

## ANCHOR CAPITAL CORPORATION

### NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON JANUARY 27, 2017

**NOTICE IS HEREBY GIVEN** that an annual general and special meeting (the "**Meeting**") of the holders of common shares ("**Common Shares**") of Anchor Capital Corporation (the "**Corporation**") will be held at the offices of Burstall Winger Zammit LLP, located at Suite 1600 Dome Tower, 333 - 7th Avenue SW, Calgary, Alberta, T2P 2Z1, on the 27<sup>th</sup> day of January, 2017 at 11:00 a.m. (Calgary time) for the following purposes:

1. To receive the audited financial statements of the Corporation for the financial year ended December 31, 2015 together with the auditors' reports thereon and the interim financial statements of the Corporation for the interim period ended September 30, 2016;
2. To fix the number of directors for the ensuing year at four (4) and to elect directors.
3. To appoint BDO Canada LLP, Chartered Accountants as auditors of the Corporation until the next annual meeting or until their successors are appointed and to authorize the board of directors of the Corporation to fix their remuneration.
4. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of shareholders of the Corporation, the full text of which is set forth in the Corporation's information circular (the "**Information Circular**") dated December 27, 2016 accompanying this Notice of Meeting, approving the ratification of the stock option plan of the Corporation.
5. To consider and, if deemed advisable, to pass, with or without variation, a special resolution of shareholders of the Corporation, the full text of which is set forth in the Information Circular, authorizing the Corporation to change its name to "Mark One Lifestyle Corp." or such other name as the board of directors of the Corporation may determine.
6. To consider and, if deemed advisable, to pass, with or without variation, a special resolution of shareholders of the Corporation, the full text of which is set forth in the Information Circular, authorizing the Corporation to amend the articles of the Corporation to consolidate all of the issued and outstanding Common Shares on the proposed basis of one (1) post-consolidation share for up to every three and a half (3.5) pre-consolidation shares, or such other number of pre-consolidation Common Shares as determined by the board of directors of the Corporation.
7. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders of the Corporation, the full text of which is set forth in the Information Circular, authorizing the Corporation to transfer to the NEX board of the TSX Venture Exchange (the "**TSXV**").
8. To consider and, if deemed advisable, to pass, with or without variation, an ordinary resolution of disinterested shareholders of the Corporation, the full text of which is set forth in the Information Circular, authorizing the Corporation to cancel certain Seed Shares (as defined in TSXV Policy 1.1) of the Corporation.
9. To transact such other business as may properly be brought before the Meeting or any adjournment thereof.

**Information relating to the matters to be brought before the meeting is set forth in the Information Circular which accompanies this Notice of Meeting.**

**DATED** at Calgary, Alberta as of the 27<sup>th</sup> day of December, 2016.

**BY ORDER OF THE BOARD OF  
DIRECTORS**

*"Darren Stark"* \_\_\_\_\_

Darren Stark, President, CEO, CFO and Director

## **IMPORTANT**

Only holders of Common Shares of record at the close of business on December 27, 2016 (the "**Record Date**") are entitled to notice of and to participate at the Meeting and only such persons or those who become holders of Common Shares after the Record Date and comply with the provisions of the *Business Corporations Act* (Alberta) are entitled to vote at the Meeting. If you are unable to attend in person, kindly fill in, sign and return the enclosed proxy in the envelope provided for that purpose.

Proxies to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Alliance Trust Company, 1010, 407 - 2<sup>nd</sup> Street S.W., Calgary, Alberta, T2P 2Y3 or by fax at 403-237-6181, in each case not less than 48 hours, excluding Saturdays, Sundays and statutory holidays, preceding the Meeting or an adjournment of the Meeting. Alternatively, the Shareholder may also use the website at [www.alliancetrust.ca/shareholders](http://www.alliancetrust.ca/shareholders) to transmit its voting instructions.

## ANCHOR CAPITAL CORPORATION

### INFORMATION CIRCULAR DATED DECEMBER 27, 2016

#### PURPOSE OF SOLICITATION

This Information Circular is furnished in connection with the solicitation of proxies by the management of Anchor Capital Corporation (the "Corporation" or "Anchor") for use at the annual general and special meeting (the "Meeting") of holders of common shares of the Corporation (the "Common Shares") to be held at the offices of Burstall Winger Zammit LLP, Suite 1600 Dome Tower, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 2Z1, on Friday, January 27, 2017 at 11:00 a.m. (Calgary time), and at any adjournment thereof for the purposes set out in the accompanying Notice of Meeting. Although it is expected that the solicitation of proxies will be primarily by mail, proxies may also be solicited personally, by email or by telephone by directors, officers or regular employees of the Corporation. Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer* ("NI 54-101"), arrangements have been made with clearing agencies, brokerage houses and other financial intermediaries to forward proxy solicitation material to the beneficial owners of the Common Shares. The cost of any such solicitation will be borne by the Corporation.

#### VOTING OF PROXIES

All Common Shares represented at the Meeting by properly executed proxies will be voted or withheld from voting in accordance with the instructions of the securityholder on any ballot that may be called for and where a choice with respect to any matter to be acted upon has been specified in the instrument of proxy, the Common Shares represented by the proxy will be voted in accordance with such specifications. **In the absence of any such specifications, the management designees, if named as proxy, will vote in favour of all the matters set out herein.**

**The enclosed Instrument of Proxy confers discretionary authority upon the management designees, or other persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. At the date of this Information Circular, the Corporation is not aware of any amendments to, or variations of, or other matters which may come before the Meeting. In the event that other matters come before the Meeting, then the management designees intend to vote in accordance with the judgment of the management of the Corporation.**

Proxies, to be valid, must be deposited at the office of the registrar and transfer agent of the Corporation, Alliance Trust Company, by mail at 1010, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3, by fax at (403) 237-6181 or electronically at [www.alliancetrust.ca/shareholders](http://www.alliancetrust.ca/shareholders), not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or any adjournment thereof.

### APPOINTMENT OF PROXY

The persons named in the accompanying form of proxy are directors and/or officers of the Corporation. A shareholder has the right to designate a person (who need not be a shareholder of the Corporation) other than Darren Stark and Douglas M. Stuve, the management designees, to attend and act for the shareholder at the Meeting. Such right may be exercised by inserting in the blank space provided the name of the person to be designated and deleting therefrom the names of the management designees, or by completing another proper instrument of proxy. A form of proxy will not be valid unless it is completed, dated, signed and delivered to the office of the registrar and transfer agent of the Corporation, Alliance Trust Company, by mail at 1010, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3, by fax at (403) 237-6181 or electronically at [www.alliancetrust.ca/shareholders](http://www.alliancetrust.ca/shareholders), not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or any adjournment thereof.

### REVOCAION OF PROXIES

A shareholder who has given a proxy may revoke it as to any matter upon which a vote has not already been cast pursuant to the authority conferred by the proxy.

A shareholder may revoke a proxy by depositing an instrument in writing, executed by the shareholder or his attorney authorized in writing, or, if the shareholder is a corporation, under its corporate seal or signed by a duly authorized officer or attorney for the Corporation:

- (a) at the offices of the registrar and transfer agent of the Corporation, Alliance Trust Company, by mail at 1010, 407 - 2nd Street S.W., Calgary, Alberta, T2P 2Y3, by fax at (403) 237-6181 at any time, not less than 48 hours, excluding Saturdays, Sundays and statutory holidays in the Province of Alberta, preceding the Meeting or an adjournment of the Meeting at which the proxy is to be used; or
- (b) at the registered office of the Corporation, 1600, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 2Z1, at any time up to and including the last business day preceding the day of the Meeting at which the proxy is to be used; or
- (c) with the Chairman of the Meeting on the day of the Meeting or any adjournment thereof.

In addition, a proxy may be revoked by the shareholder executing another form of proxy bearing a later date and depositing same at the offices of the registrar and transfer agent of the Corporation within the time period set out under the heading "*Voting of Proxies*", or by the shareholder personally attending the Meeting and voting his or her shares.

### ADVICE TO BENEFICIAL HOLDERS OF COMMON SHARES

**The information set forth in this section is of significant importance to many shareholders of the Corporation, as a number of shareholders do not hold Common Shares in their own name.** Shareholders who do not hold their Common Shares in their own name ("**Beneficial Shareholders**") should note that only proxies deposited by shareholders whose names appear on the records of the Corporation as the registered holders of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a shareholder by a broker, then, in almost all cases, those Common Shares will not be registered in the shareholder's name on the records of the Corporation. Such Common Shares will more likely be registered under the name of the shareholder's broker or an agent of that broker. In Canada, the vast majority of such shares are registered

under the name of CDS & Co. (the nominee of The Canadian Depository for Securities Limited, which acts as depository for many Canadian brokerage firms). Common Shares held by brokers or their agents or nominees can only be voted (for or against resolutions) upon the instructions of the Beneficial Shareholder. Without specific instructions, a broker and its agents and nominees are prohibited from voting shares for the broker's clients.

Applicable regulatory rules require intermediaries and brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders meetings. Every intermediary and broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often, the form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is identical to the form of proxy provided to registered shareholders. However, the form of proxy supplied to a Beneficial Shareholder by its broker is limited to instructing the registered shareholder (the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Services ("**Broadridge**") (formerly ADP Investor Communications Corporation). Broadridge typically applies a special sticker to the proxy forms, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the proxy forms to Broadridge. Often Beneficial Shareholders are provided with a toll-free telephone number or a website address through either of which their Common Shares can be voted. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of shares to be represented at the Meeting. **A Beneficial Shareholder receiving a voting instruction request or a proxy form from Broadridge cannot use that voting instruction request or proxy form to vote Common Shares directly at the Meeting as the voting instruction request or proxy form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares voted. Accordingly, it is strongly suggested that Beneficial Shareholders return their completed instructions or proxies as directed by Broadridge well in advance of the Meeting. If you have any questions respecting the voting Common Shares held through a broker or other intermediary, please contact that broker or intermediary for assistance.**

Beneficial Shareholders who have not objected to their intermediary/broker disclosing certain ownership information about themselves to the Corporation are referred to as non-objecting beneficial owners or "NOBOs". Those Beneficial Shareholders who have objected to their intermediary disclosing ownership information about themselves to the Corporation are referred to as objecting beneficial owners or "OBOs".

Pursuant to NI 54-101, the Corporation has distributed copies of proxy-related materials in connection with this Meeting (including this Information Circular) indirectly to all Beneficial Shareholders.

The Corporation is not relying on the notice and access delivery procedures outlined in NI 54-101 to distribute copies of the proxy related materials in connection with the Meeting.

The Corporation will not be paying for intermediaries to deliver to OBOs (who have not otherwise waived their right to receive proxy-related materials) copies of the proxy-related materials and related documents. Accordingly, an OBO will not receive copies of the proxy-related materials and related documents unless the OBO's intermediary assumes the costs of delivery.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of his or her broker (or an agent of the broker), a Beneficial Shareholder may attend at the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and

indirectly vote their Shares as proxyholder for the registered shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting.

### **VOTING SHARES AND PRINCIPAL HOLDERS THEREOF**

The Corporation is authorized to issue an unlimited number of Common Shares without par value, and an unlimited number of preferred shares, of which 5,514,000 Common Shares are issued and outstanding as at the date hereof and entitled to vote at the Meeting on the basis of one vote for each Common Share held. As at the date hereof there are no preferred shares outstanding.

The holders of Common Shares of record at the close of business on the record date, set by the board of directors of the Corporation (the "**Board of Directors**" or the "**Board**") to be December 27, 2016 (the "**Record Date**"), are entitled to vote such Common Shares at the Meeting on the basis of one vote for each Common Share, except to the extent that:

- (a) such person transfers his or her Common Shares after the Record Date; and
- (b) the transferee of those Common Shares produces properly endorsed share certificates or otherwise establishes his or her ownership to the Common Shares and makes a demand to the registrar and transfer agent of the Corporation, not later than 10 days before the Meeting, that his or her name be included on the shareholders list for the Meeting.

A quorum for the transaction of business at the Meeting will be one shareholder entitled to vote thereat as a duly appointed proxy or proxyholder for an absent shareholder so entitled, holding or representing in the aggregate not less than ten percent (10%) of the outstanding shares of the Corporation carrying voting rights at the Meeting.

To the knowledge of the directors and executive officers of the Corporation, no persons beneficially owns or controls or directs, directly or indirectly, more than 10% of the votes attached to all outstanding Common Shares.

Unless otherwise stated, all references to dollars or \$ are in Canadian dollars.

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

Management of the Corporation is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer of the Corporation at any time since the beginning of the Corporation's last financial year or any nominee for election as a director, or of any associate or affiliate of any of such persons, in any matter to be acted on at the Meeting other than the election of directors, the appointment of auditors and the cancellation of certain Seed Shares (as defined in TSXV Policy 1.1) of the Corporation.

**PARTICULARS OF MATTERS TO BE ACTED UPON**

**A. Financial Statements**

At the Meeting, the Corporation will place before the shareholders the audited financial statements of the Corporation for the financial year ended December 31, 2015, together with the auditors' report thereon and interim financial statements for the nine months ended September 30, 2016.

**B. Fixing Number of Directors**

It is proposed that the number of directors to be elected at the Meeting be set at four (4). There are presently four (4) directors of the Corporation, each of whose term of office shall expire at the termination of the Meeting unless such director is re-elected as a director at the Meeting. The directors elected at the Meeting will hold office until the next annual meeting of the Corporation or until their successors are elected or appointed, subject to the articles and by-laws of the Corporation. **The management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy for the resolution setting the number of directors to be elected at the Meeting at four (4) members.**

**C. Election of Directors**

**The management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy for the election of the following nominees to the Board of Directors, unless the shareholder has specified in the shareholder's proxy that the shareholder's shares are to be withheld from voting in the election of the directors.**

**Management does not contemplate that any of the nominees will be unable to serve as directors; however, if for any reason any of the proposed nominees do not stand for election or are unable to serve as such, proxies in favour of management designees will be voted for another nominee in their discretion, unless the shareholder has specified in the shareholder's proxy that the shareholder's shares are to be withheld from voting in the election of directors.**

The names and municipalities of residence of the persons nominated for election as directors, the offices held by each in the Corporation, the principal occupation of each, the period served as a director and the number of voting securities of the Corporation beneficially owned, directly or indirectly, or over which each exercises control or direction, are as follows:

<b>Name and Municipality of Residence and Position with the Corporation</b>	<b>Principal Occupation During Last Five Years</b>	<b>Director Since</b>	<b>Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over which Control or Direction is Exercised</b>
Darren Stark <sup>(1)</sup> St. Thomas Barbados <i>President, Chief Executive Officer, Chief Financial Officer and Director</i>	Businessman. Former President and CEO of Oxbridge Bank & Trust SCC from 2005 to 2015.	February 20, 2014	900,000



<b>Name and Municipality of Residence and Position with the Corporation</b>	<b>Principal Occupation During Last Five Years</b>	<b>Director Since</b>	<b>Number of Common Shares Beneficially Owned, Directly or Indirectly, or Over which Control or Direction is Exercised</b>
Brandon Kou <sup>(1)</sup> Los Angeles, California <i>Director</i>	General Manager of Steve Nash Enterprises, a conglomerate with portfolio companies in media, sports, entertainment, health and wellness, since October 2008. Co-founder and Director for APOKO LLC, a digital marketing company. Chairman of the Board for OneBode Holdings LLC, an international holistic vitamin company. Prior to Steve Nash Enterprises, he provided investment banking services at Houlihan Lokey from August 2007 to October 2008.	February 20, 2014	300,000
Arlene Dickinson <sup>(1)</sup> Toronto, ON <i>Director</i>	Chief Executive Officer of Venture Communications Ltd since 1998. A panelist on the Gemini award-winning CBC series, the Dragon's Den.	February 20, 2014	400,000
Douglas M. Stuve Calgary, Alberta <i>Corporate Secretary and Director</i>	Partner with Burstall Winger Zammit LLP, Barristers & Solicitors, since 1993.	February 20, 2014	400,000

Note:

1. Current member of the audit committee of the Corporation. The Corporation does not have a compensation committee or a corporate governance committee.

### **Corporate Cease Trade Orders or Bankruptcies**

To the knowledge of management of the Corporation, no proposed director of Anchor is, or has been, within the past 10 years before the date hereof, a director or executive officer of any issuer that, (i) while that person was acting in that capacity was the subject of an order; or (ii) was subject to an order after the person ceased to be a director or executive officer and which resulted from an event that occurred while that person was acting in the capacity of a director or executive officer. For the purposes of this section an "order" means a cease trade order, a similar order or an order that denied the issuer access to any exemption under securities legislation for a period of more than 30 consecutive days.

To the knowledge of management of the Corporation, no director or executive officer of Anchor is, or has been, within the past 10 years before the date hereof, a director or executive officer of any issuer that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

## **Personal Bankruptcies**

To the knowledge of management of the Corporation, no director of Anchor has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

## **Penalties or Sanctions**

To the knowledge of management of the Corporation, no director of Anchor has: (i) 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 (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable shareholder in deciding whether to vote for a proposed director.

## **D. Appointment of Auditors**

BDO Canada LLP, Chartered Accountants were appointed as auditors of the Corporation in February 2014. **The management designees, if named as proxy, intend to vote the Common Shares represented by any such proxy in favour of a resolution to reappoint BDO Canada LLP, Chartered Accountants, as auditors of the Corporation to hold office until the next annual general meeting of shareholders and to authorize the directors to fix their remuneration, unless the shareholder has specified in the shareholder's proxy that the shareholder's Common Shares are to be withheld from voting in the appointment of auditors.**

## **E. Ratification of Stock Option Plan**

The TSX Venture Exchange (the "**TSXV**") requires all listed companies with a stock option plan to obtain shareholder approval of such plan on an annual basis. The Board is of the opinion that it is in the best interests of the Corporation to approve and ratify the existing stock option plan of the Corporation (the "**Stock Option Plan**"). The Board has approved the Stock Option Plan in the form attached hereto as Schedule "B".

At the Meeting, or any adjournment thereof, shareholders will be asked to consider, and if thought fit, pass, with or without variation, a resolution (the "**Stock Option Resolution**") approving the Stock Option Plan adopted by the Board in accordance with policies of the TSXV and attached as Schedule "B" hereto.

A summary of the Stock Option plan is provided below, but is qualified in its entirety by the full text of the plan contained in Schedule "B" attached hereto.

The Corporation has adopted the Stock Option Plan in accordance with the policies of the TSXV which provides that the Board may from time to time, in its discretion, grant to directors, officers, employees and consultants of the Corporation non-transferable options to purchase Common Shares, provided that the number of Common Shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding Common Shares. In addition, the number of Common Shares reserved for issuance to any one person shall not exceed five percent (5%) of the issued and outstanding Common Shares and the number of Common Shares reserved for issuance to consultants or employees conducting Investor Relations Activities (as such term is defined by the TSXV) will not exceed 2% of the issued and outstanding Common Shares in any twelve (12) month period.

Options are exercisable for a period of up to ten (10) years. If the holder ceases to be a director, officer, employee or consultant of the Corporation, for any reason other than death, such holder's options must also be exercised within the later of: (i) twelve (12) months after the completion of a Qualifying Transaction (as defined in the Stock Option Plan); and (ii) ninety (90) days from the date of termination of employment or cessation of position with the Corporation (or thirty (30) days in the case of an optionee engaged in Investor Relations Activities. The price per Share set by the Board shall not be less than the last closing price of the Common Shares on the TSXV prior to the date on which such option is granted, less the applicable discount permitted (if any) by the TSXV. If prior to the exercise of an option, the holder ceases to be a director, officer, employee or consultant of the Corporation, or its subsidiary, the option of the holder shall be limited to the number of shares purchasable by him/her immediately prior to the time of his/her cessation of office or employment and he/she will have no right to purchase any other shares.

The shareholders will be asked to approve the Stock Option Plan by passing the Stock Option Plan Resolution at the Meeting, such resolution to be substantially in the form set forth below:

**"BE IT RESOLVED THAT:**

- (a) The incentive stock option plan of the Corporation, as described in and attached as Schedule "B" to the Information Circular of the Corporation dated December 27, 2016 be and is hereby ratified and approved;
- (b) Any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions; and
- (c) The directors of the Corporation may revoke this resolution before it is acted upon without further approval of the shareholders."

**The management designees, if named proxy, intend to vote the Common Shares represented thereby in favour of the ordinary resolution to ratify and approve the Stock Option Plan.**

**F. Change of Name**

At the Meeting, or any adjournment thereof, shareholders will be asked to consider, and if thought fit, to pass, with or without variation, a special resolution to authorize the Corporation to amend the Articles of the Corporation under the *Business Corporations Act* (Alberta) to change the name of the Corporation (the "**Name Change**") to be more descriptive and fitting to the proposed business to be carried on by the Corporation upon completion of the proposed Business Combination (as defined below).

**Business Combination**

The Corporation has entered into letter of intent with Mark One Lifestyles, Inc. ("**Mark One**") in connection with a proposed business combination of the Corporation and Mark One (the "**Business Combination**") pursuant to which the Corporation will be renamed "Mark One Lifestyle Corp." ("**Newco**"). Upon completion of the Business Combination, Newco will continue to carry on the business of Mark One and Newco is expected to be a Tier 2 industrial issuer.

Mark One is a manufacturer and marketer of internet-connected lifestyle devices that automatically track food and beverage consumption, working with fitness trackers to provide consumers with the other half of the equation they need to get and stay healthy.

No approval of the Business Combination by shareholders of the Corporation is required. The completion of the Business Combination is subject to the TSXV approval and to execution of a final binding definitive agreement between the Corporation and Mark One in respect of the Business Combination. There can be no assurance that the Corporation will complete the Business Combination.

### **The Name Change Resolution**

The shareholders will be asked to approve the Name Change by passing the Name Change resolution at the Meeting (the "**Name Change Resolution**"), such resolution to be substantially in the form set forth below:

**"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

- (a) The board of directors of the Corporation be authorized to undertake and complete the name change of the Corporation (the "**Name Change**") and any one director or officer of the Corporation be authorized to negotiate and settle the form of documents required in respect thereof, including any supplements or amendments thereto and including, without limitation, the documents referred to below;
- (b) The name of the Corporation be changed from "Anchor Capital Corporation" to "Mark One Lifestyle Corp.", or such other name as the board of directors of the Corporation may, in their sole discretion, determine, and as may be approved by the regulatory authorities (including the TSXV), and that the Articles of the Corporation be amended to change the name of the Corporation to "Mark One Lifestyle Corp.", or such other name as the board of directors of the Corporation may, in their sole discretion, determine;
- (c) Any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions; and
- (d) Notwithstanding the approval by the shareholders of the Corporation of this special resolution, the board of directors of the Corporation is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the Name Change and the transactions contemplated thereby without further approval, ratification or confirmation by the shareholders of the Corporation."

For the Name Change to be completed, the Name Change Resolution must be passed by two-thirds (66 2/3%) of the votes cast by the shareholders of the Corporation present in person or by proxy at the Meeting. Unless otherwise directed, management intends to vote such proxies in favour of the resolution approving the Name Change.

The Board has reviewed the Name Change and has concluded that it is in the best interests of the Corporation to proceed with the Name Change at the Board's discretion. **The Board unanimously recommends that the shareholders vote in favour of the Name Change Resolution.**

Irrespective of whether the Name Change Resolution is passed by the shareholders of the Corporation, the Board may elect not to proceed with the Name Change and other transactions contemplated in the Name Change Resolution at the Board's discretion.

#### **G. Consolidation**

At the Meeting, or any adjournment thereof, shareholders will be asked to consider, and if thought fit, to pass, with or without variation, a special resolution (the "**Consolidation Resolution**") authorizing the Corporation to amend the Articles of the Corporation under the *Business Corporations Act* (Alberta) to effect a consolidation (the "**Consolidation**") of the Common Shares on the basis of one (1) post-consolidation Common Share for up to every three and a half (3.5) pre-consolidation Common Shares then issued and outstanding, or such other number of pre-consolidation Common Shares as may be determined by the Board in its sole discretion. As of the date hereof, the Corporation has 5,514,000 Common Shares outstanding. Pursuant to the terms of the Business Combination, it is necessary to complete the Consolidation in connection with the Business Combination. The final basis of the Consolidation will be determined by the Board at the time of the Consolidation. In addition, notwithstanding approval of the proposed Consolidation by the shareholders, the Board, in its sole discretion, may revoke the special resolution, and abandon the Consolidation without further approval or action by, or prior notice to, the shareholders.

If approved and implemented, the Consolidation will occur simultaneously for all of the Corporation's issued and outstanding Common Shares and the consolidation ratio will be same for all such Common Shares. The Consolidation will affect all shareholders uniformly and will not affect any shareholder's percentage ownership interest in the Corporation, except to the extent that the Consolidation would otherwise result in a shareholder owning a fractional Common Share. No fractional post-consolidation Common Shares will be issued and no cash will be paid in lieu of fractional post-consolidation Common Shares. Any fractional Common Shares resulting from the Consolidation will be rounded to the nearest whole Common Share.

#### **Risks Associated with the Consolidation**

There can be no assurance that the market price of the consolidated Common Shares will increase as a result of the Consolidation. The marketability and trading liquidity of the consolidated Common Shares of the Corporation may not improve. The Consolidation may result in some shareholders owning "odd lots" of less than 100 Common Shares which may be more difficult for such shareholders to sell or which may require greater transaction costs per Common Share to sell.

Although approval for the Consolidation is being sought at the Meeting, such a Consolidation would become effective at a date in the future to be determined by the Board when the Board considers it to be in the best interests of the Corporation to implement such a Consolidation. The Consolidation Resolution will also authorize the Board to elect not to proceed with, and abandon, the Consolidation at any time if it determines, in its sole discretion to do so.

### **Principal Effects of the Consolidation**

The principal effects of the Consolidation include the following:

- the fair market value of each Common Share may increase and will, in part, form the basis upon which further Common Shares or other securities of the Corporation will be issued;
- the number of issued and outstanding Common Shares will be reduced;
- the exercise prices and the number of Common Shares issuable upon the exercise or deemed exercise of any stock options of the Corporation will be automatically adjusted based on the consolidation ratio selected by the Board; and
- as the Corporation currently has an unlimited number of Common Shares authorized for issuance, the Consolidation will not have any effect on the number of Common Shares available for issuance.

### **Effect on Common Share Certificates**

If the Consolidation is approved by the Shareholders and implemented by the Board, the registered Shareholders will be required to exchange their Common Share certificates representing pre-consolidation Common Shares for new Common Share certificates representing post-consolidation Common Shares. Following the determination of the consolidation ratio by the Board and as soon as possible following the effective date of the Consolidation, the registered shareholders will be sent a transmittal letter by the Corporation's transfer agent, Alliance Trust Company. The letter of transmittal will contain instructions on how to surrender Common Share certificate(s) representing pre-consolidation Common Shares to the transfer agent. The transfer agent will forward to each registered shareholder who has sent the required documents a new Common Share certificate representing the number of post-consolidation Common Shares to which the shareholder is entitled. Until surrendered, each Common Share certificate representing pre-consolidation Common Shares will be deemed for all purposes to represent the number of whole post-consolidation Common Shares to which the holder is entitled as a result of the Consolidation.

Shareholders should not destroy any Common Share certificate(s) and should not submit any Common Share certificate(s) until requested to do so.

### **No Dissent Rights**

Under the *Business Corporations Act* (Alberta), shareholders do not have dissent and appraisal rights with respect to the proposed Consolidation.

### **Consolidation Resolution**

The shareholders will be asked to approve the Consolidation by passing the Consolidation Resolution at the Meeting, such resolution to be substantially in the form set forth below:

**"BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:**

- (a) The Articles of the Corporation be amended to consolidate the issued and outstanding common shares on the basis of one (1) consolidated new common share for up to every three and a half (3.5) pre-consolidation common shares then issued and outstanding, or such other number of pre-consolidation common shares as may be determined by the board of directors of the Corporation (the "**Consolidation**");
- (b) Any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions; and
- (c) Notwithstanding the approval by the shareholders of the Corporation of this special resolution, the board of directors of the Corporation is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the Consolidation and the transactions contemplated thereby, without further approval, ratification or confirmation by the shareholders of the Corporation."

For the Consolidation to be completed, the Consolidation must be passed by two-thirds (66 2/3%) of the votes cast with respect to the Consolidation Resolution by the shareholders present in person or by proxy at the Meeting. **Unless otherwise directed, management intends to vote such proxies in favour of the Consolidation Resolution.**

The Board has reviewed the terms of the Consolidation and concluded that it is in the best interests of the Corporation to proceed with the Consolidation. **The Board unanimously recommends that the shareholders vote in favour of the Consolidation Resolution.**

Irrespective of whether the Consolidation Resolution is passed by the shareholders, the Board may elect not to proceed with the Consolidation and other transactions contemplated in the Consolidation Resolution at the Board's discretion.

**H. Transfer of the Corporation to the NEX**

The Corporation is a Capital Pool Company ("**CPC**") under the policies of the TSXV. The Common Shares are listed on the TSXV under the trading symbol "ANC.P". Pursuant to the policies of the TSXV, as a CPC, the Corporation must complete a TSXV qualifying transaction ("**Qualifying Transaction**") by such date as is permitted by the TSXV.

The Corporation has been placed on notice by the TSXV that if it does not satisfy certain conditions by March 7, 2017, it will be delisted from trading on the TSXV. The conditions require the Corporation to either (i) complete its Qualifying Transaction by March 7, 2017, or (ii) receive the approval of its shareholders for (a) the transfer of the listing of its Common Shares to the NEX trading board of the TSXV (the "**NEX**") and (b) the related cancellation of up to 1,000,000 Common Shares held by the current directors and officers of the Corporation.

The Corporation has entered into letter of intent with Mark One in connection with the proposed Business Combination. The Business Combination is intended to serve as the Corporation's Qualifying Transaction. However, at this time there can be no assurances that the Business Combination will be completed by March 7, 2017. Accordingly, the Corporation is seeking approval of the shareholders to transfer the Corporation's listing to the NEX in the event that the Business Combination is not completed prior to March 7, 2017. The Corporation intends to make an application to the TSXV for a six month extension from the March 7, 2017 deadline.

The NEX is a distinct trading board of the TSXV designed for listed issuers which were previously listed on the TSXV that have been unable to meet the ongoing financial listing standards of the TSXV. The NEX provides a trading forum for publicly listed shell companies while they seek and undertake transactions, which are intended to result in the companies carrying on active businesses. A CPC that transfers to the NEX must continue to comply with all of the requirements and restrictions of TSXV Policy 2.4 - Capital Pool Companies.

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to approve, with or without variation by ordinary resolution of disinterested shareholders, the transfer of the Corporation's listing to the NEX. In order to be effective, the foregoing resolution must be passed, with or without variation, by a simple majority of shareholders that are arm's length to the Corporation (the "**Disinterested Shareholders**"). Accordingly, the Disinterested Shareholders will be asked to consider and, if thought fit, pass the following resolution:

**"BE IT RESOLVED THAT:**

- (a) If the Corporation does not complete its qualifying transaction by March 7, 2017 or such later date as may be required or approved by the TSX Venture Exchange (the "**TSXV**"), the Corporation is authorized to make an application to the TSXV to transfer its listing to the NEX trading board of the TSXV (the "**NEX**");
- (b) Any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions; and
- (c) Notwithstanding the approval by the shareholders of the Corporation of this resolution, the board of directors of the Corporation is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the transfer to the NEX and the transactions contemplated thereby, without further approval, ratification or confirmation by the shareholders of the Corporation."

In the event these resolutions are not approved by Shareholders, the Corporation will not be able to transfer to NEX and the Common Shares will be delisted from the facilities of the TSXV.

**The management designees, if named proxy, intend to vote the Common Shares represented thereby in favour of the ordinary resolution authorizing the transfer of the Corporation's listing to the NEX.**



## **I. Cancellation of a Portion of the Corporation's Seed Shares**

As set out above, the Corporation has been placed on notice by the TSXV that if it does not satisfy certain conditions by March 7, 2017, it will be delisted from trading on the TSXV. The conditions require the Corporation to either (i) complete its Qualifying Transaction by March 7, 2017, or (ii) receive the approval of its shareholders for (a) the transfer of the listing of its Common Shares to the NEX and (b) the cancellation of Seed Shares (as defined in TSXV Policy 1.1) of the Corporation held by current directors and officers of the Corporation such that the average cost of the remaining Seed Shares is at least equal to \$0.10.

At the Meeting, shareholders will be asked to consider, and if deemed advisable, to approve, with or without variation by ordinary resolution of Disinterested Shareholders, the cancellation of up to 1,000,000 Seed Shares of the Corporation held by the current directors and officers of the Corporation such that the average cost of the remaining Seed Shares is at least equal to \$0.10.

In order to be effective, the foregoing resolution must be passed, with or without variation, by a simple majority of Disinterested Shareholders. Accordingly, the Disinterested Shareholders will be asked to consider and, if thought fit, pass the following resolution:

### **"BE IT RESOLVED THAT:**

- (a) If the Corporation does not complete its qualifying transaction by March 7, 2017 or such later date as may be required or approved by the TSX Venture Exchange (the "TSXV"), the Corporation is authorized to make an application for the cancellation of up to 1,000,000 Seed Shares (as defined in TSXV Policy 1.1) of the Corporation held by the current directors and officers of the Corporation such that the average cost of the remaining Seed Shares is at least equal to \$0.10 is hereby authorized and approved;
- (b) Any one director or officer of the Corporation be and is hereby authorized for and on behalf of the Corporation to execute and deliver all such documents and instruments and take all such other actions as such director or officer may determine necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of such documents and instruments or the taking of such actions; and
- (c) Notwithstanding the approval by the shareholders of the Corporation of this resolution, the board of directors of the Corporation is hereby authorized, at any time in its absolute discretion, to determine whether or not to proceed with the cancellation of the Seed Shares and the transactions contemplated thereby, without further approval, ratification or confirmation by the shareholders of the Corporation."

**The management designees, if named proxy, intend to vote the Common Shares represented thereby in favour of the ordinary resolution authorizing the cancellation of up to 1,000,000 Seed Shares of the Corporation held by the current directors and officers of the Corporation.**

## STATEMENT OF EXECUTIVE COMPENSATION

The following sections outline the Corporation's executive compensation program with respect to its Chief Executive Officer ("**CEO**"), and Chief Financial Officer ("**CFO**") (or those who acted in a similar capacity), and the three other most highly compensated executives whose total compensation was more than \$150,000 for the year ended December 31, 2015, of which there are none (collectively referred to as the "**Named Executive Officers**" or "**NEOs**").

### Compensation Discussion and Analysis

The Corporation is a CPC, as defined in the policies of the TSXV, and as such, it that has not commenced commercial operations and has no assets other than cash. Except as specifically contemplated in the policies of the TSXV, until the completion of the Qualifying Transaction, the Corporation will not carry on business, other than the identification and evaluation of companies, business or assets with a view to completing a proposed Qualifying Transaction. Pursuant to the policies of the TSXV, prior to the completion of a Qualifying Transaction, no payment of any kind has been made, or will be made, directly to indirectly, by the Corporation to a non-arm's length party to the Corporation or a non-arm's length party to the Qualifying Transaction, or to any person engaged in investor relations activities in respect of the securities of the Corporation or any resulting issuer by any means, including remuneration such as salaries, consulting fees and directors fees. However, the directors and officers of the Corporation may be granted options pursuant to the Stock Option Plan in accordance with the policies of the TSXV.

### Compensation Governance

For the reasons described above, the Corporation does not currently have a compensation committee. The Board has the responsibility for determining the compensation of the Corporation's Chief Executive Officer and does so with reference to industry standards, the Corporation's financial situation and the aforementioned policies of the TSXV applicable to capital pool companies. The Board has the responsibility for determining the compensation of the directors who currently are not compensated in their capacity as directors but do receive stock options.

The Corporation has not retained any compensation consultant or advisor at any time since inception to assist the Board in determining compensation for any of the Corporation's directors or executive officers.

As part of its annual review of the Corporation's compensation policies and practices, the Board considers the implications of risks associated with the Corporation's compensation policies and practices. The Board keeps itself informed of the current compensation policies of other capital pool companies to help identify compensation policies and practices that could encourage an executive officer to take inappropriate or excessive risks. As of the date hereof, the Board is not aware of any material risks arising from the Corporation's current compensation policies or practices that would be reasonably likely to have a material adverse effect on the Corporation.

The Corporation does not currently have any policies in place that would prevent Named Executive Officers or directors from purchasing financial instruments that might be designed to hedge or offset a decrease in market value of equity securities granted as compensation or held by Named Executive Officers or directors.

## Option Based Awards

See "Particular Matters To Be Acted Upon - Ratification Of Stock Option Plan" above for a description of the Stock Option Plan and the process the Corporation uses to grant Option-based awards.

## Summary Compensation Table

The following table provides information concerning compensation of the Named Executive Officers for the years ended December 31, 2015 and 2014.

Name and Principal Position	Year Ended Dec. 31	Salary (\$)	Share - Based Awards (\$)	Option-Based Awards <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans			
Darren Stark President, Chief Executive Officer, Chief Financial Officer and Director <sup>(1)</sup>	2015	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	2014 <sup>(3)</sup>	Nil	Nil	\$21,587	Nil	Nil	Nil	Nil	\$21,587

Notes:

1. Mr. Stark is not compensated for his duties as a director of the Corporation.
2. For stock options issued in 2014, the Black-Scholes assumptions used included: i) expected volatility of 93%; ii) dividend yield of nil; iii) risk-free interest rate of 1.89%.
3. The Corporation was incorporated on February 20, 2014.

## Incentive Plan Awards

### Outstanding Option-Based Awards

The following table sets forth the stock options granted to Mr. Stark to purchase or acquire securities of the Corporation that are outstanding at the end of the financial year ended December 31, 2015.

Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options <sup>(1)</sup> (\$)
Darren Stark	248,130	0.10	December 2, 2024	Nil

Note:

1. Calculated based on the difference between the closing price of the Common Shares on December 31, 2015, the last day during which the Common Shares traded in the fiscal year ended December 31, 2015 of \$0.045 and the exercise price of the options.

### Value Vested or Earned during the Year

The following table sets forth the value of option-based awards which vested or were earned during the most recently completed financial year for Mr. Stark.

Name	Option-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Darren Stark	Nil	Nil

## Pension Plan Benefits

Currently, the Corporation does not have a pension plan or pension plan benefits.

## Termination and Change of Control Benefits

There is no plan or arrangement in respect of compensation received or that may be received by the Named Executive Officers with a view to compensating such individuals in the event of termination of their employment or a change of responsibilities following a change of control.

## Compensation of Directors

### *Director Compensation Table*

The following table sets forth the value of all compensation provided to directors of the Corporation other than Mr. Stark who is also a Named Executive Officer, for the Corporation's most recently completed financial year.

<b>Name<sup>(1)</sup></b>	<b>Fees earned (\$)</b>	<b>Share-based awards (\$)</b>	<b>Option-based awards (\$)</b>	<b>Non-equity incentive plan compensation (\$)</b>	<b>Pension value (\$)</b>	<b>All other Compensation (\$)</b>	<b>Total (\$)</b>
Brandon Kou	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Arlene Dickinson	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Doug Stuve	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note:

1. Mr. Stark's compensation is set out in the Summary Compensation Table.

## Incentive Plan Awards

### *Outstanding Option-Based Awards*

The following table sets forth the stock options granted to the directors of the Corporation other than Mr. Stark who is also a Named Executive Officer, to purchase or acquire securities of the Corporation outstanding at the end of the financial year ended December 31, 2015.

<b>Name</b>	<b>Number of securities underlying unexercised options (#)</b>	<b>Option exercise price (\$)</b>	<b>Option expiration date</b>	<b>Value of unexercised in-the-money options<sup>(1)</sup> (\$)</b>
Brandon Kou	82,710	0.10	December 2, 2024	Nil
Arlene Dickinson	110,280	0.10	December 2, 2024	Nil
Doug Stuve	110,280	0.10	December 2, 2024	Nil

Note:

1. Calculated based on the difference between the closing price of the Common Shares on December 31, 2015, the last day during which the Common Shares traded in the fiscal year ended December 31, 2015 of \$0.045 and the exercise price of the options.

*Value Vested or Earned during the Year*

The following table sets forth the value of option-based awards which vested or were earned during the most recently completed financial year for directors of the Corporation other than Mr. Stark who is also a Named Executive Officer.

Name	Option-based awards - Value vested during the year (\$)	Non-equity incentive plan compensation - Value earned during the year (\$)
Brandon Kou	Nil	Nil
Arlene Dickinson	Nil	Nil
Doug Stuve	Nil	Nil

**SECURITIES AUTHORIZED FOR INSURANCE UNDER EQUITY COMPENSATION PLAN**

The following table sets for the information pertaining to the Corporation's stock option plan as at December 31, 2015.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance, under equity compensation plans (excluding securities reflected in first column)
Equity compensation plans approved by securityholders	551,400 <sup>(1)</sup>	\$0.10	0
Equity compensation plans not approved by securityholders	N/A	N/A	N/A
<b>Total</b>	551,400	\$0.10	0

Note:

- On December 2, 2014, the Corporation issued options to purchase 551,400 Common Shares to directors and officers of the Corporation. See "Particulars of Matter to be Acted upon - Ratification of Stock option Plan".

**CORPORATE GOVERNANCE**

The Board of Directors believes that good corporate governance improves corporate performance and benefits all shareholders. The Canadian Securities Administrators (the "CSA") have adopted National Policy 58-201 - *Corporate Governance Guidelines*, which provides non-prescriptive guidelines on corporate governance practices for reporting issuers such as the Corporation. In addition, the CSA have implemented NI 58-101 - *Disclosure of Corporate Governance Practices* ("**NI 58-101**"), which prescribes certain disclosure of the Corporation's corporate governance practices. This disclosure is presented below.

**Board of Directors**

The Board is currently composed of four directors: Darren Stark, Brandon Kou, Arlene Dickinson and Doug Stuve.

NI 58-101, when taken with section 1.4 of National Instrument 52-110 - *Audit Committees* ("**NI 52-110**") of the CSA, provides that a board member is "independent" if the member has no direct or indirect material relationship with the Corporation, a "material relationship" being one which could, in the view of the Board of Directors, reasonably interfere with the exercise of a member's independent judgment.

<b>Director</b>	<b>Independence Status</b>	<b>Basis for Determination of Non-Independence</b>
Darren Stark	Not Independent	Mr. Stark is considered to have a material relationship with the Corporation as he is the sole executive officer of the Corporation.
Brandon Kou	Independent	Not applicable - no material relationship.
Arlene Dickinson	Independent	Not applicable - no material relationship.
Doug Stuve	Not Independent	Mr. Stuve is considered to have a material relationship with the Corporation as he provides legal counsel to the Corporation.

### **Directorships**

The following directors currently serve on the board of directors of the reporting issuers (or equivalent) listed below, each of which are reporting issuers (or equivalent) in one or more Canadian (or foreign) jurisdictions:

<b>Name</b>	<b>Name of other Reporting Issuer(s)</b>
Douglas M. Stuve	Galleria Opportunities Ltd. (NEX) Kairos Capital Corporation (TSXV) Pivot Technology Solutions, Inc. (TSXV) Border Petroleum Limited (TSXV) Pediapharm Inc. (TSXV)

### **Orientation and Continuing Education**

Each new director is given an outline of the nature of the Corporation's business, its corporate strategy, and current issues within the Corporation. New directors are also required to meet with management of the Corporation to discuss and better understand the Corporation's business and are given the opportunity to meet with counsel to the Corporation to discuss their legal obligations as directors of the Corporation.

In addition, management of the Corporation takes steps to ensure that its directors and officers are continually updated as to the latest corporate and securities policies which may affect the directors, officers and committee members of the Corporation as a whole. The Corporation continually reviews the latest securities rules and policies and is on the mailing list of the TSXV to receive updates to any of those policies. Any such changes or new requirements are then brought to the attention of the Corporation's directors either by way of Board or committee meetings or by direct communications from management to the directors.

### **Ethical Business Conduct**

The Board expects management to operate the business of the Corporation in a manner that enhances shareholder value and is consistent with the highest level of integrity. To date, the Board has not adopted a formal written Code of Business Conduct and Ethics. Given that the Corporation is a CPC which is focused on completing its Qualifying Transaction, and does not have any employees, a formal written Code of Business Conduct and Ethics is not considered necessary at the present time. Should the Corporation's operations grow in size and scope through the completion of its Qualifying Transaction, the Board anticipates that a formal Code of Business Conduct and Ethics would be implemented.

### **Nomination of Directors**

The Board has not appointed a nominating committee. As a result of the Corporation's size, its stage of development as a CPC and the limited number of individuals on the Board, the Board considers a nominating committee to be unnecessary at this time.

### **Compensation**

As the Corporation is a CPC, no salaries have or will be paid until a Qualifying Transaction has been completed. Given the Corporation's size, its stage of development as a CPC and the fact that no officers or directors receive any financial compensation, the Corporation has not appointed a compensation committee or formalized any guidelines with respect to compensation.

### **Board Committees**

The Audit Committee is the only Board committee of the Corporation. For more information, see "*Audit Committee*".

### **Assessments**

As a CPC with limited administration resources, the Board works closely with management and, accordingly, is in a position to assess director performance on an ongoing basis.

## **AUDIT COMMITTEE**

The Audit Committee is the only Board committee of the Corporation. The full text of the Audit Committee Mandate is attached as Schedule "A".

### **Composition**

The Audit Committee is currently composed of: Mr. Stark, Mr. Kou, and Ms. Dickinson. Mr. Kou and Ms. Dickinson are considered independent directors for the purposes of NI 52-110. Mr. Stark is not considered independent under NI 52-110 because he is an executive officer of the Corporation. Messrs. Stark and Kou and Ms. Dickinson are considered financially literate for the purposes of NI 52-110.

### **Relevant Education and experience**

Mr. Stark is a Canadian lawyer with 20 years of international experience. Mr. Stark was the President and CEO of Oxbridge Bank & Trust SCC from 2005 to 2015. He worked with Royal Bank of Canada Trust Company (Cayman) Limited and Royal Bank of Canada (Caribbean) Corporation from 2000 to January 2005. Mr. Stark is a former director of Culane Energy Corp., a public oil and gas exploration company that was listed on TSX Venture until it was sold in July 2011. Mr. Stark was a director of Liquid Nutrition Group Inc., a public company listed on TSX Venture, from June 2011 to September 2013. Mr. Stark was also a director of Chelsea Acquisition Corporation, a CPC listed on TSX Venture that completed its Qualifying Transaction and is now called Pediapharm Inc. Mr. Stark has a Bachelor of Commerce degree and a Bachelor of Laws Degree from the University of Saskatchewan and a Master of Laws from the University of London. Mr. Stark is a member of the Law Society of Alberta, Canada, the Turks and Caicos Islands Bar Association, International Tax Planning Associate, Society of Trust and Estate Practitioners (former Chairman of the Barbados Branch) and holds the Canadian Securities Course designation.

Mr. Kou is currently the General Manager of Steve Nash Enterprises, a conglomerate with portfolio companies in media, sports, entertainment, health, wellness and lifestyle and has been since October 2008. He is responsible for managing and providing growth strategies for the existing portfolio companies, including Indochino Inc., Sharecare, Inc., the Vancouver Whitecaps Soccer Team, Sharecare, Onebode Holdings LLC and Steve Nash Sports Club and Fitness World. Mr. Kou also leads the origination and evaluation of new opportunities for Steve Nash Enterprises. Mr. Kou also served as Chairman of the Board for OneBode Holdings LLC, an international holistic vitamin company. Mr. Kou was a Director of Liquid Nutrition Group Inc., a public company listed on TSX Venture, from June 2011 to September 2013. Prior to joining Steve Nash Enterprises, Mr., Kou provided investment banking services at Houlihan Lokey where he focused on the Media, Sports and Entertainment industries from August 2007 to October 2008. Mr. Kou is a graduate of the Marshall School of Business at the University of Southern California.

Ms. Dickinson is currently the CEO of Venture Communications Ltd. ("**Venture**") and has been since 1998. Ms. Dickinson is one of Canada's most renowned independent marketing communications entrepreneurs. After joining Venture as a partner in 1988, she took over sole ownership in 1998. She is also the CEO of YouInc.com, a social platform she founded in 2012 that is dedicated to serving and investing in entrepreneurs and the entrepreneurial lifestyle. Ms. Dickinson is one of the venture capitalists on the award-winning CBC series Dragons' Den, The Big Decision and a marketing expert on Recipe to Riches. Her success and leadership has been recognized with multiple honours and awards including: Canada's Most Powerful Women Top 100, the Pinnacle Award for Entrepreneurial Excellence, as well as PROFIT and Chatelaine's TOP 100 Women Business Owners and is the proud recipient of The Queen Elizabeth II Diamond Jubilee Medal.

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

Any proposed permitted non-audit services to be provided by the external auditor to the Corporation must receive prior approval from the Audit Committee. The Chief Financial Officer of the Corporation acts as the primary contact to receive and assess any proposed engagements from the external auditor. Following receipt and initial review for eligibility by the Chief Financial Officer, a proposal would then be forwarded to the Audit Committee for review and confirmation.



### External Auditor Service Fees

The following table provides information about the fees billed to the Corporation for professional services rendered by BDO Canada LLP, Chartered Accountants during the financial period from the Corporation's inception to December 31, 2015:

<b>BDO Canada LLP, Chartered Accountants</b>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
	(\$)	(\$)
Audit Fees	11,000	12,500
All Other Fees	5,065	20,584
Total:	16,065	33,084

### Exemption

The Corporation has relied on the exemption in section 6.1 of NI 52-110 in respect of the requirements set forth in section 3.1 of NI 52-110 requiring all members of an audit committee to be independent and financially literate. As the Corporation is not required to prepare an Annual Information Form, the Corporation has relied on the exemption in section 6.1 of NI 52-110 in respect of the requirement set forth in section 5.2 of NI 52-110.

### MANAGEMENT CONTRACTS

Management functions of the Corporation are performed by the directors and executive officers of the Corporation and are not to any substantial degree performed by any other person.

### INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

No executive officer, director or employee of the Corporation, or former executive officer, director or employee of the Corporation, at any point within thirty days before the date of the Information Circular, had any outstanding indebtedness owing to the Corporation or any other entity where the indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

No current director or executive officer of the Corporation, or any director or executive officer of the Corporation during the most recently completed financial year, or any associate of such director or executive officer: (a) is, or at any time during the most recently completed financial year was, indebted to the Corporation; or (b) has had indebtedness to another entity that is, or at any time since the beginning of the most recently completed financial year has been, the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Corporation.

### INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Other than as set forth elsewhere in this Information Circular, the management of the Corporation is not aware of any material interest, direct or indirect, of any informed person of the Corporation or any proposed nominee as a director of the Corporation, or any associate or affiliate of any such person in any transaction since the commencement of the Corporation's most recently completed financial year, or in any proposed transaction, that has materially affected or would materially affect the Corporation.

**ADDITIONAL INFORMATION**

Additional information relating to the Corporation is available on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is contained in the Corporation's financial statement and management's discussion and analysis for the year ended December 31, 2015. In addition, a Shareholder may obtain copies of the Corporation's financial statements and management's discussion and analysis, by contacting the Corporation by mail at Suite 1600, 333 - 7<sup>th</sup> Avenue S.W., Calgary, Alberta, T2P 2Z1.

**GENERAL**

The contents and sending of this Information Circular have been approved by the Board of Directors of the Corporation.

Unless otherwise stated, the information contained herein is given as of the 27<sup>th</sup> day of December, 2016.

## **SCHEDULE "A"**

### **ANCHOR CAPITAL CORPORATION**

**(the "Corporation")**

#### **AUDIT COMMITTEE MANDATE**

##### **OVERALL ROLE AND RESPONSIBILITY**

The Audit Committee shall:

1.1 Assist the Board of Directors in its oversight role with respect to:

- (a) the quality and integrity of financial information;
- (b) the independent auditor's performance, qualifications and independence;
- (c) the performance of the Corporation's internal audit function, if applicable; and
- (d) the Corporation's compliance with legal and regulatory requirements; and

1.2 Prepare such reports of the Audit Committee required to be included in the information/proxy circular of the Corporation in accordance with applicable laws or the rules of applicable securities regulatory authorities.

##### **MEMBERSHIP AND MEETINGS**

The Audit Committee shall consist of three (3) or more Directors appointed by the Board of Directors, none of whom shall be officers or employees of the Corporation or any of the Corporation's affiliates. Each of the members of the Audit Committee shall satisfy the applicable independence and experience requirements of the laws governing the Corporation, and applicable securities regulatory authorities.

The Board of Directors shall designate one (1) member of the Audit Committee as the Committee Chair. Each member of the Audit Committee shall be financially literate as such qualification is interpreted by the Board of Directors in its business judgment. The Board of Directors shall determine whether and how many members of the Audit Committee qualify as a financial expert as defined by applicable law.

##### **STRUCTURE AND OPERATIONS**

The affirmative vote of a majority of the members of the Audit Committee participating in any meeting of the Audit Committee is necessary for the adoption of any resolution.

The Audit Committee shall meet as often as it determines, but not less frequently than quarterly. The Committee shall report to the Board of Directors on its activities after each of its meetings at which time minutes of the prior Committee meeting shall be tabled for the Board.

The Audit Committee shall review and assess the adequacy of this Charter periodically and, where necessary, will recommend changes to the Board of Directors for its approval.

The Audit Committee is expected to establish and maintain free and open communication with management and the independent auditor and shall periodically meet separately with each of them.

## **SPECIFIC DUTIES**

### **Oversight of the Independent Auditor**

- Make recommendations to the board for the appointment and replacement of the independent auditor.
- Responsibility for the compensation and oversight of the work of the independent auditor (including resolution of disagreements between management and the independent auditor regarding financial reporting) for the purpose of preparing or issuing an audit report or related work. The independent auditor shall report directly to the Audit Committee.
- Authority to pre-approve all audit services and permitted non-audit services (including the fees, terms and conditions for the performance of such services) to be performed by the independent auditor.
- Evaluate the qualifications, performance and independence of the independent auditor, including: (i) reviewing and evaluating the lead partner on the independent auditor's engagement with the Corporation, and (ii) considering whether the auditor's quality controls are adequate and the provision of permitted non-audit services is compatible with maintaining the auditor's independence.
- Obtain from the independent auditor and review the independent auditor's report regarding the management internal control report of the Corporation to be included in the Corporation's annual information/proxy circular, as required by applicable law.
- Ensure the rotation of the lead (or coordinating) audit partner having primary responsibility for the audit and the audit partner responsible for reviewing the audit as required by law (currently at least every five years).

### **Financial Reporting**

- Review and discuss with management and the independent auditor:
  - prior to the annual audit the scope, planning and staffing of the annual audit,
  - the annual audited financial statements,
  - the Corporation's annual and quarterly disclosures made in management's discussion and analysis,
  - approve any reports for inclusion in the Corporation's Annual Report, if any, as required by applicable legislation,
  - the Corporation's quarterly financial statements, including the results of the independent auditor's review of the quarterly financial statements and any matters required to be communicated by the independent auditor under applicable review standards,
  - significant financial reporting issues and judgments made in connection with the preparation of the Corporation's financial statements,
  - any significant changes in the Corporation's selection or application of accounting principles,
  - any major issues as to the adequacy of the Corporation's internal controls and any special steps adopted in light of material control deficiencies, and

- other material written communications between the independent auditor and management, such as any management letter or schedule of unadjusted differences.
- Discuss with the independent auditor matters relating to the conduct of the audit, including any difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information and any significant disagreements with management.

### **AUDIT COMMITTEE'S ROLE**

The Audit Committee has the oversight role set out in this Charter. Management, the Board of Directors, the independent auditor and the internal auditor all play important roles in respect of compliance and the preparation and presentation of financial information. Management is responsible for compliance and the preparation of financial statements and periodic reports. Management is responsible for ensuring the Corporation's financial statements and disclosures are complete, accurate, in accordance with generally accepted accounting principles and applicable laws. The Board of Directors in its oversight role is responsible for ensuring that management fulfills its responsibilities. The independent auditor, following the completion of its annual audit, opines on the presentation, in all material respects, of the financial position and results of operations of the Corporation in accordance with Canadian generally accepted accounting principles.

### **FUNDING FOR THE INDEPENDENT AUDITOR AND RETENTION OF OTHER INDEPENDENT ADVISORS**

The Corporation shall provide for appropriate funding, as determined by the Audit Committee, for payment of compensation to the independent auditor for the purpose of issuing an audit report and to any advisors retained by the Audit Committee. The Audit Committee shall also have the authority to retain such other independent advisors as it may from time to time deem necessary or advisable for its purposes and the payment of compensation therefor shall also be funded by the Corporation.

### **APPROVAL OF AUDIT AND REMITTED NON-AUDIT SERVICES PROVIDED BY EXTERNAL AUDITORS**

Over the course of any year there will be two levels of approvals that will be provided. The first is the existing annual Audit Committee approval of the audit engagement and identifiable permitted non-audit services for the coming year. The second is in-year Audit Committee pre-approvals of proposed audit and permitted non-audit services as they arise.

Any proposed audit and permitted non-audit services to be provided by the External Auditor to the Corporation or its subsidiaries must receive prior approval from the Audit Committee, in accordance with this protocol. The CFO shall act as the primary contact to receive and assess any proposed engagements from the External Auditor.

Following receipt and initial review for eligibility by the primary contacts, a proposal would then be forwarded to the Audit Committee for review and confirmation that a proposed engagement is permitted.

In the majority of such instances, proposals may be received and considered by the Chair of the Audit Committee (or such other member of the Audit Committee who may be delegated authority to approve audit and permitted non-audit services), for approval of the proposal on behalf of the Audit Committee. The Audit Committee Chair will then inform the Audit Committee of any approvals granted at the next scheduled meeting.

**EXHIBIT "B"**

**AUDIT COMMITTEE WHISTLER BLOWER POLICY**

**ANCHOR CAPITAL CORPORATION**

**(the "Corporation")**

**AUDIT COMMITTEE "WHISTLE-BLOWER" PROCEDURES POLICY**

**National Instrument 52-110 Requirement**

Pursuant to National Instrument 52-110, the Corporation's Audit Committee is required to establish procedures for:

- (a) the receipt, retention, and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

This procedures policy is designed to achieve this purpose.

**The Corporation's Procedure**

Employees having concerns regarding questionable accounting or auditing matters are encouraged to submit such concerns (the "Accounting Related Complaint") to the Chair of the Corporation's Audit Committee.

Any employee who wishes to make an Accounting Related Complaint may do so anonymously or in confidence by directing such Accounting Related Complaint in writing directly to the Chair of the Audit Committee. Delivery may be made directly to the Chairman or to the Chairman care of the Corporation and marked personal and confidential.

Upon receiving an Accounting Related Complaint, the Chair of the Audit Committee will, depending upon the apparent urgency of the matter, call a meeting of the Audit Committee or add the Accounting Related Complaint to the agenda for consideration at the next regularly scheduled meeting of the Audit Committee.

The Audit Committee shall review and discuss, on a preliminary basis, the nature of the Accounting Related Complaint and the accounting, internal accounting controls or auditing matters that are called into question. In conducting this review, the Audit Committee will hold an *in camera* session, and then may request the attendance, at its discretion, of the Chief Executive Officer, the Chief Financial Officer, the Corporation's auditor and/or the person making the Accounting Related Complaint (if known and if such person is amenable) and/or such other persons as it deems necessary. The purpose of the meeting and the nature of the Accounting Related Complaint shall have been communicated to all such attendees by notice prior to the meeting.

If the Audit Committee is satisfied upon a preliminary review that the Accounting Related Complaint has merit, the Audit Committee shall authorize the Chair of the Audit Committee to retain and consult with an appropriately qualified: (1) law firm; and (2) a registered public accounting firm, within the meaning of applicable securities legislation, other than the independent auditor, in order to review the Accounting Related Complaint:

Following the conclusion of its inquiries, the Audit Committee shall meet to determine the merit of the Accounting Related Complaint. Minutes of such meeting shall be kept in the normal course in order to ensure a record of the nature and treatment of the Accounting Related Complaint.

Upon reaching such determination, the Audit Committee will communicate its findings and recommendations to the Board. The Board shall consider and implement such recommendations, as it deems advisable, to rectify any deficiencies identified in the Accounting Related Complaint and shall communicate same to management.

The Audit Committee shall ensure that confidentiality will be maintained throughout the investigatory process to the extent practicable and appropriate under the circumstances; and the person who makes the Accounting Related Complaint (if known) shall receive a written summary of the final determination.

The Audit Committee shall retain all documentation regarding the Accounting Related Complaint, its preliminary review, any investigation, determination and implementation of recommendations for a period of no less than ten (10) years.

#### **Administration**

The Corporation, through the Chief Executive Officer shall be responsible for the dissemination of this policy to all employees.

#### **No Retaliation**

The Corporation will not allow or pursue retaliation of any kind in respect of an Accounting Related Complaint, or for assistance or information provided to applicable authorities in connection with an investigation of breaches of applicable securities law, where such are made or provided in good faith. In addition, no employee may be adversely affected because the employee refused to carry out a directive which, in fact, constitutes corporate fraud, is a violation of this procedure, a violation of the law or presents a substantial and specific danger to the public's health and safety. Any retaliatory action should immediately be reported to the Chairman or any other member of the Corporation's Board of Directors.

## SCHEDULE "B"

### ANCHOR CAPITAL CORPORATION

#### STOCK OPTION PLAN

1. **Purpose**

The purpose of the Plan is to provide an incentive to the directors, officers, employees, consultants and other personnel of the Corporation or any of its subsidiaries to achieve the longer-term objectives of the Corporation; to give suitable recognition to the ability and industry of such persons who contribute materially to the success of the Corporation; and to attract to and retain in the employ of the Corporation or any of its subsidiaries, persons of experience and ability, by providing them with the opportunity to acquire an increased proprietary interest in the Corporation.

2. **Definitions and Interpretation**

When used in this Plan, unless there is something in the subject matter or context inconsistent therewith, the following words and terms shall have the respective meanings ascribed to them as follows:

- (a) **“Board of Directors”** means the Board of Directors of the Corporation;
- (b) **“Common Shares”** means common shares in the capital of the Corporation and any shares or securities of the Corporation into which such common shares are changed, converted, subdivided, consolidated or reclassified;
- (c) **“Corporation”** means Anchor Capital Corporation and any successor corporation and any reference herein to action by the Corporation means action by or under the authority of its Board of Directors or a duly empowered committee appointed by the Board of Directors;
- (d) **“Discounted Market Price”** means the last per share closing price for the Common Shares on the Exchange before the date of grant of an Option, less any applicable discount under Exchange Policies;
- (e) **“Exchange”** means the TSX Venture Exchange Inc. or any other stock exchange on which the Common Shares are listed;
- (f) **“Exchange Policies”** means the policies of the Exchange, including those set forth in the Corporate Finance Manual of the Exchange;
- (g) **“Insider”** has the meaning ascribed thereto in Exchange Policies;
- (h) **“Option”** means an option granted by the Corporation to an Optionee entitling such Optionee to acquire a designated number of Common Shares from treasury at a price determined by the Board of Directors;



- (i) **“Option Period”** means the period determined by the Board of Directors during which an Optionee may exercise an Option, not to exceed the maximum period permitted by the Exchange, which maximum period is ten (10) years from the date the Option is granted;
- (j) **“Optionee”** means a person who is a director, officer, employee, consultant or other personnel of the Corporation or a subsidiary of the Corporation; a corporation wholly-owned by such persons; or any other individual or body corporate who may be granted an option pursuant to the requirements of the Exchange, who is granted an Option pursuant to this Plan; and
- (k) **“Plan”** shall mean the Corporation’s incentive stock option plan as embodied herein and as from time to time amended.

Capitalized terms in the Plan that are not otherwise defined herein shall have the meaning set out in the Exchange Policy, including without limitation “Consultant”, “Employee”, “Insider”, “Investor Relations Activities”, “Management Company Employee”, “Tier 1 Issuer” and “Tier 2 Issuer”.

Wherever the singular or masculine is used in this Plan, the same shall be construed as meaning the plural or feminine or body corporate and vice versa, where the context or the parties so require.

**3. Administration**

The Plan shall be administered by the Board of Directors. The Board of Directors shall have full and final discretion to interpret the provisions of the Plan and to prescribe, amend, rescind and waive rules and regulations to govern the administration and operation of the Plan. All decisions and interpretations made by the Board of Directors shall be binding and conclusive upon the Corporation and on all persons eligible to participate in the Plan, subject to shareholder approval if required by the Exchange. Notwithstanding the foregoing or any other provision contained herein, the Board of Directors shall have the right to delegate the administration and operation of the Plan to a special committee of directors appointed from time to time by the Board of Directors, in which case all references herein to the Board of Directors shall be deemed to refer to such committee.

**4. Eligibility**

The Board of Directors may at any time and from time to time designate those Optionees who are to be granted an Option pursuant to the Plan and grant an Option to such Optionee. Subject to Exchange Policies and the limitations contained herein, the Board of Directors is authorized to provide for the grant and exercise of Options on such terms (which may vary as between Options) as it shall determine. No Option shall be granted to any person except upon recommendation of the Board of Directors. A person who has been granted an Option may, if he is otherwise eligible and if permitted by Exchange Policies, be granted an additional Option or Options if the Board of Directors shall so determine. Subject to Exchange Policies, the Corporation shall represent that the Optionee is a bona fide Employee, Consultant or Management Company Employee (as such terms are defined in Exchange Policies) in respect of Options granted to such Optionees.

**5. Participation**

Participation in the Plan shall be entirely voluntary and any decision not to participate shall not affect an Optionee's relationship or employment with the Corporation.

Notwithstanding any express or implied term of this Plan or any Option to the contrary, the granting of an Option pursuant to the Plan shall in no way be construed as conferring on any Optionee any right with respect to continuance as a director, officer, employee or consultant of the Corporation or any subsidiary of the Corporation.

Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of or a consultant to the Corporation or any of its subsidiaries, where the Optionee at the same time becomes or continues to be a director, officer or full-time employee of or a consultant to the Corporation or any of its subsidiaries.

No Optionee shall have any of the rights of a shareholder of the Corporation in respect to Common Shares issuable on exercise of an Option until such Common Shares shall have been paid for in full and issued by the Corporation on exercise of the Option, pursuant to this Plan.

**6. Common Shares Subject to Options**

The number of authorized but unissued Common Shares that may be issued upon the exercise of Options granted under the Plan at any time plus the number of Common Shares reserved for issuance under outstanding incentive stock options otherwise granted by the Corporation shall not exceed 10% of the issued and outstanding Common Shares on a non-diluted basis at any time, and such aggregate number of Common Shares shall automatically increase or decrease as the number of issued and outstanding Common Shares changes. The Options granted under the Plan together with all of the Corporation's other previously established stock option plans or grants, shall not result at any time in:

- (a) the number of Common Shares reserved for issuance pursuant to Options granted to Insiders exceeding 10% of the issued and outstanding Common Shares; and
- (b) the grant to Insiders within a 12 month period, of a number of Options exceeding 10% of the outstanding Common Shares.

Subject to Exchange Policies, the aggregate number of Common Shares reserved for issuance to any one (1) Optionee under Options granted in any 12 month period shall not exceed 5% of the issued and outstanding Common Shares determined at the date of grant (or 2% of the issued and outstanding Common Shares in the case of an Optionee who is a Consultant or an Employee conducting Investor Relations Activities (as such terms are defined in Exchange Policies)).

Appropriate adjustments shall be made as set forth in Section 14 hereof, in both the number of Common Shares covered by individual grants and the total number of Common Shares authorized to be issued hereunder, to give effect to any relevant changes in the capitalization of the Corporation.

If any Option granted hereunder shall expire or terminate for any reason without having been exercised in full, the unpurchased Common Shares subject thereto shall again be available for the purpose of the Plan.

7. **Option Agreement**

A written agreement will be entered into between the Corporation and each Optionee to whom an Option is granted hereunder, which agreement will set out the number of Common Shares subject to option, the exercise price and any other terms and conditions approved by the Board of Directors, all in accordance with the provisions of this Plan (herein referred to as the “Stock Option Agreement”). The Stock Option Agreement will be in such form as the Board of Directors may from time to time approve, and may contain such terms as may be considered necessary in order that the Option will comply with any provisions respecting options in the income tax or other laws in force in any country or jurisdiction of which the Optionee may from time to time be a resident or citizen or the rules of any regulatory body having jurisdiction over the Corporation.

8. **Option Period and Exercise Price**

Each Option and all rights thereunder shall be expressed to expire on the date set out in the respective Stock Option Agreement, which shall be the date of the expiry of the Option Period (the “Expiry Date”), subject to earlier termination as provided in Sections 10 and 11 hereof.

Subject to Exchange Policies and any limitations imposed by any relevant regulatory authority, the exercise price of an Option granted under the Plan shall be as determined by the Board of Directors when such Option is granted and shall be an amount at least equal to the Discounted Market Price of the Common Shares.

9. **Exercise of Options**

An Optionee shall be entitled to exercise an Option granted to him at any time prior to the expiry of the Option Period, subject to Sections 10 and 11 hereof and to vesting limitations which may be imposed by the Board of Directors at the time such Option is granted. Subject to Exchange Policies, the Board of Directors may, in its sole discretion, determine the time during which an Option shall vest and the method of vesting, or that no vesting restriction shall exist.

The exercise of any Option will be conditional upon receipt by the Corporation at its head office of a written notice of exercise, specifying the number of Common Shares in respect of which the Option is being exercised, accompanied by cash payment, certified cheque or bank draft for the full purchase price of such Common Shares with respect to which the Option is being exercised.

Common Shares shall not be issued pursuant to the exercise of an Option unless the exercise of such Option and the issuance and delivery of such Common Shares pursuant thereto shall comply with all relevant provisions of applicable securities law, including, without limitation, the 1933 Act, the *United States Securities and Exchange Act of 1934, as amended*, applicable U.S. state laws, the rules and regulations promulgated thereunder, and the requirements of any stock exchange or consolidated stock price reporting system on which prices for the Common Shares are quoted at any given time. As a condition to the exercise of an Option, the Corporation may require the person exercising such Option to represent and warrant at the time of any such exercise that the Common Shares are being purchased only for investment and without any present intention to sell or distribute such Common Shares if, in the opinion of counsel for the Corporation, such a representation is required by law.

**10. Ceasing to be a Director, Officer, Employee or Consultant**

If an Optionee ceases to be a director, officer, employee or consultant of the Corporation or its subsidiaries for any reason other than death, the Optionee may, but only within the later of: (i) 12 months after the completion of the Qualifying Transaction (as defined in TSX Venture Exchange Inc. Policy 2.4) by the Corporation; and (ii) ninety (90) days after the Optionee's ceasing to be a director, officer, employee or consultant (or 30 days in the case of an Optionee engaged in Investor Relations Activities) or prior to the expiry of the Option Period, whichever is earlier, exercise any Option held by the Optionee, but only to the extent that the Optionee was entitled to exercise the Option at the date of such cessation. For greater certainty, any Optionee who is deemed to be an employee of the Corporation pursuant to any medical or disability plan of the Corporation shall be deemed to be an employee for the purposes of the Plan.

**11. Death of Optionee**

In the event of the death of an Optionee, the Option previously granted to him shall be exercisable within one (1) year following the date of the death of the Optionee or prior to the expiry of the Option Period, whichever is earlier, and then only:

- (a) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of descent and distribution, or by the Optionee's legal personal representative; and
- (b) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death.

**12. Optionee's Rights Not Transferable**

No right or interest of any Optionee in or under the Plan is assignable or transferable, in whole or in part, either directly or by operation of law or otherwise in any manner except by bequeath or the laws of descent and distribution, subject to the requirements of the Exchange, or as otherwise allowed by the Exchange.

Subject to the foregoing, the terms of the Plan shall bind the Corporation and its successors and assigns, and each Optionee and his heirs, executors, administrators and personal representatives.

**13. Takeover or Change of Control**

The Corporation shall have the power, in the event of:

- (a) any disposition of all or substantially all of the assets of the Corporation, or the dissolution, merger, amalgamation or consolidation of the Corporation with or into any other corporation or of such corporation into the Corporation, or
- (b) any change in control of the Corporation,

to make such arrangements as it shall deem appropriate for the exercise of outstanding Options or continuance of outstanding Options, including without limitation, to amend any Stock Option Agreement to permit the exercise of any or all of the remaining Options prior to the completion of any such transaction. If the Corporation shall exercise such power, the Option shall be deemed to

have been amended to permit the exercise thereof in whole or in part by the Optionee at any time or from time to time as determined by the Corporation prior to the completion of such transaction.

**14. Anti-Dilution of the Option**

In the event of:

- (a) any subdivision, redivision or change of the Common Shares at any time during the term of the Option into a greater number of Common Shares, the Corporation shall deliver, at the time of any exercise thereafter of the Option, such number of Common Shares as would have resulted from such subdivision, redivision or change if the exercise of the Option had been made prior to the date of such subdivision, redivision or change;
- (b) any consolidation or change of the Common Shares at any time during the term of the Option into a lesser number of Common Shares, the number of Common Shares deliverable by the Corporation on any exercise thereafter of the Option shall be reduced to such number of Common Shares as would have resulted from such consolidation or change if the exercise of the Option had been made prior to the date of such consolidation or change;
- (c) any reclassification of the Common Shares at any time outstanding or change of the Common Shares into other shares, or in case of the consolidation, amalgamation or merger of the Corporation with or into any other corporation (other than a consolidation, amalgamation or merger which does not result in a reclassification of the outstanding Common Shares or a change of the Common Shares into other shares), or in case of any transfer of the undertaking or assets of the Corporation as an entirety or substantially as an entirety to another corporation, at any time during the term of the Option, the Optionee shall be entitled to receive, and shall accept, in lieu of the number of Common Shares to which he was theretofore entitled upon exercise of the Option, the kind and amount of shares and other securities or property which such holder would have been entitled to receive as a result of such reclassification, change, consolidation, amalgamation, merger or transfer if, on the effective date thereof, he had been the holder of the number of Common Shares to which he was entitled upon exercise of the Option.

Adjustments shall be made successively whenever any event referred to in this section shall occur. For greater certainty, the Optionee shall pay for the number of shares, other securities or property as aforesaid, the amount the Optionee would have paid if the Optionee had exercised the Option prior to the effective date of such subdivision, redivision, consolidation or change of the Common Shares or such reclassification, consolidation, amalgamation, merger or transfer, as the case may be.

**15. Costs**

The Corporation shall pay all costs of administering the Plan.

**16. Termination and Amendment**

- (a) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder at any time without the approval of the shareholders of the Corporation or any Optionee whose Option is amended or terminated, in order to conform this Plan or such Option, as the case may be, to applicable law or regulation or the requirements of

the Exchange or any relevant regulatory authority, whether or not such amendment or termination would affect any accrued rights, subject to the approval of the Exchange or such regulatory authority.

- (b) The Board of Directors may amend or terminate this Plan or any outstanding Option granted hereunder for any reason other than the reasons set forth in Section 16(a) hereof, subject to the approval of the Exchange or any relevant regulatory authority and the approval of the shareholders of the Corporation if required by the Exchange or such regulatory authority. Subject to Exchange Policies, disinterested shareholder approval will be obtained for any reduction in the exercise price of an Option if the Optionee is an Insider of the Corporation at the time of the proposed amendment. No such amendment or termination will, without the consent of an Optionee, alter or impair any rights which have accrued to him prior to the effective date thereof.
- (c) The Plan, and any amendments thereto, shall be subject to acceptance and approval by the Exchange. Any Options granted prior to such approval and acceptance shall be conditional upon such approval and acceptance being given and no such Options may be exercised unless and until such approval and acceptance are given.

**17. Applicable Law**

This Plan shall be governed by, administered and construed in accordance with the laws of the Province of Alberta and the laws of Canada applicable therein.

**18. Prior Plans**

On the effective date (as set out in Section 19 hereof), subject to Exchange approval and, if required, shareholder approval:

- (a) the Plan shall entirely replace and supersede prior stock option plans, if any, enacted by the Corporation; and
- (b) all outstanding options shall be deemed to be granted pursuant to the Plan.

**19. Effective Date**

This Plan shall become effective as of and from, and the effective date of the Plan shall be February \_\_\_\_\_, 2014 upon receipt of all necessary shareholder and regulatory approvals.

**20. Legends on Hold Periods**

If required by the Exchange policies or applicable securities laws, the Common Shares issued on exercise of the Options will be legended.