the adequacy of the Company's internal controls and disclosure controls;
- e. the Audit Committee's review of the annual and interim consolidated financial statements;
- f. the Audit Committee's review of the annual and interim management discussion and analysis;
- g. the Company's compliance with legal and regulatory matters to the extent they affect the financial statements **of the Company; and all other material matters dealt with by the Audit Committee.**

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