



LUXXFOLIO HOLDINGS INC.

1080 Mainland Street, Vancouver, BC V6B 2T4

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

**NOTICE IS HEREBY GIVEN THAT** the annual and special meeting ("**Meeting**") of the holders (the "**Shareholders**") of common shares ("**Common Shares**") of LUXXFOLIO HOLDINGS INC. (the "**Company**" and "**Luxxfolio**") will be held at the offices of Burnet, Duckworth & Palmer LLP located at Suite 2400, 525 – 8<sup>th</sup> Avenue SW, Calgary, Alberta on Thursday, March 24, 2022, at 12:00 p.m. (Calgary time) for the following purposes:

- (a) to receive and consider the financial statements of the Company for the fiscal year ended August 31, 2021 and the auditor's report thereon;
- (b) fixing the number of directors to be elected at the Meeting at five (5);
- (c) the election of directors of the Company;
- (d) the appointment of the auditor and the authorization of the directors of the Company to fix the auditor's remuneration;
- (e) to consider and, if deemed advisable, to pass an ordinary resolution of Shareholders, the full text of which is set forth in the Company's management information circular ("**Information Circular**") dated February 17, 2022 accompanying this Notice of Annual and Special Meeting, ratifying and approving an amended and restated stock option plan for the Company; and
- (f) to consider any amendment or variation of the above matters or any other matter that may be brought before the Meeting or any adjournment or adjournments thereof in such manner as such proxy, in such proxyholder's sole judgment, may determine.

The nature of the business to be transacted at the Meeting and the specific details of the matters proposed to be put to the Meeting are described in further detail in the accompanying Information Circular.

The record date for the determination of Shareholders entitled to receive notice of and to vote at the Meeting is February 17, 2022 (the "**Record Date**"). Shareholders of Luxxfolio whose names have been entered in the register of Shareholders at the close of business on that date will be entitled to receive notice of and vote at the Meeting, provided that, to the extent a Shareholder transfers the ownership of any of his or her Common Shares after such date and the transferee of those Common Shares establishes that he or she owns the Common Shares and requests, not later than 10 days before the Meeting, to be included in the list of Shareholders eligible to vote at the Meeting, such transferee will be entitled to vote those Common Shares at the Meeting.

A Shareholder may attend the Meeting in person or may be represented by proxy. Shareholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof. To be effective, the enclosed proxy must be mailed so as to reach or be deposited with Computershare Investor Services Inc., Proxy Department, by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, or by mail or by hand delivery to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not later than forty eight (48) hours (excluding Saturdays, Sundays and statutory holidays in Canada) prior to the time set for the Meeting or any adjournment thereof. Registered Shareholders may also use the internet site at [www.investorvote.com](http://www.investorvote.com) to transmit their voting instructions or vote by phone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America).

The instrument appointing a proxy shall be in writing and shall be executed by the Shareholder or his or her attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal by an officer or attorney thereof duly authorized.

The persons named in the enclosed form of proxy are directors and/or officers of the Company. Each Shareholder has the right to appoint a proxyholder other than such persons, who need not be a Shareholder, to attend and to act for such Shareholder and on such Shareholder's behalf at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.

**Luxxfolio intends to hold the Meeting in person. However, as a result of the continuing public health threats and public health measures relating to the COVID-19 pandemic, Luxxfolio asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the government of Alberta ([www.alberta.ca/coronavirus-info-for-albertans.aspx](http://www.alberta.ca/coronavirus-info-for-albertans.aspx)). Access to the Meeting will, subject to Luxxfolio's by-laws, be limited to essential personnel and registered Shareholders and proxyholders entitled to attend and vote at the Meeting. Luxxfolio encourages Shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. As always, Luxxfolio encourages Shareholders to vote their Common Shares prior to the Meeting following the instructions set out in the form of proxy or voting instruction form received by such Shareholders.**

**We encourage Shareholders not to attend the Meeting in person.** To mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, we will also hold our Meeting in a virtual format, which will be conducted via live audio webcast and which will give all Shareholders an opportunity to participate at the Meeting online regardless of their geographic location. Shareholders and duly appointed proxyholders will be able to listen to the Meeting and ask questions by attending the Meeting virtually. **To follow-along with the Meeting follow the below instructions** (we recommend that you log in at least ten (10) minutes before the time of the Meeting):

- Offline Meeting Link: [Click here to join the meeting](#) (if reading this on a paper version, the link will also be on Luxxfolio's website at [www.luxxfolio.com](http://www.luxxfolio.com))
- Phone Dial-In Instructions: +1 647-749-5899
- Phone Conference ID: 162939012#

Luxxfolio may take additional precautionary measures in relation to the Meeting in response to further developments with the COVID-19 outbreak. In the event it is not possible or advisable to hold the Meeting in person, Luxxfolio will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means, telephone or other communication facilities. Please monitor our website at [www.luxxfolio.com](http://www.luxxfolio.com) for updated information.

**DATED** this 17<sup>th</sup> day of February, 2022.

**ON BEHALF OF THE BOARD**

(signed) "*Kelly Klatik*"

---

Kelly Klatik  
Executive Chair



LUXXFOLIO HOLDINGS INC.

**MANAGEMENT INFORMATION CIRCULAR**

**for the annual and special meeting of shareholders to be held on March 24, 2022**

This information is given as of February 17, 2022 unless otherwise noted.

**SOLICITATION OF PROXIES**

This management information circular (this "**Information Circular**") is furnished in connection with the solicitation of proxies by the management of Luxxfolio Holdings Inc. ("**Luxxfolio**" or the "**Company**") for use at the annual and special meeting (the "**Meeting**") of the holders ("**Shareholders**") of common shares ("**Common Shares**") of the Company to be held on Thursday, March 24, 2022 at 12:00 p.m. (Calgary time) at the offices of Burnet, Duckworth & Palmer LLP located at Suite 2400, 525 – 8<sup>th</sup> Avenue SW, Calgary, Alberta and at any adjournment thereof, for the purposes set forth in the Notice of Annual and Special Meeting.

**A Shareholder has the right to appoint a person (who need not be a Shareholder) to attend and act for such Shareholder and on his, her or its behalf at the Meeting other than the persons designated in the enclosed form of proxy.** Forms of proxy must be addressed to and reach Computershare Investor Services Inc., Proxy Department, by fax within North America at 1-866-249-7775, outside North America at 416-263-9524, or by mail or by hand delivery to the 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting or any adjournment thereof. The instrument appointing a proxy is required to be in writing and shall be executed by the Shareholder or the Shareholder's attorney authorized in writing or, if the Shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The board of directors of the Company (the "**Board**") has fixed the record date for the Meeting at the close of business on February 17, 2022 (the "**Record Date**").

**Registered Shareholders may also use the internet site at [www.investorvote.com](http://www.investorvote.com) to transmit their voting instructions or vote by phone at 1-866-732-VOTE (8683) (toll free within North America) or 1-312-588-4290 (outside North America).** Shareholders should have the form of proxy in hand when they access the website and will be prompted to enter their control number, which is located on the form of proxy. If Shareholders vote by internet, their vote must be received not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for the holding of the Meeting. The website may be used to appoint a proxy holder to attend and vote on a Shareholder's behalf at the Meeting and to convey a Shareholder's voting instructions.

Shareholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Common Shares, included in the list of Shareholders entitled to vote at the Meeting prepared as at the Record Date, except to the extent that any such Shareholder transfers their Common Shares after the Record Date and the transferee of such Common Shares, having produced properly endorsed certificates evidencing such Common Shares or having otherwise established that he or she owns such Common Shares, demands, not later than ten (10) days before the Meeting, that the transferee's name be included in the list of Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Common Shares at the Meeting.

**Unless otherwise stated, information provided in this Information Circular is given as at February 17, 2022.**

As Luxxfolio is discouraging Shareholders from attending the Meeting in person due to the COVID-19 pandemic, Luxxfolio strongly encourages all Shareholders to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment or postponement thereof or to otherwise vote before the Meeting following the instructions above, or if Shareholders are not registered Shareholders, by following the instructions under the heading:

"*Advice to Beneficial Shareholders*". See also "*Attendance at Meeting Discouraged in light of COVID-19 Pandemic*" for information on how to follow along with the Meeting via webcast.

**The persons named in the enclosed form of proxy are directors and officers of the Company. Each Shareholder has the right to appoint a proxyholder other than the persons designated above, who need not be a Shareholder, to attend and to act for the Shareholder at the Meeting. To exercise such right, the names of the nominees of management should be crossed out and the name of the Shareholder's appointee should be legibly printed in the blank space provided.**

Except as noted below, the Company has distributed or made available for distribution, copies of the Notice of Annual and Special, the Information Circular and form of proxy or voting instruction form ("**VIF**") (if applicable) (collectively, the "**Meeting Materials**") to clearing agencies, securities dealers, banks and trust companies or their nominees (collectively, the "**Intermediaries**") for distribution to Beneficial Shareholders (as defined below) whose Common Shares are held by or in custody of such Intermediaries. Such Intermediaries are required to forward such documents to Beneficial Shareholders unless a Beneficial Shareholder has waived the right to receive them. The Company is sending proxy-related materials directly to NOBOs (as defined below), through the services of its transfer agent and registrar, Computershare Investor Services Inc. The solicitation of proxies from Beneficial Shareholders will be carried out by the Intermediaries or by the Company if the names and addresses of the Beneficial Shareholders are provided by Intermediaries. The Company will pay the permitted fees and costs of Intermediaries incurred in connection with the distribution of the Meeting Materials. The Company is not relying on the notice-and-access provisions of securities laws for delivery of the Meeting Materials to registered Shareholders or Beneficial Shareholders.

#### REVOCATION OF PROXIES

Proxies given by Shareholders for use at the Meeting may be revoked prior to their use:

- (a) by depositing an instrument in writing executed by the Shareholder or by such Shareholder's attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized indicating the capacity under which such officer or attorney is signing:
  - (i) at the Company's registered office, Suite 212, 1080 Mainland Street, Vancouver, BC V6B 2T4, at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, any reconvening thereof; or
  - (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or
- (b) in any other manner permitted by law.

#### EXERCISE OF DISCRETION BY PROXIES

The persons named in the accompanying form of proxy will vote the Common Shares in respect of which they are appointed in accordance with the direction of the Shareholders appointing them. The Common Shares represented by the proxy will be voted or withheld from voting in accordance with the instructions of the Shareholder on any ballot that may be called for and, if the Shareholder specifies a choice with respect to any matter to be acted on, the Common Shares will be voted accordingly. **In the absence of such direction, where the management nominees are appointed as proxyholder, such Common Shares will be voted in favour of the passing of the matters set out in the Notice. The form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice and with respect to other matters which may properly come before the Meeting or any adjournment thereof.** At the time of the printing of this Information Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice. **However, if any other matters which at present are not known to the management of the Company should properly come before the Meeting, the proxy will be voted on such matters in accordance with the best judgment of the named proxies.**

## ADVICE TO BENEFICIAL SHAREHOLDERS

Shareholders should note that only proxies deposited by Shareholders whose names appear on the records of the Company as the registered holders of Common Shares, or non-objecting beneficial owners ("NOBOs") whose names has been provided to the Company's registrar and transfer agent, can be recognized and acted upon at the Meeting. The information set forth in this section is therefore of significant importance to a substantial number of Shareholders who do not hold their Common Shares in their own name (referred to in this section as "**Beneficial Shareholders**"). If Common Shares are listed in an account statement provided to a Shareholder by an Intermediary, then in almost all cases those Common Shares will not be registered in such Shareholder's name on the records of the Company. Such Common Shares will more likely be registered under the name of the Shareholder's Intermediary or an agent of that Intermediary. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co., as nominee for CDS Clearing and Depository Services Inc., which acts as a depository for many Canadian Intermediaries. Common shares held by Intermediaries or their nominees can only be voted for or against resolutions upon the instructions of the Beneficial Shareholder. Without specific instructions, Intermediaries are prohibited from voting Common Shares for their clients.

Applicable regulatory policy requires Intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. Every Intermediary has its own mailing procedures and provides its own return instructions, 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 Intermediary is identical to the form of proxy provided by the Company to the Intermediaries. However, its purpose is limited to instructing the Intermediary how to vote on behalf of the Beneficial Shareholder. The majority of Intermediaries now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails the VIFs or proxy forms to the Beneficial Shareholders and asks the Beneficial Shareholders to return the VIFs or proxy forms to Broadridge. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. A Beneficial Shareholder receiving a proxy or VIF from Broadridge cannot use that proxy to vote Common Shares directly at the Meeting - the proxy must be returned to Broadridge well in advance of the Meeting in order to have the Common Shares voted.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the name of their Intermediary, a Beneficial Shareholder may attend the Meeting as proxyholder for the Intermediary and vote their Common Shares in that capacity.

Should a NOBO wish to attend and vote at the Meeting in person, the NOBO must insert his or her name (or the name of the person that the NOBO wants to attend and vote on the NOBO's behalf) in the space provided on the VIF and return it to the Company or its transfer agent. If the Company receives a written request that the NOBO or its nominee be appointed as proxyholder, if management is holding a proxy with respect to Common Shares beneficially owned by such NOBO, the Company will arrange, without expense to the NOBO, to appoint the NOBO or its nominee as proxyholder in respect of those Common Shares. Under National Instrument 54-101 – *Communications with Beneficial Owners of Securities of a Reporting Issuer* ("**NI 54-101**"), unless corporate law does not allow it, if the NOBO or its nominee is appointed as proxyholder by the Company in this manner, the NOBO or its nominee, as applicable, must be given the authority to attend, vote and otherwise act for and on behalf of management in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. If the Company receives such instructions at least one business day before the deadline for submission of proxies, it is required to deposit the proxy within that deadline, in order to appoint the NOBO or its nominee as proxyholder. **If a NOBO requests that the NOBO or its nominee be appointed as proxyholder, the NOBO or its appointed nominee, as applicable, will need to attend the meeting in person in order for the NOBOs vote to be counted.**

**NOBOs that wish to change their vote must in sufficient time in advance of the Meeting contact their Intermediary to arrange to change their vote. NOBOs should carefully follow the instructions of their Intermediaries, including those regarding when and where to complete the VIF's that are to be returned to their Intermediaries.**

Should an objecting beneficial owner (an "**OBO**") wish to attend and vote at the Meeting in person, the OBO should insert his or her name (or the name of the person the OBO wants to attend and vote on the OBO's behalf) in the space

provided for that purpose on the request for voting instructions form and return it to the OBO's Intermediary or send the Intermediary another written request that the OBO or its nominee be appointed as proxyholder. The Intermediary is required under NI 54-101 to arrange, without expense to the OBO, to appoint the OBO or its nominee as proxyholder in respect of the OBO's Common Shares. Under NI 54-101, unless corporate law does not allow it, if the Intermediary makes an appointment in this manner, the OBO or its nominee, as applicable, must be given authority to attend, vote and otherwise act for and on behalf of the Intermediary (who is the registered Shareholder) in respect of all matters that come before the meeting and any adjournment or postponement of the meeting. An Intermediary who receives such instructions at least one business day before the deadline for submission of proxies is required to deposit the proxy within that deadline, in order to appoint the OBO or its nominee as proxyholder. **If an OBO requests that an Intermediary appoint the OBO or its nominee as proxyholder, the OBO or its appointed nominee, as applicable, will need to attend the meeting in person in order for the OBOs vote to be counted.**

**OBOs should carefully follow the instructions of their Intermediary, including those regarding when and where the completed request for voting instructions is to be delivered. Only registered Shareholders have the right to revoke a proxy. OBOs who wish to change their vote must in sufficient time in advance of the Meeting, arrange for their respective intermediaries to change their vote and if necessary revoke their proxy in accordance with the revocation procedures set out above.**

Shareholders with questions respecting the voting of shares held through an Intermediary should contact that Intermediary for assistance.

All references to Shareholders in this Information Circular and the accompanying form of proxy and Notice are to Shareholders of record unless specifically stated otherwise.

#### **NOTE TO NON-OBJECTING BENEFICIAL OWNERS**

The Meeting Materials are being sent to both registered Shareholders and NOBOs. If you are a NOBO, and the Company or its agent has sent the Meeting Materials directly to you, your name and address and information about your holdings of Common Shares, have been obtained in accordance with applicable securities regulatory requirements from the Intermediary holding on your behalf. By choosing to send the Meeting Materials to you directly, the Company (and not the Intermediary holding on your behalf) has assumed responsibility for (i) delivering the Meeting Materials to you, and (ii) executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions.

#### **ATTENDANCE AT MEETING DISCOURAGED IN LIGHT OF COVID-19 PANDEMIC**

Luxxfolio intends to hold the Meeting in person. However, as a result of the continuing public health threats and public health measures relating to the COVID-19 pandemic, the Company asks that, in considering whether to attend the Meeting in person, Shareholders follow the instructions of the government of Alberta ([www.alberta.ca/coronavirus-info-for-albertans.aspx](http://www.alberta.ca/coronavirus-info-for-albertans.aspx)). Access to the Meeting will, subject to the Company's by-laws, be limited to essential personnel and registered Shareholders and proxyholders entitled to attend and vote at the Meeting. **Luxxfolio encourages Shareholders not to attend the Meeting in person, particularly if they are experiencing any of the described COVID-19 symptoms of fever, cough or difficulty breathing. As always, Luxxfolio encourages Shareholders to vote their Common Shares prior to the Meeting following the instructions set out in the form of proxy or voting instruction form received by such Shareholders.**

**We encourage Shareholders not to attend the Meeting in person.** To mitigate risks to the health and safety of our communities, Shareholders, employees and other stakeholders, we will also hold our Meeting in a virtual format, which will be conducted via live audio webcast and which will give all Shareholders an opportunity to participate at the Meeting online regardless of their geographic location. Shareholders and duly appointed proxyholders will be able to listen to the Meeting and ask questions by attending the Meeting virtually. **To follow-along with the Meeting follow the below instructions** (we recommend that you log in at least ten (10) minutes before the time of the Meeting):

- Offline Meeting Link: [Click here to join the meeting](#) (if reading this on a paper version, the link will also be on Luxxfolio's website at [www.luxxfolio.com](http://www.luxxfolio.com))

- Phone Dial-In Instructions: +1 647-749-5899
- Phone Conference ID: 162939012#

## MATTERS TO BE ACTED UPON AT THE MEETING

### Financial Statements and Auditor's Report

Pursuant to the *Business Corporations Act* (British Columbia) (the "BCBCA"), the Board will place before the Shareholders at the Meeting the audited financial statements of the Company for the year ended August 31, 2021 and the auditor's report thereon, accompanying this Information Circular. Shareholder approval is not required in relation to the audited financial statements.

### Fixing Number of Directors

At the Meeting, Shareholders will be asked to fix the number of directors to be elected at the Meeting at five (5) members and to elect five (5) directors to hold office until the next annual meeting or until their successors are elected or appointed.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of fixing the number of directors to be elected at the Meeting at five (5) members.

### Election of Directors

At the Meeting, Shareholders will be asked to elect five (5) directors to hold office until the next annual meeting or until their successors are elected or appointed.

Unless otherwise directed, it is the intention of management to vote proxies in the accompanying form in favour of the election as directors of the five (5) nominees hereinafter set forth:

Kelly Klatik                      Dr. Michael J. Byron      Brad Farquhar                      David Gens                      Ken MacLean

The directors will be elected on an individual basis and the voting for or withhold on one director will be mutually exclusive to the voting for or withhold on any other director.

The names, provinces and countries of residence of the persons nominated for election as directors, the number of voting securities of the Company beneficially owned, or directed or controlled, directly or indirectly, the offices held by each in the Company, the period served as director and the principal occupation and background of each are set forth below. The information as to Common Shares beneficially owned or directed or controlled, directly or indirectly, is based upon information furnished to the Company by the nominees as of February 17, 2022.

Name, Province/State and Country of Residence and Position with the Corporation	Principal Occupation and Background	Director Since	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
Dr. Michael J. Byron <sup>(1)</sup> Ontario, Canada Director	President & CEO, Nighthawk Gold Corp. from 2015 to 2020. Director of Anaconda Mining Inc. since 2012. Director of Magna Terra Minerals since 2010.	December 3, 2018	480,000
Brad Farquhar <sup>(1)</sup> Saskatchewan, Canada Director	Executive Vice-President & CFO, SSC Security Services Corp. since 2011.	November 24, 2020	250,000

Name, Province/State and Country of Residence and Position with the Corporation	Principal Occupation and Background	Director Since	Number of Common Shares Beneficially Owned or Controlled or Directed, Directly or Indirectly
David Gens British Columbia, Canada Director	CEO of Merchant Growth Ltd. Since 2009.	August 31, 2021	7,000
Kelly Klatik <sup>(1)</sup> British Columbia, Canada Executive Chair and a Director	Managing Partner & Director, Cypress Hills Partners Inc. since 2014.	December 3, 2018	2,545,713 <sup>(2)</sup>
Ken MacLean Alberta, Canada President and a Director	President of the Company since January 20, 2022 and President of WestBlock Capital Inc. since June 14, 2021.	Nominee	608,641

Notes:

1. Member of Audit Committee.
2. Mr. Klatik owns 2,476,713 Common Shares indirectly under Cypress Hills Partners Inc. and 69,000 Common Shares directly.

None of the proposed nominees for election as a director of the Company are proposed for election pursuant to any arrangement or understanding between the nominee and any other person, except the directors and senior officers of the Company acting solely in such capacity.

***Cease Trade Orders, Bankruptcies, Penalties or Sanctions***

Except as disclosed herein, no proposed director is, as at the date of this Information Circular, or has been within 10 years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company (including the Company) that:

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

For the purposes hereof, the term "**order**" means:

- (a) a cease trade order;
- (b) an order similar to a cease trade order; or
- (c) an order that denied the relevant company access to any exemption under securities legislation,

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

No proposed director:

- (a) is, as at the date of this Information Circular, or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company (including the Company) that, while such person was acting in such capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or



instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver-manager or trustee appointed to hold its assets; or

- (b) has, within 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or has a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Except as disclosed herein, no proposed director has been subject to:

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

### **Appointment of Auditors**

Unless otherwise directed, it is management's intention to vote the proxies in favour of appointing the firm of Kenway, Mack, Slusarchuk, Stewart LLP, to serve as auditors of the Company until the next annual meeting of the Shareholders and to authorize the directors to fix their remuneration as such. The appointment of the auditors must be approved by a majority of votes cast by the Shareholders. Kenway, Mack, Slusarchuk, Stewart LLP has been the Company's auditors since September 2021.

### **Approval of Amended and Restated Stock Option Plan**

On February 22, 2022, the Board unanimously approved, subject to shareholder approval, amendments (the "**Proposed Amendments**") to the Company's stock option plan (the "**Option Plan**"). In addition to a number of housekeeping amendments, the Proposed Amendments: (i) clarify the maximum number of Common Shares issuable under the Option Plan (see Section 5.1 of the Option Plan); (ii) clarify that vesting of stock options ("**Options**") ceases upon the termination of an optionee's position as an employee, director, officer or consultant of or to the Company (see Section 8.3 of the Option Plan); and (iii) set forth the rights and obligations of the Company and the optionees relative to outstanding Options in the event of a change of control of the Company (see Part 11 of the Option Plan). The Proposed Amendments are reflected in the Option Plan set forth in Schedule "A" and the redlined version of the Option Plan set forth in Schedule "B". Approval of the Proposed Amendments requires approval of a majority of votes cast on the resolution at the Meeting.

At the Meeting, Shareholders will be asked to consider and, if thought advisable, pass an ordinary resolution to approve the Proposed Amendments as follows:

"BE IT RESOLVED, as an ordinary resolution of Luxxfolio Holdings Inc. (the "**Company**") that:

1. the resolution to amend the share option plan of the Corporation (the "**Option Plan**"), in substantially the form attached as Schedule "A" to the management information circular ("**Information Circular**") dated February 17, 2022, be approved; and
2. any one officer or director of the Corporation be and is hereby authorized for, on behalf of and in the name of the Corporation to take any and all action and to execute and deliver any and all documents and instruments as may be necessary or desirable to give full effect to this resolution."

Unless otherwise directed, the persons named in the enclosed form of proxy, if named as proxy, intend to vote for approval of the foregoing resolution ratifying and approving the Proposed Amendments.

## VOTING SECURITIES AND PRINCIPAL HOLDERS THEREOF

The authorized capital of the Company consists of an unlimited number of Common Shares without par value and an unlimited number of non-voting preferred shares, issuable in series (the "**Preferred Shares**"). As at the Record Date, no Preferred Shares and 74,217,944 Common Shares were issued and outstanding, with each Common Share carrying the right to one (1) vote on a ballot at the Meeting. A quorum for the transaction of business at the Meeting will be present if one (1) Shareholder is present in person or by proxy.

To the knowledge of the directors and senior officers of the Company, as of the Record Date, no person or company beneficially owns, directly or indirectly or exercises control or direction over, securities carrying more than 10% of the voting rights attached to all outstanding securities of the Company as of the Record Date.

The above information was provided by management of the Company and the Company's registrar and transfer agent as of the Record Date.

## STATEMENT OF EXECUTIVE COMPENSATION

For the purpose of this Information Circular:

"**CEO**" means each individual who acted as chief executive officer of the Company or acted in a similar capacity for any part of the most recently completed financial year;

"**CFO**" means each individual who acted as chief financial officer of the Company or acted in a similar capacity for any part of the most recently completed financial year; and

"**Named Executive Officer**" or "**NEO**" means: (a) a CEO; (b) a CFO; (c) the Company's most highly compensated executive officers, including any of the Company's subsidiaries, or the most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year and whose total compensation was, individually, more than \$150,000 as determined in accordance with subsection 1.3(5) of Form 51-102F6V *Statement of Executive Compensation – Venture Issuers*, for that financial year; and (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the Company, nor acting in a similar capacity at the end of the most recently completed financial year.

During the financial year ended August 31, 2021, the Company had two Named Executive Officers, namely Dean Linden, CEO, and Geoffrey McCord, CFO.

*All dollar amounts referenced herein are Canadian Dollars unless otherwise specified.*

### **Oversight and Description of Director and Named Executive Officer Compensation**

#### ***Compensation of NEOs***

The Board does not presently have a Compensation Committee. Compensation of NEOs is reviewed annually and determined by the Board. The level of compensation for NEOs is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources. In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for NEOs.

#### ***Elements of NEO Compensation***

##### ***Base Salary and Consulting Fees***

Base salary and consulting fee levels will reflect the fixed component of pay that will compensate NEOs for fulfilling their roles and responsibilities and assist in the attraction and retention of highly qualified executives. Base salaries

will be reviewed annually to ensure they reflect each respective executive's performance and experience in fulfilling his or her role and to ensure executive retention. Salary and consulting fee levels will be reviewed and revised as the Company grows.

### ***Compensation of Directors***

Compensation of directors of the Company is reviewed annually and determined by the Board. The level of compensation for directors is determined after consideration of various relevant factors, including the expected nature and quantity of duties and responsibilities, past performance, comparison with compensation paid by other issuers of comparable size and nature, and the availability of financial resources.

In the Board's view, there is, and has been, no need for the Company to design or implement a formal compensation program for directors. While the Board considers Option grants to directors under the Stock Option Plan from time to time, the Board does not employ a prescribed methodology when determining the grant or allocation of Options. Other than the Stock Option Plan, as discussed above, the Company does not offer any long term incentive plans, share compensation plans or any other such benefit programs for directors.

### ***Stock Options***

Performance-based incentives will be granted by way of Options. The awards are intended to align executive interests with those of Shareholders by tying compensation to share performance and to assist in retention through vesting provisions.

In determining the number of Options to be granted to the executive officers and directors, the Board will take into account the number of Options, if any, previously granted to each executive officer and director and the exercise price of any outstanding Options to ensure that such grants are in accordance with the policies of the Canadian Securities Exchange ("CSE").

The number of Options granted to officers and directors will be dependent on each NEOs and director's level of responsibility, authority and importance to the Company and to the degree to which such officer's or director's long term contribution to the Company will be key to its long term success.

In monitoring or adjusting the Option allotments, the Board will take into account its own observations on individual performance (where possible), its assessment of individual contribution to shareholder value and previous Option grants. The scale of Options is generally commensurate to the appropriate level of base compensation for each level of responsibility. The Board will make these determinations subject to and in accordance with the provisions of the Stock Option Plan.

### **Director and Named Executive Officer Compensation**

The following table (presented in accordance with National Instrument Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*) sets forth all annual and long term compensation for services paid to or earned by each NEO and director for the two most recently completed financial years ended August 31, 2021 and 2020, excluding compensation securities.

<b>Name and position</b>	<b>Year</b>	<b>Salary, consulting fee, retainer or commission (\$)</b>	<b>Bonus (\$)</b>	<b>Committee or meeting fees (\$)</b>	<b>Value of perquisites (\$)</b>	<b>Value of all other compensation (\$)</b>	<b>Total compensation (\$)</b>
<b>Dean Linden</b> <i>CEO</i>	2021	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil
<b>Geoffrey McCord</b> <i>CFO</i>	2021	37,056	nil	nil	nil	nil	37,056
	2020	18,000	nil	nil	nil	nil	18,000

Name and position	Year	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Value of all other compensation (\$)	Total compensation (\$)
<b>Kelly Klatik</b> <i>Director</i>	2021	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil
<b>Michael Byron</b> <i>Director</i>	2021	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil
<b>Anthony Wong</b> <i>Director</i>	2021	nil	nil	nil	nil	nil	nil
	2020	nil	nil	nil	nil	nil	nil
<b>Brad Farquhar</b> <i>Director</i>	2021	nil	nil	nil	nil	nil	nil
	2020	N/A	N/A	N/A	N/A	N/A	N/A
<b>David Gens</b> <i>Director</i>	2021	N/A	N/A	N/A	N/A	N/A	N/A
	2020	N/A	N/A	N/A	N/A	N/A	N/A
<b>Ken MacLean<sup>(3)</sup></b> <i>Director of WestBlock</i>	2021	13,305	Nil	Nil	Nil	Nil	13,305
	2020	N/A	N/A	N/A	N/A	N/A	N/A
<b>Kien Tran<sup>(3)</sup></b> <i>Director of WestBlock</i>	2021	13,305	Nil	Nil	Nil	Nil	13,305
	2020	N/A	N/A	N/A	N/A	N/A	N/A

Notes:

1. Mr. Farquhar was appointed to the Board of Directors on November 24, 2020.
2. Mr. Gens was appointed to the Board of Directors on August 31, 2021.
3. WestBlock Capital Inc. ("WestBlock") is a wholly owned subsidiary of the Company. Messrs. MacLean and Tran were appointed directors of WestBlock on June 14, 2021.

### Stock Options and Other Compensation Securities

The following table sets forth all compensation securities granted or issued to each NEO and director by the Company in the financial year ended August 31, 2021 for services provided or to be provided, directly or indirectly, to the Company:

Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
<b>Dean Linden</b> <i>CEO</i>	Stock Options	100,000	Dec 16, 2020	0.075	0.075	0.48	Dec 16, 2025
		75,000	Mar 11, 2021	0.45	0.45	0.475	Mar 10, 2026
		25,000	Aug 14, 2021	0.42	0.42	0.475	Aug 13, 2026
<b>Geoffrey McCord</b> <i>CFO</i>	Stock Options	125,000	Dec 16, 2020	0.075	0.075	0.48	Dec 16, 2025
		75,000	Mar 11, 2021	0.45	0.45	0.475	Mar 10, 2026
		10,000	Aug 14, 2021	0.42	0.42	0.475	Aug 13, 2026
<b>Kelly Klatik</b> <i>Director</i>	Stock Options	75,000	Dec 16, 2020	0.075	0.075	0.48	Dec 16, 2025
		75,000	Mar 11, 2021	0.45	0.45	0.475	Mar 10, 2026
		50,000	Aug 14, 2021	0.42	0.42	0.475	Aug 13, 2026
<b>Michael Byron</b> <i>Director</i>	Stock Options	100,000	Dec 16, 2020	0.075	0.075	0.48	Dec 16, 2025
		50,000	Mar 11, 2021	0.45	0.45	0.475	Mar 10, 2026

		25,000	Aug 14, 2021	0.42	0.42	0.475	Aug 13, 2026
<b>Anthony Wong</b> <i>Director</i>	Stock Options	125,000	Dec 16, 2020	0.075	0.075	0.48	Dec 16, 2025
		75,000	Mar 11, 2021	0.45	0.45	0.475	Mar 10, 2026
		25,000	Aug 14, 2021	0.42	0.42	0.475	Aug 13, 2026
<b>Brad Farquhar</b> <i>Director</i>	Stock Options	100,000	Dec 16, 2020	0.075	0.075	0.48	Dec 16, 2025
		50,000	Mar 11, 2021	0.45	0.45	0.475	Mar 10, 2026
		75,000	Aug 14, 2021	0.42	0.42	0.475	Aug 13, 2026
<b>David Gens</b> <i>Director</i>	Stock Options	200,000	Aug 14, 2021	0.42	0.42	0.475	Aug 13, 2026
<b>Ken MacLean</b> <i>Director of WestBlock</i>	Stock Options	250,000	Aug 14, 2021	0.42	0.42	0.475	Aug 13, 2026
<b>Kien Tran</b> <i>Director of WestBlock</i>	Stock Options	250,000	Aug 14, 2021	0.42	0.42	0.475	Aug 13, 2026

### Exercise of Compensation Securities by Directors and NEOs

The following table discloses each exercise by a director or NEO of compensation securities during the financial year ended August 31, 2021:

Name and position	Type of compensation security	Number of underlying securities exercised (#)	Exercise price per security (\$)	Date of Exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
<b>Dean Linden</b> <i>CEO</i>	Stock Options	nil	nil	N/A	nil	nil	nil
<b>Geoffrey McCord</b> <i>CFO</i>	Stock Options	nil	nil	N/A	nil	nil	nil
<b>Kelly Klatik</b> <i>Director</i>	Stock Options	nil	nil	N/A	nil	nil	nil
<b>Michael Byron</b> <i>Director</i>	Stock Options	nil	nil	N/A	nil	nil	nil
<b>Anthony Wong</b> <i>Director</i>	Stock Options	nil	nil	N/A	nil	nil	nil
<b>Brad Farquhar</b> <i>Director</i>	Stock Options	nil	nil	N/A	nil	nil	nil
<b>David Gens</b> <i>Director</i>	Stock Options	nil	nil	N/A	nil	nil	nil
<b>Ken MacLean</b> <i>Director of WestBlock</i>	Stock Options	nil	nil	N/A	nil	nil	nil
<b>Kien Tran</b> <i>Director of WestBlock</i>	Stock Options	nil	nil	N/A	nil	nil	nil

### Stock Option Plans and Other Incentive Plans

The Company has adopted the Stock Option Plan, which provides that the Board may from time to time, in its discretion, grant to directors, officers, employees, technical consultants and other participants to the Company, non-transferrable Options to purchase Common Shares, provided that the number of Common Shares reserved for issuance will not exceed 10% of the Company's issued and outstanding Common Shares. Such Options will be exercisable for a period of up to ten years from the date of grant. In addition, the number of Common Shares which may be issuable

under the Stock Option Plan within a one year period: (i) to any one individual shall not exceed 5% of the issued and outstanding Common Shares; and (ii) to a consultant or an employee performing investor relations activities, shall not exceed 1% of the issued and outstanding Common Shares. The underlying purpose of the Stock Option Plan is to attract and motivate the directors, officers, employees and consultants of the Company and to advance the interests of the Company by affording such persons with the opportunity to acquire an equity interest in the Company through rights granted under the Stock Option Plan.

The Company has no other form of compensation plan under which equity securities of the Company are authorized for issuance to employees or non-employees in exchange for consideration in the form of goods and services.

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

The material terms of each agreement or arrangement under which compensation was provided during the most recently completed financial year or is payable in respect of services provided to the Company or any of its subsidiaries that were: (a) performed by a director or NEO; or (b) performed by any other party but are services typically provided by a director or NEO are as follows:

#### *Cypress Hills Partners Inc.*

The Company's wholly-owned subsidiary Luxxfolio Network Inc. ("**LNI**") has an agreement with CHP (the "**CHP Service Agreement**") under which CHP provided management and research services at a rate of \$500 per month from September 2020 to November 2020, \$2,500 from December 2020 to February 2021, \$20,000 from March 2021 to July 2021 and \$25,000 per month thereafter. As of August 31, 2021, LNI was indebted to CHP for \$47,487 for services rendered under the CHP Service Agreement. CHP is a British Columbia incorporated company with its registered and records office located at 212 - 1080 Mainland Street, Vancouver, BC, Canada. CHP is beneficially owned and controlled by the CEO of the Company, Dean Linden, and a director of the Company, Kelly Klatik.

#### *Geoffrey McCord, CFO*

LNI has a consulting agreement with Mr. McCord (the "**GM Consulting Agreement**") under which Mr. McCord provides Chief Financial Officer services at a rate of \$1,500 per month. During the Company's most recent fiscal year that ended August 31, 2021, Mr. McCord was paid a total of \$18,000 for services rendered under the GM Consulting Agreement.

#### *Ken MacLean*

During the Company's most recent fiscal year that ended August 31, 2021, Mr. MacLean was paid a total of \$13,305 for consulting services. .

#### *Kien Tran*

During the Company's most recent fiscal year that ended August 31, 2021, Mr. Tran was paid a total of \$13,305 for consulting services.

Other than disclosed above, there were no other agreements or arrangement containing provisions with respect to change of control, severance, termination, or constructive dismissal for directors or NEOs.

### **Pension Benefits**

The Company does not have a pension plan that provides for payments or benefits to a director or NEO.

## **SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS**

The following table provides information regarding the number of Common Shares to be issued upon the exercise of outstanding Options and the weighted-average exercise price of the outstanding Options in connection with the Stock

Option Plan as of August 31, 2021:

<b>Plan Category</b>	<b>Number of Common Shares to be issued upon exercise of outstanding Options</b>	<b>Weighted-average exercise price of outstanding Options (\$)</b>	<b>Number of Common Shares remaining available for future issuance under equity compensation plans</b>
Equity compensation plans approved by security holders	3,185,000	0.287	1,756,548
Equity compensation plans not approved by security holders	nil	nil	nil
<b>Total</b>	<b>3,185,000</b>	<b>0.287</b>	<b>1,756,548</b>

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

At no time during the last completed financial year was any current director, executive officer or employee or any former director, executive officer or employee of the Company, or any proposed nominee for election as a director of the Company:

- (a) indebted to the Company; or
- (b) indebted to another entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company,

other than routine indebtedness.

### **AUDIT COMMITTEE**

Pursuant to the policies of the CSE and the provisions of section 224 of the BCBCA, the Company is required to have an Audit Committee comprised of at least three directors, the majority of which must not be officers or employees of the Company.

The Company must also, pursuant to the provisions of National Instrument 52-110 *Audit Committees* ("**NI 52-110**"), have a written charter, which sets out the duties and responsibilities of its audit committee. In providing the following disclosure, the Company is relying on the exemption provided under NI 52-110, which allows for the short form disclosure of the audit committee procedures of venture issuers.

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

##### *Mandate*

The primary function of the audit committee (the "**Committee**") is to assist the Board in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting, and the Company's auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company's policies, procedures and practices at all levels. The Committee's primary duties and responsibilities are to:

- serve as an independent and objective party to monitor the Company's financial reporting and internal control systems and review the Company's financial statements;
- review and appraise the performance of the Company's external auditors; and

- provide an open avenue of communication among the Company's auditors, financial and senior management and the Board.

### *Composition*

The Committee shall be comprised of at least three directors as determined by the Board, the majority of whom shall be free from any relationship that, in the opinion of the Board, would reasonably interfere with the exercise of his or her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate, so as to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee's Charter, the definition of "**financially literate**" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements. The members of the Committee shall be elected by the Board at its first meeting following the annual shareholders' meeting. Since May 2019, the Company acknowledged that the majority of the Committee members were no longer considered to be independent. Subsequently, the Company appointed one more independent director, effective November 24, 2020, to replace one non-independent director.

### *Meetings*

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

### *Responsibilities and Duties*

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

- (a) Monitor the adequacy of this Charter and recommend any proposed changes to the Board.
- (b) Review the appointments of the Company's Chief Financial Officer and any other key financial executives involved in the financial reporting process.
- (c) Review with management and the independent auditor the annual financial statements and related documents and review with management the unaudited quarterly financial statements and related documents, prior to filing or distribution, including matters required to be reviewed under applicable legal or regulatory requirements.
- (d) Where appropriate and prior to release, review with management any news releases that disclose annual or interim financial results or contain other significant financial information that has not previously been released to the public.
- (e) Review the Company's financial reporting and accounting standards and principles and significant changes in such standards or principles or in their application, including key accounting decisions affecting the financial statements, alternatives thereto and the rationale for decisions made.
- (f) Review the quality and appropriateness of the accounting policies and the clarity of financial information and disclosure practices adopted by the Company, including consideration of the independent auditor's judgment about the quality and appropriateness of the Company's accounting policies. This review may include discussions with the independent auditor without the presence of management.
- (g) Review with management and the independent auditor significant related party transactions and potential conflicts of interest.
- (h) Pre-approve all non-audit services to be provided to the Company by the independent auditor.



- (i) Monitor the independence of the independent auditor by reviewing all relationships between the independent auditor and the Company and all non-audit work performed for the Company by the independent auditor.
- (j) Establish and review the Company's procedures for the:
  - receipt, retention and treatment of complaints regarding accounting, financial disclosure, internal controls or auditing matters; and
  - confidential, anonymous submission by employees regarding questionable accounting, auditing and financial reporting and disclosure matters.
- (k) Conduct or authorize investigations into any matters that the Audit Committee believes is within the scope of its responsibilities. The Audit Committee has the authority to retain independent counsel, accountants or other advisors to assist it, as it considers necessary, to carry out its duties, and to set and pay the compensation of such advisors at the expense of the Company.
- (l) Perform such other functions and exercise such other powers as are prescribed from time to time for the audit committee of a reporting company in Parts 2 and 4 of National Instrument 52-110 of the Canadian Securities Administrators, the *Business Corporations Act* (British Columbia) and the articles of the Company.

### Composition of the Audit Committee

The following are the current members of the Company's Audit Committee:

- Kelly Klatik (Chair)      Not Independent<sup>1</sup>      Financially literate<sup>1</sup>
- Dr. Michael J. Byron      Independent<sup>1</sup>      Financially literate<sup>1</sup>
- Brad Farquhar      Independent<sup>1</sup>      Financially literate<sup>1</sup>

Note:

1. As defined by NI 52-110.

### Relevant Education and Experience

Each of the Audit Committee members are businessmen with experience in financial matters, each has an understanding of accounting principles used to prepare financial statements and varied experience as to general application of such accounting principles, internal controls and procedures necessary for financial reporting, which has been garnered from working in their individual fields of endeavor.

In addition to each member's general business experience, the education and experience of each Audit Committee member that is relevant to the performance of his responsibilities as an Audit Committee member is as follows:

**Kelly Klatik** – Mr. Klatik has experience reading and understanding financial statements as a senior officer with publicly listed companies Druk Capital Inc. and Falco Resources Inc., as a staff accountant at KPMG, and as a B. Comm graduate of University of Saskatchewan in 1992 with a specialization in Accounting.

**Michael J. Byron** – Mr. Byron has experience reading and understanding financial statements as a senior officer with publicly listed companies Falco Resources Inc. and Nighthawk Gold Inc. In addition, he has sat on the audit committee of the following public TSX-V companies: Anaconda Mining Inc. and Brazilian Diamond Corp.

**Brad Farquhar** – Mr. Farquhar has experience reading and understanding financial statements as a trained financial planner and currently the CFO of SSC Security Services Corp. (SECU.V). Mr. Farquhar is also a Director of Radicle Group Inc.; Mongolia Growth Group Ltd. (YAK.V), where he also serves on the Audit Committee, the Compensation Committee, and the Nominating Committee; Chair of the board of directors of SIM Canada; and also on the advisory board of AgFunder.

### Audit Committee Oversight

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

### Reliance on Certain Exemptions

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

### Pre-Approval Policies and Procedures

The Committee has adopted specific policies and procedures for the engagement of non-audit services as described above under the heading "**Audit Committee's Charter**".

### External Auditor Service Fees (By Category)

The accrued and aggregate fees billed by the Company's external auditors during each of the last two fiscal year ends for auditor service fees are as follows:

Financial Year Ending	Audit Fees	Audit Related Fees <sup>1</sup>	Tax Fees <sup>2</sup>	All Other Fees <sup>3</sup>
2021	\$100,000	nil	\$7,500	nil
2020	\$16,000	nil	nil	nil

Notes:

1. Fees charged for assurance and related services reasonably related to the performance of an audit, and not included under "Audit Fees".
2. Fees charged for tax compliance, tax advice and tax planning services.
3. Fees for services other than disclosed in any other column.

## CORPORATE GOVERNANCE

Corporate governance relates to the activities of the Board, the members of which are elected by and are accountable to the Shareholders, and takes into account the role of the individual members of management who are appointed by the Board and who are charged with the day-to-day management of the Company. National Policy 58-201 *Corporate Governance Guidelines* establishes corporate governance guidelines which apply to all public companies. These guidelines are not intended to be prescriptive but to be used by issuers in developing their own corporate governance practices. The Board is committed to sound corporate governance practices, which are both in the interest of the Shareholders and contribute to effective and efficient decision making.

Pursuant to National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("**NI 58-101**") the Company is required to disclose its corporate governance practices, as summarized below. The Board will continue to monitor such practices on an ongoing basis and when necessary implement such additional practices as it deems appropriate.

### Board of Directors

The Board is currently composed of five (5) directors, namely Messrs. Kelly Klatik, Michael Byron, Anthony Wong, and Brad Farquhar. Mr. Wong is not standing for re-election as a director at the Meeting; with Mr. Ken MacLean, the President of the Company, standing for election in Mr. Wong's place.

NI 58-101 suggests that the Board of a public company should be constituted with a majority of individuals who qualify as "independent" directors. An "independent" director is a director who is independent of management and is

free from any interest and any business or other relationship which could, or could reasonably be perceived to materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. In addition, where a company has a significant shareholder, NP 58-101 suggests that the Board should include a number of directors who do not have interests in either the company or the significant shareholder. Of the proposed nominees, Dr. Michael J. Byron, David Gens, and Brad Farquhar are considered by the Board to be "independent" within the meaning of NP 58-101, and Kelly Klatik and Ken MacLean are considered to be "non-independent".

The independent directors exercise their responsibilities for independent oversight of management and meet independently of management whenever deemed necessary.

Each member of the Board understands that he is entitled, at the cost of the Company, to seek the advice of an independent expert if he reasonably considers it warranted under the circumstances. No director found it necessary to do so during the financial year ended August 31, 2021.

### Directorships

Certain of the Company's directors are also currently directors of other reporting companies, as follows:

Director	Other Reporting Issuer(s)	Exchange
Dr. Michael J. Byron	Anaconda Mining Inc. Magna Terra Minerals Inc.	TSX TSX Venture
Brad Farquhar	SSC Security Services Corp. Mongolia Growth Group Ltd.	TSX Venture TSX Venture

### Orientation and Continuing Education

New directors are briefed on the Company's overall strategic plans, short, medium and long term corporate objectives, financials status, general business risks and mitigation strategies, and existing company policies. There is no formal orientation for new members of the Board. This is considered to be appropriate, given the Company's size and current level of operations, the ongoing interaction amongst the directors and the low director turn-over. However, if the growth of the Company's operations warrants it, it is possible that a formal orientation process would be implemented.

The skills and knowledge of the Board as a whole is such that no formal continuing education process is currently deemed required. The Board is comprised of individuals with varying backgrounds, who have, both collectively and individually, extensive experience in running and managing public companies, particularly in the natural resource sector. Board members are encouraged to communicate with management and auditors to keep themselves current with industry trends and developments and changes in legislation, with management's assistance. The directors are advised that, if a director believes that it would be appropriate to attend any continuing education event for corporate directors, the Company will pay for the cost thereof. Board members have full access to the Company's records. Reference is made to the table under the heading "**Election of Directors**" for a description of the current principal occupations of the members of the Board.

### Ethical Business Conduct

The Board has not adopted a written Code of Ethical Conduct for its directors, officers and employees at this time. The Board monitors the ethical conduct of the Company and ensures that it complies with applicable legal and regulatory requirements, such as those of relevant securities commissions and stock exchanges. The Board has found that the fiduciary duties placed on individual directors by governing corporate legislation and the common law, as well as the restrictions placed by applicable corporate legislation on the individual director's participation in decisions of the Board in which the director has an interest, have been sufficient to ensure that the Board operates in the best interests of the Company and its Shareholders.

In addition, as some of the directors of the Company also serve as directors and officers of other companies engaged in similar business activities, the Board must comply with the conflict of interest provisions of the British Columbia *Business Corporations Act*, as well as the relevant securities regulatory instruments, in order to ensure that directors exercise independent judgment in considering transactions and agreements in respect of which a director or officer has a material interest. Any interested director would be required to declare the nature and extent of his interest and would not be entitled to vote at meetings of directors which evoke any such conflict.

### **Nomination of Directors**

The Company's management is continually in contact with individuals and public sector issuers involved in the blockchain/fintech industry. From these sources the Company has made numerous contacts and in the event that the Company were in a position to nominate any new directors, such individuals would be brought to the attention of the Board. The Company conducts the due diligence, reference and background checks on any suitable candidate. New nominees must have a track record in general business management, special expertise in an area of strategic interest to the Company, the ability to devote the time required and a willingness to serve.

### **Board Committees**

The Company currently has only an Audit Committee in place.

### **Assessments**

Neither the Company nor the Board has determined formal means or methods to regularly assess the Board, its committees or the individual directors with respect to their effectiveness and contributions. Effectiveness is subjectively measured by comparing actual corporate results with stated objectives. The contributions of any individual director are informally monitored by the other Board members, having in mind the business strengths of the individual and the purpose of originally nominating the individual to the Board.

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

The term "**informed person**" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Company, or any person or company who beneficially owns, directly or indirectly, voting securities of the Company or who exercises control or direction over voting securities of the Company carrying more than 10% of the voting rights attached to all outstanding voting securities of the Company, other than voting securities held by the person or company as underwriter in the course of a distribution.

To the knowledge of management of the Company, no informed person or nominee for election as a director of the Company, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Company's financial year ended August 31, 2021, or in any proposed transaction which has materially affected or will materially affect the Company or any of its subsidiaries, other than as set out below or disclosed elsewhere in this Circular.

### *Line of Credit*

LNI entered into a Line of Credit and Security Agreement (the "**Credit Agreement**") with CHP Capital Inc. ("**CHI**"). Under the Credit Agreement, CHI provides LNI with a revolving line of credit of up to \$500,000 (the "**LOC**"). The LOC accrues interest at a rate of 9.0% per annum calculated monthly on any amounts borrowed and owing by LNI. The LOC's maturity date is July 25, 2023, at which time all amounts owing under the LOC become due and payable. LNI granted CHI a general security interest over the assets of LNI as security for the LOC. As of August 31, 2021, no draw on the LOC had been made. CHI is beneficially owned and controlled by Kelly Klatik, a director of the Company.

### *Office Services*

LNI has an office services agreement with CHP Properties Inc. ("**CHP Properties**") under which LNI rents office space and related services at \$500 per month from September 2020 to February 2021, \$1,500 per month from March

2021 to May 2021 and \$3,000 per month thereafter (the "**Office Services Agreement**"). During the Company's fiscal year ended August 31, 2021, CHP Properties received \$18,500 for services provided under the Office Services Agreement. CHP Properties is beneficially owned and controlled by Kelly Klatik, a director of the Company, and Dean Linden, a director of LNI.

*Loan Participation Agreement*

CHP Agent Services In. ("**CHP Agent**") enter into a participation agreement with Arctos Credit, LLC ("**Arctos**") to acquire a majority participation interest in the asset-backed lending facility provided by Arctos to LNI to finance the purchase of 590 bitcoin miners at an approximate purchase price of USD1,174,100. CHP Agent is beneficially owned and controlled by Kelly Klatik, a director of the Company, and Dean Linden, a director of LNI.

*NTUA Partnership Buyout Loan*

As a result of the acquisition of WestBlock, the Company has assumed debt amounting to \$869,000 on June 14, 2021. This debt was incurred by WestBlock to facilitate the acquisition of the 51% partnership interest in the hosting operation owned by the Navajo Tribal Utility Authority ("**NTUA**"). As at August 31, 2021, WestBlock owned 100% of the hosting operation. CHP Agent Services Inc., a related company, provided 50% of the \$869,000 loan. The debt facility provided by CHP Agent Services Inc. carries an interest rate of 12% and a term of 19 months with interest-only payments for the initial four months. Security of the debt consists of a general security agreement on WestBlock and its subsidiaries, which includes the Bitcoin held under WestBlock. The other 50% of the \$869,000 loan was provided by the NTUA. The debt facility provided by NTUA carries an interest rate of 7% and a term of 36 months.

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

Other than as disclosed elsewhere in this Information Circular, none of the current directors or executive officers, no proposed nominee for election as a director, none of the persons who have been directors or executive officers since the commencement of the last completed financial year and no associate or affiliate of any of the foregoing persons has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon at the Meeting, save and except for those matters pertaining to the election of directors.

**MANAGEMENT CONTRACTS**

Management functions of the Company are generally performed by directors and senior officers of the Company and not, to any substantial degree, by any other person to whom the Company has contracted.

**OTHER MATTERS**

Management knows of no other matters to come before the Meeting other than those referred to in the Notice of Meeting. Should any other matters properly come before the Meeting, the shares represented by the Proxy solicited hereby will be voted on such matters in accordance with the best judgment of the persons voting by proxy.

**ADDITIONAL INFORMATION**

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com). Financial information in respect of the Corporation and its affairs is provided in the Corporation's annual audited comparative financial statements for the year ended August 31, 2021 and the related management's discussion and analysis. Copies of the Company's financial statements and related management's discussion and analysis are available upon request from the Company by mail to 212 – 1080 Mainland Street, Vancouver, BC, V6B 2T4.

**BOARD APPROVAL**

The contents of this Information Circular have been approved and its mailing authorized by the directors of the Company.

**DATED** at Vancouver, British Columbia, this 17<sup>th</sup> day of February, 2022.

**ON BEHALF OF THE BOARD**

(signed) "*Kelly Klatik*"

---

Kelly Klatik  
Executive Chair



SCHEDULE A

**AMENDED AND RESTATED STOCK OPTION PLAN**

**LUXXFOLIO HOLDINGS INC.**

**AMENDED AND RESTATED STOCK OPTION PLAN**

**FEBRUARY 22, 2022**



**PART 1**  
**INTERPRETATION**

1.1 Defined Terms. For the purposes of this Plan, the following terms shall have the following meanings:

“**Administrator**” has the meaning ascribed thereto in Section 3.1 hereof;

“**Affiliate**” means a corporation related to another corporation if one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same Person;

“**Applicable Laws**” means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;

“**Board**” means the Board of Directors of the Corporation;

“**Blackout Period**” means a period during which an Optionee is restricted by the Corporation from trading in the Corporation's securities pending the dissemination of previously undisclosed material information;

“**Change of Control**” means:

- (i) the purchase or acquisition of any outstanding Shares or Convertible Securities by a Person or any group of two or more Persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation) which results in the beneficial ownership, or control or direction over, Shares or Convertible Securities such that, assuming the conversion of Convertible Securities beneficially owned or over which control or direction is exercised, there is beneficial ownership, or control or direction over, Shares carrying the right to cast more than 50% of the votes attaching to all outstanding Shares by a Person or any group of two or more Persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation), but excluding any issue or sale of Shares of the Corporation to an investment dealer or group of investment dealers as underwriters or agents for distribution to the public either by way of prospectus or private placement; or
- (ii) the approval by the shareholders of the Corporation of an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another entity which requires approval of the shareholders of the Corporation pursuant to its statute of incorporation and pursuant to which the shareholders of the Corporation immediately thereafter do not own shares of the successor or continuing entity, which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation, which may be cast to elect directors of that corporation, provided that immediately following such event the members of the Board immediately prior to such event do not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity immediately following such event; or
- (iii) approval by the shareholders of the Corporation of the liquidation, dissolution or winding-up of the Corporation; or
- (iv) approval by the shareholders of the Corporation of the sale, lease, or other disposition of all or substantially all of the assets of the Corporation; or

- (v) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii), and (iv) referred to above; or
- (vi) a determination by the Board that there has been a change, whether by way of a change in the holding of the Shares of the Corporation, in the ownership of the Corporation's assets or by any other means, as a result of which any Person or group of Persons acting jointly or in concert is in a position to exercise effective control of the Corporation,

provided that notwithstanding the application of any of the foregoing, a "Change of Control" shall be deemed to not have occurred if a majority of the Board, in good faith, determines that the transaction is, in substance, a reorganization, or that the particular circumstances are such that a Change of Control was not intended to occur, and any such determination shall be binding and conclusive for all purposes;

**"Committee"** means a committee of the Board appointed in accordance with 3.2 hereof;

**"Convertible Securities"** means any securities convertible or exchangeable into Shares or carrying the right or obligation to acquire Shares;

**"Consultant"** means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or company, that:

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation, other than services provided in relation to a distribution of securities,
- (ii) provides the services under a written contract between the Corporation or an Affiliate and the individual or the company, as the case may be
- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and
- (iv) has a relationship with the Corporation or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Corporation;

**"Corporation"** means Luxxfolio Holdings Inc. and its Affiliates;

**"Date of Grant"** means the date on which a grant of an Option is effective;

**"Director"** means a director of the Corporation or its Affiliate;

**"Disability"** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than twelve (12) months which causes an individual to be unable to engage in any substantial gainful activity;

**"Disinterested Shareholder Approval"** means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a meeting of the shareholders of the Corporation other than votes attaching to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates (as defined in the Securities Act (British Columbia)) and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval;

**“Eligible Charitable Organization”** means any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation (as such terms are defined in the Tax Act);

**“Employee”** means:

- (i) an individual who is considered an employee of the Corporation or its Affiliate under the Tax Act (and for whom income tax, employment insurance and CPP deductions must be made at source); or
- (ii) an individual who works for the Corporation or its Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;

**“Exchange”** means the Canadian Securities Exchange, or any other stock exchange on which the Corporation's Shares are listed for trading;

**“Exercise Price”** means the price at which an Option is exercisable in accordance with Section 6.3 hereof;

**“Guardian”** means the guardian, if any, appointed for an Optionee;

**“Insider”** means:

- (i) a director or senior officer of the Corporation;
- (ii) a director or senior officer of an entity that is itself an insider or subsidiary of the Corporation; or
- (iii) a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation; or
- (iv) the Corporation itself if it holds any of its own securities;

**“Investor Relations Activities”** has the meaning ascribed thereto in the Exchange Policies and Procedures, as amended from time to time;

**“Officer”** means the chief executive officer, the chief financial officer, president, vice president, secretary, treasurer, manager, comptroller and any person routinely performing corresponding functions and/or policy making functions with respect to the Corporation or its Affiliates, and includes an individual employed by a Person other than a natural person which Person: (a) provides management services to the Corporation (other than Investor Relations Activities) which are required for the ongoing successful operation of the business of the Corporation; and (b) is either: (i) wholly-owned by the natural person to whom Options would otherwise be granted; or (ii) controlled by the natural person to whom Options would otherwise be granted hereunder (and the shares (or similar equity or ownership interests) of which are held directly or indirectly by any such natural person and such natural person's spouse, minor children and/or minor grandchildren);

**“Option”** means an option to purchase Shares granted pursuant to the provisions of this Plan;

“**Option Agreement**” means a written agreement between the Corporation and an Optionee, specifying the terms of the Option being granted to the Optionee under this Plan, which may be in the form set out in Schedule “A” hereto;

“**Optionee**” means the recipient of an Option granted by the Corporation pursuant to this Plan;

“**Person**” means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;

“**Plan**” means this amended and restated stock option plan of the Corporation, as amended from time to time;

“**Shares**” means the common shares without par value in the capital of the Corporation;

“**Successor**” means the legal heirs or personal representatives of the Optionee upon death, pursuant to a will or the laws of descent and distribution of the applicable jurisdictions;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time;

“**Term**” means the period of time during which an Option is exercisable; and

“**Terminating Event**” means:

- (i) the dissolution or liquidation of the Corporation, or
- (ii) a material change in the capital structure of the Corporation that is deemed to be a Terminating Event pursuant to Part 10 hereof.

## **PART 2 ESTABLISHMENT AND PURPOSE OF THE PLAN**

2.1 Establishment of the Plan. The Corporation hereby establishes this Plan to govern the grant, administration and exercise of Options which may be granted to eligible Optionees.

2.2 Principal Purposes. The principal purposes of this Plan are to provide the Corporation with the advantages of the incentive inherent in stock ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Corporation; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such individuals to remain with the Corporation; and to attract new Directors, Officers, Employees and Consultants to the Corporation.

2.3 Benefit to Shareholders. This Plan is expected to benefit shareholders by enabling the Corporation to attract and retain personnel of a high caliber by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

### PART 3 ADMINISTRATION

3.1 Board or Committee. This Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 hereof. The Board or, if applicable, the Committee is hereinafter referred to as the “Administrator“.

3.2 Appointment of Committee. The Board may at any time appoint a Committee of the Board (which may be the Compensation Committee), consisting of not less than two directors, to administer this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer this Plan.

3.3 Quorum and Voting. A majority of the members of the Administrator shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the Administrator shall require the affirmative vote of members who constitute a majority of such quorum. Members of the Administrator who are disinterested Persons to an action may vote on any matters affecting the administration of this Plan or the grant of Options pursuant to this Plan, except that no members shall act upon the granting of an Option to themselves (but any such member may be counted in determining the existence of a quorum at any meeting of the Administrator during which action is taken with respect to the granting of Options to such member).

3.4 Powers of Administrator. Subject to the provisions of this Plan and any Applicable Laws, and with a view to effecting the purpose of this Plan, the Administrator shall have sole authority, in its absolute discretion, to:

- (a) administer this Plan in accordance with its express terms;
- (b) determine all questions arising in connection with the administration, interpretation, and application of this Plan, including all questions relating to the value of the Shares;
- (c) correct any defect, supply any information, or reconcile any inconsistency in this Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of this Plan;
- (d) prescribe, amend, and rescind rules and regulations relating to the administration of this Plan;
- (e) determine the duration and purposes of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of this Plan;
- (f) do the following with respect to the granting of Options:
  - (i) determine the Directors, Officers, Employees and Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan,
  - (ii) determine the terms and conditions of the Option Agreement to be entered into with any Optionee (which need not be identical with the terms of any other Option Agreement),
  - (iii) amend the terms and conditions of Option Agreements, provided the Administrator obtains:

- (A) the consent of the Optionee, and
  - (B) if applicable, the approval of the Exchange and / or Disinterested Shareholder Approval,
  - (iv) determine when Options shall be granted,
  - (v) determine the Exercise Price of each Option, and
  - (vi) determine the number of Shares subject to each Option; and
- (g) make all other determinations necessary or advisable for administration of this Plan.

3.5 Obtain Regulatory Approvals. In administering this Plan, the Administrator will obtain any regulatory approvals which may be required pursuant to all Applicable Laws. This Plan is subject to these approvals.

3.6 Administration by Administrator. All determinations made by the Administrator in good faith on matters referred to in Section 3.4 hereof shall be final, conclusive, and binding upon the Corporation and the relevant Optionee. The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Administrator's administration of this Plan shall in all respects be consistent with Exchange Policies.

#### **PART 4 ELIGIBILITY**

4.1 General Eligibility. Options may be granted to an Eligible Charitable Organization or to a Director, Officer, Employee or Consultant of the Corporation or its subsidiary at the time the Option is granted. An Optionee shall not be precluded from being granted an Option solely because such Optionee may previously have been granted an Option under this Plan.

4.2 No Violation of Laws. No Option shall be granted to any Optionee unless the Administrator has determined that the grant of such Option and the exercise thereof by the Optionee will not violate any Applicable Laws.

4.3 Optionees to be Named. No Options shall be granted unless and until the Options have been allocated to a particular Optionee(s).

#### **PART 5 SHARES SUBJECT TO THIS PLAN**

5.1 Maximum Number of Shares Reserved Under Plan. The aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan, together with the aggregate number of Shares reserved for issuance under all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not exceed 10% of the Corporation's issued and outstanding shares at the time of the grant. Such number of Shares is subject to adjustment in accordance with Part 10 hereof. Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Corporation prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares

reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options.

5.2 Sufficient Authorized Shares to be Reserved. If the constating documents of the Corporation limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have expired or terminated may once again be subject to an Option granted under this Plan.

5.3 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:

- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Shares;
- (b) the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Options exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;
- (c) the issuance to any one Optionee, within any twelve (12) month period, of an aggregate number of Options exceeding 5% of the issued and outstanding Shares at the time of the grant of the Options;
- (d) any individual Option grant that would result in any of the limitations set out in Sections 5.3(a), (b) or (c) being exceeded; or
- (e) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price of such Options.

For purposes hereof, Options held by an Insider at any point in time that were granted to such Person prior to it becoming an Insider shall be considered Options granted to an Insider irrespective of the fact that the Person was not an Insider

5.4 Number of Shares Subject to this Plan. Upon exercise of an Option, the number of Shares thereafter available under such Option shall decrease by the number of Shares as to which the Option was exercised; however the same number of Shares shall thereafter again be available for the purposes of this Plan.

5.5 Expiry of Option. If an Option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of this Plan.

## **PART 6 TERMS AND CONDITIONS OF OPTIONS**

6.1 Option Agreement. Each Option shall be evidenced by an Option Agreement, which may contain such terms, not inconsistent with this Plan or any Applicable Laws, as the Administrator in its discretion may deem advisable; provided, that each Option Agreement shall contain the following terms:

- (a) the number of Shares subject to purchase pursuant to such Option;
- (b) the Date of Grant;
- (c) the Term;

- (d) the Exercise Price;
- (e) the Option is not assignable or transferable; and
- (f) such other terms and conditions as the Administrator deems advisable and are consistent with the purposes of this Plan.

6.2 Restrictions of Reservations. Notwithstanding any other provision hereof, for so long as the Shares are listed on the Exchange, the number of Shares reserved for issuance to:

- (a) any one Optionee pursuant to Options granted to such Optionee during any twelve (12) month period shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (b) any one Optionee, who is a Consultant, in respect of Options granted to such Consultant during any twelve (12) month period shall not exceed 1% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (c) all Optionees who are engaged or employed in Investor Relations Activities during any twelve (12) month period shall not exceed in the aggregate 1% of the issued and outstanding Shares, calculated at the date such Options are granted; and
- (d) Eligible Charitable Organizations shall not at any time exceed 1% of the issued and outstanding Shares of the Corporation, calculated at the date such Options are granted.

6.3 Exercise Price. The Exercise Price shall not be less than the greater of the closing market prices of the Shares: (a) on the trading day prior to the Date of Grant of the Options, and (b) on the Date of Grant of the Options; provided that (i) if the Corporation has just been recalled for trading following a suspension or halt, the Corporation must wait until a satisfactory market has been established before setting the exercise price for and granting of the Options (generally ten (10) days from the date of resumption of trading); (ii) a minimum price cannot be established unless the Options are allocated to particular Optionees; and (iii) if Options are granted within ten (10) days of a distribution of securities by way of a prospectus, the minimum exercise price of those Options will be the greater of the market price and the prospectus offering price (the ten (10) day period to be calculated from the date a final receipt is issued for the prospectus).

6.4 Maximum Term of Ten Years. Subject to Section 6.5, the maximum Term of an Option granted shall be ten (10) years from the Date of Grant.

6.5 Blackout Period. The Term of an Option shall be automatically extended if the expiry date falls within a Blackout Period provided that: (i) the Blackout Period is imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information; (ii) the Blackout Period expires upon the general disclosure of such material information; (iii) the expiry date of the affected Options is extended to no later than nine (9) business days after the expiry of the Blackout Period; and (iv) such automatic extension is not applicable if the Corporation or Optionee is also subject to a cease trade order or similar trading restriction.

6.6 Vesting Schedule. No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; provided, that if no vesting schedule is specified at the time of grant, the Option shall vest on the Date of Grant.



6.7 Acceleration of Vesting. The vesting of outstanding Options may be accelerated by the Administrator at such times and in such amount as it may determine in its sole discretion, including, without restriction, in the circumstances set forth in Part 11 hereof.

6.8 Hold Period. In addition to any resale restrictions imposed under applicable securities laws, if required by the Exchange or any other regulatory authority, Options granted under the Plan and Shares issued on exercise of such Options may be required to be legended evidencing that the Options and the Shares issued upon exercise of the Options are subject to a hold period or restricted period as required by the Exchange or other applicable regulatory authority and the Optionee by accepting the Option agrees to comply therewith.

## **PART 7 EXERCISE OF OPTION**

7.1 Method of Exercise. Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or hereunder, an Optionee (or its Successor or Guardian, as applicable) may exercise an Option, prior to the expiry date thereof, by giving written notice thereof to the Corporation at its principal place of business or as otherwise indicated by the Corporation in writing.

7.2 Payment of Exercise Price. The notice described in Section 7.1 hereof shall be accompanied by full payment of the Exercise Price to the extent the Option is so exercised, and full payment of any amounts the Corporation determines must be withheld for tax purposes from the Optionee pursuant to Section 12.3 hereof. Such payment shall be in lawful money (Canadian funds) in cash or by certified cheque.

7.3 Issuance of Stock Certificate. As soon as practicable after exercise of an Option in accordance with Sections 7.1 and 7.2 hereof, the Corporation shall issue a stock certificate evidencing the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.

7.4 Monitoring Trading. An Optionee who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Corporation, within five (5) business days of each trade.

## **PART 8 TRANSFERABILITY OF OPTIONS**

8.1 Non-Transferable. Except as provided otherwise in this Part 8, Options are non-assignable and non-transferable.

8.2 Death of Optionee. If an Optionee should die while any Options remain outstanding in his name, such Options shall pass to the Successor of the Optionee and shall be exercisable by the Successor pursuant to the terms hereof.

8.3 Vesting. In the event of the death or Disability of an Optionee, Options held by a Successor or a Guardian shall, during the period prior to the termination of such Option, continue to vest in accordance with any vesting schedule to which such Options are subject. In the event the Optionee's position as an Employee, Consultant, Director or Officer terminates for a reason other than the Optionee's Disability, death, or termination for just cause, vesting of Options held by such Optionee shall cease on the date the Optionee ceases to have a position as an Employee, Consultant, Director or Officer, which, in the case of the Optionee being an Employee, shall be the date of the Optionee's termination of, or resignation from,

active employment with the Corporation or its Affiliate, regardless of whether adequate or proper advance notice of termination or resignation shall have been provided in respect of such cessation.

8.4 Majority Agreement. If two or more Persons constitute the Successor or the Guardian of an Optionee, the rights of such Successor or such Guardian shall be exercisable only upon the majority agreement of such Persons.

8.5 Deemed Non-Interruption of Employment. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed ninety (90) days or, if longer, for so long as the Optionee's right to re-employment with the Corporation is guaranteed either by statute or by contract. If the period of such leave exceeds ninety (90) days and the Optionee's re-employment is not so guaranteed, then his or her employment shall be deemed to have terminated on the ninety-first (91<sup>st</sup>) day of such leave.

## **PART 9 TERMINATION OF OPTIONS**

9.1 Termination of Options. To the extent not earlier exercised or terminated, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Agreement;
- (b) where the Optionee's position as an Employee, Consultant, Director or Officer is terminated for just cause, the date of such termination for just cause;
- (c) where the Optionee's position as an Employee, Consultant, Director or Officer terminates for a reason other than the Optionee's Disability, death, or termination for just cause, ninety (90) days after such date of termination;
- (d) where the Optionee's position as an Employee, Consultant, Director or Officer terminates as a result of the Optionee's death or Disability, such Options may be exercisable by the Successor or the Guardian, respectively, for a period to be determined by the Administrator at the time of death or Disability, which period shall not be less than three (3) months and not more than six (6) months from the date of death;
- (e) where the Optionee is an Eligible Charitable Organization, an Option granted by the Corporation to such Eligible Charitable Organization shall terminate the ninetieth (90<sup>th</sup>) day following the date the Optionee ceases to be an Eligible Charitable Organization;
- (f) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1 hereof; and
- (g) the date specified in Part 10 hereof for termination in the event of a Terminating Event.

## **PART 10 ADJUSTMENTS TO OPTIONS**

10.1 Alteration of Capital. In the event of any material change in the outstanding Shares of the Corporation prior to complete exercise of any Option by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable

under this Plan or subject to outstanding Options, and the Exercise Price of such Shares. Any such adjustment shall be made in the sole discretion of the Board, acting on recommendations made by the Administrator, and shall be conclusive and binding for all purposes of this Plan. If the Administrator determines that the nature of a material alteration in the capital structure of the Corporation is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event for the purposes of this Plan.

10.2 No Fractions. No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of any adjustment set out hereof an Optionee would be entitled to a fractional Share, the Optionee shall have the right to purchase only the adjusted number of full Shares and no payment or other adjustment shall be made with respect to the fractional Share so disregarded.

10.3 Terminating Events. Subject to Section 10.4 hereof, all Options granted under this Plan shall terminate upon the occurrence of a Terminating Event.

10.4 Notice of Terminating Event. The Administrator shall give notice to Optionees not less than thirty (30) days prior to the consummation of a Terminating Event. Upon the giving of such notice, all Options granted under this Plan shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

10.5 Determinations to be made by Administrator. Adjustments and determinations under this Part 10 shall be made by the Administrator, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

## **PART 11 CHANGE OF CONTROL**

11.1 Change of Control. The Corporation shall give written notice of a Change of Control to the Optionees, together with a description of the effect of such Change of Control on outstanding Options, not less than ten (10) business days prior to the closing of the transaction resulting in the Change of Control, subject to any confidentiality obligations to which the Corporation may be subject. Notwithstanding anything else in the Plan or any agreements entered into between the Corporation and each Optionee to whom an Option is granted hereunder to the contrary, the Board may, in connection with a Change of Control and in its sole discretion and without the consent of any Optionee: (i) take such steps as are necessary or desirable to cause the conversion or exchange or replacement of any outstanding Options into or for, rights or other securities of substantially equivalent value (or greater value) and with substantially similar terms, as determined by the Board in its sole discretion, in any entity participating in or resulting from a Change of Control; or (ii) accelerate the vesting of any or all outstanding Options to provide that such outstanding Options shall be fully vested upon (or immediately prior to) the completion of the transaction resulting in the Change of Control.

## **PART 12 TERMINATION AND AMENDMENT OF PLAN**

12.1 Termination of Plan. The Administrator may terminate this Plan at the same time as all Options are terminated upon a Terminating Event pursuant to Section 10.1. The Administrator reserves the right in its absolute discretion to suspend, terminate or discontinue the Plan with respect to all Shares reserved under the Plan in respect of Options which have not yet been granted, provided that no such termination shall be effected if do so would affect the rights of then existing Optionees, without the approval of such Optionees.

12.2 Power of Administrator to Amend Plan. The Administrator may amend this Plan so as to: (i) correct typographical errors; (ii) clarify existing provisions of the Plan, which clarifications do not have the effect of altering the scope, nature or intent of such provisions; and (iii) maintain compliance with any Applicable Laws. The Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Administrator may consider necessary for the Corporation to comply with or to avail the Corporation and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirements. No such amendment, suspension or termination shall adversely affect rights under any Options previously granted without the consent of the Optionees to whom such Options were granted.

Notwithstanding the above, the Corporation may grant Options under amendments made to this Plan that it would not otherwise be permitted to grant prior to obtaining requisite shareholder approval, provided that: (i) the Corporation also obtains specific shareholder approval for such grants, separate and apart from shareholders' approval to the amendments, (ii) no Options granted under the amendments are exercised prior to shareholder approval, (iii) shareholder approval is obtained on or before the earlier of the Corporation's next annual general meeting or twelve (12) months from the amendment of the Plan. Should such shareholder approval not be obtained, the amendments will terminate and any Options granted thereunder will terminate.

The Board may do the following, without obtaining shareholder approval:

- (i) amend the Plan to correct typographical, grammatical or clerical errors;
- (ii) change the vesting provisions of an Option granted under the Plan, if applicable;
- (iii) change the termination provision of an Option granted under the Plan if it does not entail an extension beyond the original expiry date of such Option;
- (iv) make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Corporation;
- (v) make such amendments as may otherwise be permitted by regulatory authorities;
- (vi) if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) amend the Plan to reduce the benefits that may be granted to service providers.

12.3 Shareholder Approvals. Any shareholder approval required to amend this Plan may take place at a meeting of the shareholders, or be evidenced by the signature of the majority of the shareholders indicating their approval of a proposal to an amendment thereto.

12.4 No Grant During Suspension of Plan. No Option may be granted during any suspension, or after termination, of this Plan. Amendment, suspension, or termination of this Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

**PART 13**  
**CONDITIONS PRECEDENT TO ISSUANCE OF SHARES**

13.1 Compliance with Laws. Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such Shares comply with all Applicable Laws, and such issuance may be further subject to the approval of counsel for the Corporation with respect to such compliance, including the availability of an exemption from prospectus and registration requirements for the issuance and sale of such Shares. The inability of the Corporation to obtain from any regulatory body the authority deemed by the Corporation to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from prospectus and registration requirements for the issuance and sale of any Shares under this Plan, shall relieve the Corporation of any liability with respect to the non-issuance or sale of such Shares.

13.2 Representations by Optionee. As a condition precedent to the exercise of any Option, the Corporation may require the Optionee to represent and warrant, at the time of exercise, that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Corporation, such representations and warranties are required by any Applicable Laws. If necessary under Applicable Laws, the Administrator may cause a stop-transfer order against such Shares to be placed on the stock books and records of the Corporation, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any Applicable Laws, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Administrator also may require such other documentation as may from time to time be necessary to comply with applicable securities laws. **THE CORPORATION HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES ISSUABLE UPON THE EXERCISE OF OPTIONS IN THE UNITED STATES OR ANY OTHER JURISDICTION OUTSIDE OF CANADA.**

13.3 Tax Withholding. The Corporation shall have the power and the right to deduct or withhold, or require a Optionee to remit to the Corporation, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of Options granted under the Plan. With respect to required withholding, the Corporation shall have the irrevocable right to, and the Optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the Optionee (whether arising pursuant to the Optionee's relationship as a Director, Officer, Employee, Consultant or Eligible Charitable Organization or as a result of the Optionee providing services on an ongoing basis to the Corporation or otherwise), or may make such other arrangements satisfactory to the Optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the withholding obligation net of selling costs. The Optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Shares.

**PART 14**  
**NOTICES**

14.1 Notices. All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and may be served in any one of the following ways: (i) personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; (ii) facsimile transmission or by electronic mail, in which case notice shall be deemed to have been duly given on the date the fax or email

is sent; or (iii) mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the fifth postal delivery day following the date of such mailing.

## **PART 15 MISCELLANEOUS PROVISIONS**

15.1 No Obligation to Exercise. Optionees shall be under no obligation to exercise Options granted under this Plan.

15.2 No Obligation to Retain Optionee. Nothing contained in this Plan shall obligate the Corporation to retain an Optionee as a Director, Officer, Employee or Consultant for any period, nor shall this Plan interfere in any way with the right of the Corporation to change the terms or conditions of the Optionee's employment or engagement with the Corporation, including the Optionee's compensation.

15.3 Optionee's Rights. An Optionee shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Shares represented by such certificate or certificates.

15.4 Shares Duly Issued. Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefore in accordance with the terms of the Option, and the issuance of Shares thereunder will not require a resolution or approval of the Board.

15.5 Options to Companies. The provisions herein in respect of the grant of Options shall apply, with appropriate modifications, to the grant of Options to a company either: (i) wholly-owned by any person whom Options may otherwise be granted hereunder; or (ii) controlled by any person to whom Options may otherwise be granted hereunder (and the shares of which are held directly or indirectly by any such person and such person's spouse, minor children and/or minor grandchildren), subject to any requirements of any applicable regulatory authority having jurisdiction, including any Exchange.

15.6 Independent Advice. Optionees are encouraged to seek tax advice in respect of the grant and exercise of Options and the issuance of the resulting Shares.

15.7 No Guarantees Regarding Tax Treatment. Optionees (or their beneficiaries) shall be responsible for all taxes with respect to any Options under the Plan, whether arising as a result of the grant or exercise of Options or otherwise. The Board and the Corporation make no guarantees to any person regarding the tax treatment of Options or payments made under the Plan and none of the Corporation, nor any of its employees or representatives shall have any liability to an Optionee with respect thereto.

15.8 Binding Agreement. The provisions of this Plan and each Option Agreement with an Optionee shall be binding upon such Optionee and the Successor or Guardian of such Optionee.

15.9 Governing Law. The laws of the Province of British Columbia shall apply to this Plan and all rights and obligations hereunder shall be determined in accordance with such laws.

15.10 Use of Terms. Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

**SCHEDULE "A"**

**OPTION AGREEMENT**

**LUXXFOLIO HOLDINGS INC.**

*The Option granted herein is not assignable or transferable by the Optionee.*

This Option Agreement is entered into between Luxxfolio Holdings Inc. ("the Company") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan"), a copy of which is attached hereto, and confirms that:

1. on \_\_\_\_\_, \_\_\_\_\_ (the "Grant Date");
2. \_\_\_\_\_ (the "Optionee");
3. was granted the option (the "Option") to purchase \_\_\_\_\_ Common Shares (the "Option Shares") of the Company;
4. at the price (the "Exercise Price") of \$\_\_\_\_\_ per Option Share;
5. which shall / shall not (select) be exercisable ("Vested") in accordance with Section 6.6 of the Plan (applicable if the Optionee is a person who performs Investor Relations Activities for the Company);
6. shall expire on \_\_\_\_\_, 20\_\_\_\_ (the "Expiry Date"); and
7. [insert other terms or conditions],

all on the terms and subject to the conditions set out in the Plan.

By receiving and accepting the Options, the Optionee:

- (a) confirms that he has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Certificate;
- (b) consents to the disclosure to the Canadian Securities Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (c) consents to the collection, use and disclosure of such personal information by the Canadian Securities Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

Issued as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

LUXXFOLIO HOLDINGS INC.  
By its authorized signatory:

[NAME OF OPTIONEE]

\_\_\_\_\_

\_\_\_\_\_

**SCHEDULE "B"**

**Stock Option Plan**

**Exercise Notice**

TO: LUXXFOLIO HOLDINGS INC.

Re: Exercise of Options

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan (the "Plan") of Luxxfolio Holdings Inc. (the "Corporation"), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (i) all of the Option Shares; or
- (ii) certain of the Option Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (iii) number of Shares to be acquired on exercise: \_\_\_\_\_ Option Shares
  - (iv) times the Exercise Price per Option Share: \$ \_\_\_\_\_
- Total Exercise Price, as enclosed herewith: \$ \_\_\_\_\_

The undersigned tenders herewith a cheque or bank draft for the Total Exercise Price, payable to the Corporation, and directs the Corporation to issue the share certificate evidencing the Option Shares in the name of the undersigned to be mailed to the undersigned at the following address:

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in this Plan.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Option Holder (Print)





**SCHEDULE B**

**REDLINED VERSION OF AMENDED AND RESTATED STOCK OPTION PLAN**

**LUXXFOLIO HOLDINGS INC.**

**AMENDED AND RESTATED STOCK OPTION PLAN**

**PART I**

**FEBRUARY 22, 2022**

**PART 1**  
**INTERPRETATION**

1.1 Defined Terms. For the purposes of this Plan, the following terms shall have the following meanings:

“**Administrator**” has the meaning ascribed thereto in Section 3.1 hereof;

“**Affiliate**” means a corporation related to another corporation if one of them is the subsidiary of the other, or both are subsidiaries of the same corporation, or each of them is controlled by the same Person;

“**Applicable Laws**” means all legal requirements relating to the administration of stock option plans, if any, under applicable corporate laws, any applicable state or provincial securities laws, the rules and regulations promulgated thereunder, and the requirements of the Exchange, and the laws of any foreign jurisdiction applicable to Options granted to residents therein;

~~“**Associate**” means, where used to indicate a relationship with any Person,~~

- ~~(i) any relative, including the spouse, son or daughter, of that Person or a relative of that Person’s spouse, if the relative has the same home as that Person,~~
- ~~(ii) any partner, other than a limited partner, of that Person,~~
- ~~(iii) any trust or estate in which such Person has a substantial beneficial interest or as to which such Person serves as trustee or in a similar capacity, or~~
- ~~(iv) any corporation of which such Person beneficially owns, directly or indirectly, voting securities carrying more than ten percent of the voting rights attached to all outstanding voting securities of the corporation;~~

“**Board**” means the Board of Directors of the Corporation;

“**Blackout Period**” means a period during which an Optionee is restricted by the Corporation from trading in the Corporation's securities pending the dissemination of previously undisclosed material information;

~~“**Charitable Option**” means an Option or equivalent security granted by the Corporation to an Eligible Charitable Organization;~~

~~“**Charitable Organization**” has the meaning as ascribed thereto in the Tax Act~~**Change of Control**  
means:

- ~~(i) the purchase or acquisition of any outstanding Shares or Convertible Securities by a Person or any group of two or more Persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation) which results in the beneficial ownership, or control or direction over, Shares or Convertible Securities such that, assuming the conversion of Convertible Securities beneficially owned or over which control or direction is exercised, there is beneficial ownership, or control or direction over, Shares carrying the right to cast more than 50% of the votes attaching to all outstanding Shares by a Person or any group of two or more Persons acting jointly or in concert (other than a wholly-owned subsidiary of the Corporation), but excluding any issue or sale of Shares of the Corporation to an investment dealer or group of investment dealers as underwriters or agents for distribution to the public either by way of prospectus or private placement;~~  
~~or~~

- (ii) the approval by the shareholders of the Corporation of an amalgamation, arrangement, merger or other consolidation or combination of the Corporation with another entity which requires approval of the shareholders of the Corporation pursuant to its statute of incorporation and pursuant to which the shareholders of the Corporation immediately thereafter do not own shares of the successor or continuing entity, which would entitle them to cast more than 50% of the votes attaching to all shares in the capital of the successor or continuing corporation, which may be cast to elect directors of that corporation, provided that immediately following such event the members of the Board immediately prior to such event do not constitute a majority of the board of directors (or equivalent) of the successor or continuing corporation or entity immediately following such event; or
- (iii) approval by the shareholders of the Corporation of the liquidation, dissolution or winding-up of the Corporation; or
- (iv) approval by the shareholders of the Corporation of the sale, lease, or other disposition of all or substantially all of the assets of the Corporation; or
- (v) the completion of any transaction or the first of a series of transactions which would have the same or similar effect as any transaction or series of transactions referred to in subsections (i), (ii), (iii), and (iv) referred to above; or
- (vi) a determination by the Board that there has been a change, whether by way of a change in the holding of the Shares of the Corporation, in the ownership of the Corporation's assets or by any other means, as a result of which any Person or group of Persons acting jointly or in concert is in a position to exercise effective control of the Corporation,

provided that notwithstanding the application of any of the foregoing, a "Change of Control" shall be deemed to not have occurred if a majority of the Board, in good faith, determines that the transaction is, in substance, a reorganization, or that the particular circumstances are such that a Change of Control was not intended to occur, and any such determination shall be binding and conclusive for all purposes;

**"Committee"** means a committee of the Board appointed in accordance with ~~Section~~ 3.2 hereof;

~~"Corporation" means Luxxfolio Holdings Inc. and its Affiliates~~ **"Convertible Securities"** means any securities convertible or exchangeable into Shares or carrying the right or obligation to acquire Shares;

**"Consultant"** means, in relation to the Corporation, an individual (other than an Employee or a Director of the Corporation) or company, that:

- (i) is engaged to provide on an ongoing bona fide basis, consulting, technical, management or other services to the Corporation, other than services provided in relation to a distribution of securities,
- (ii) provides the services under a written contract between the Corporation or an Affiliate and the individual or the company, as the case may be
- (iii) in the reasonable opinion of the Corporation, spends or will spend a significant amount of time and attention on the affairs and business of the Corporation or an Affiliate; and

- (iv) has a relationship with the Corporation or an Affiliate that enables the individual to be knowledgeable about the business and affairs of the Corporation;

**“Corporation”** means Luxxfolio Holdings Inc. and its Affiliates;

**“Date of Grant”** means the date on which a grant of an Option is effective;

**“Director”** means a director of the Corporation or ~~an~~its Affiliate;

**“Disability”** means a medically determinable physical or mental impairment expected to result in death or to last for a continuous period of not less than twelve (12) months which causes an individual to be unable to engage in any substantial gainful activity;

**“Disinterested Shareholder Approval”** means approval by a majority of the votes cast by shareholders of the Corporation or their proxies at a meeting of the shareholders’ meeting of the Corporation other than votes attaching to securities beneficially owned by Insiders to whom Options may be granted pursuant to this Plan and their Associates (as defined in the Securities Act (British Columbia)) and, for purposes of this Plan, holders of non-voting and subordinate voting securities (if any) will be given full voting rights on a resolution which requires disinterested shareholder approval;

**“Eligible Charitable Organization”** means any Charitable Organization or Public Foundation which is a Registered Charity, but is not a Private Foundation (as such terms are defined in the Tax Act);

**“Employee”** means:

- (i) ~~(i)~~ an individual who is considered an employee of the Corporation or its ~~subsidiary~~Affiliate under the ~~Income Tax Act (Canada)~~ (and for whom income tax, employment insurance and CPP deductions must be made at source); or
- (ii) ~~(ii)~~ an individual who works for the Corporation or its ~~subsidiary~~Affiliate on a continuing and regular basis for a minimum amount of time per week providing services normally provided by an employee and who is subject to the same control and direction by the Corporation over the details and methods of work as an employee of the Corporation, but for whom income tax deductions are not made at source;

**“Exchange”** means the Canadian Securities Exchange, or any other stock exchange on which the Corporation’s Shares are listed for trading;

~~“Exchange Policies” mean the policies set forth in the Exchange’s Policies and Procedures, as amended from time to time.~~**“Exercise Price”** means the price at which an Option is exercisable in accordance with Section 6.3 hereof;

**“Guardian”** means the guardian, if any, appointed for an Optionee;

**“Insider”** means:

- (i) a director or senior officer of the Corporation;

- (ii) a director or senior officer of an entity that is itself an insider or subsidiary of the Corporation; or
- (iii) a Person that beneficially owns or controls, directly or indirectly, voting securities carrying more than 10% of the voting rights attached to all outstanding voting securities of the Corporation; or
- (iv) the Corporation itself if it holds any of its own securities;

“**Investor Relations Activities**” has the meaning ascribed thereto in the Exchange Policies;

~~“**Management Company Employee**” means an individual employed by a Person providing management services to the Corporation (other than Investor Relations Activities), which are required for the ongoing successful operation of the business of the Corporation and Procedures, as amended from time to time;~~

“**Officer**” means the chief executive officer, the chief financial officer, president, vice president, secretary, treasurer, manager, comptroller and any person routinely performing corresponding functions and/or policy making functions with respect to the Corporation or its ~~subsidiaries~~Affiliates, and includes ~~a Management Company Employee that~~an individual employed by a Person other than a natural person which Person: (a) provides the management services of such Officer to the Corporation (other than Investor Relations Activities) which are required for the ongoing successful operation of the business of the Corporation; and (b) is either: (i) wholly-owned by the natural person to whom Options would otherwise be granted; or (ii) controlled by the natural person to whom Options would otherwise be granted hereunder (and the shares (or similar equity or ownership interests) of which are held directly or indirectly by any such natural person and such natural person's spouse, minor children and/or minor grandchildren);

“**Option**” means an option to purchase Shares granted pursuant to the provisions of this Plan;

“**Option Agreement**” means a written agreement between the Corporation and an Optionee, specifying the terms of the Option being granted to the Optionee under this Plan, which may be in the form set out in Schedule “A” hereto;

~~“**Option Price**” means the price at which an Option to purchase Shares is exercisable;~~

“**Optionee**” means the recipient of an Option granted by the Corporation pursuant to this Plan;

“**Person**” means a natural person, firm, corporation, government, or political subdivision or agency of a government; and where two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of securities of an issuer, such syndicate or group shall be deemed to be a Person;

“**Plan**” means this amended and restated stock option plan of the Corporation, as amended from time to time;

~~“**Private Foundation**” has the meaning as ascribed thereto in the Tax Act;~~

~~“**Public Foundation**” has the meaning as ascribed thereto in the Tax Act;~~

~~“**Registered Charity**” has the meaning as ascribed thereto in the Tax Act;~~

“**Shares**” means the common shares without par value in the capital of the Corporation;

“**Successor**” means the legal heirs or personal representatives of the Optionee upon death, pursuant to a will or the laws of descent and distribution of the applicable jurisdictions;

“**Tax Act**” means the *Income Tax Act* (Canada), as amended from time to time;

“**Term**” means the period of time during which an Option is exercisable; and

“**Terminating Event**” means:

- (i) the dissolution or liquidation of the Corporation, or
- (ii) a material change in the capital structure of the Corporation that is deemed to be a Terminating Event pursuant to ~~Section 10.1 or 10.5~~ Part 10 hereof.

## **PART 2 ESTABLISHMENT AND PURPOSE OF THE PLAN**

2.1 Establishment of the Plan. The Corporation hereby establishes this Plan to govern the grant, administration and exercise of Options which may be granted to eligible Optionees.

2.2 Principal Purposes. The principal purposes of this Plan are to provide the Corporation with the advantages of the incentive inherent in stock ownership on the part of Directors, Officers, Employees and Consultants responsible for the continued success of the Corporation; to create in such individuals a proprietary interest in, and a greater concern for, the welfare and success of the Corporation; to encourage such individuals to remain with the Corporation; and to attract new Directors, Officers, Employees and Consultants to the Corporation.

2.3 Benefit to Shareholders. This Plan is expected to benefit shareholders by enabling the Corporation to attract and retain personnel of a high caliber by offering them an opportunity to share in any increase in value of the Shares resulting from their efforts.

## **PART 3 ADMINISTRATION**

3.1 Board or Committee. This Plan shall be administered by the Board or by a Committee appointed in accordance with Section 3.2 hereof. The Board or, if applicable, the Committee is hereinafter referred to as the “Administrator”<sup>236</sup>.

3.2 Appointment of Committee. The Board may at any time appoint a Committee of the Board (which may be the Compensation Committee), consisting of not less than two ~~of its members~~ directors, to administer this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan. Once appointed, the Committee shall continue to serve until otherwise directed by the Board. From time to time, the Board may increase the size of the Committee and appoint additional members, remove members (with or without cause) and appoint new members in their place, fill vacancies however caused, or remove all members of the Committee and thereafter directly administer this Plan.

3.3 Quorum and Voting. A majority of the members of the ~~Committee~~ Administrator shall constitute a quorum, and, subject to the limitations in this Part 3, all actions of the ~~Committee~~ Administrator shall



require the affirmative vote of members who constitute a majority of such quorum. Members of the ~~Committee~~Administrator who are disinterested Persons to an action may vote on any matters affecting the administration of this Plan or the grant of Options pursuant to this Plan, except that no ~~such member~~members shall act upon the granting of an Option to ~~himself~~themselves (but any such member may be counted in determining the existence of a quorum at any meeting of the ~~Committee~~Administrator during which action is taken with respect to the granting of Options to ~~him~~such member).

~~3.4~~ 3.4 Powers of Administrator. Subject to the provisions of this Plan and any Applicable Laws, and with a view to effecting the purpose of this Plan, the Administrator shall have sole authority, in its absolute discretion, to:

- ~~(a)~~ (a) administer this Plan in accordance with its express terms;
- ~~(b)~~ (b) determine all questions arising in connection with the administration, interpretation, and application of this Plan, including all questions relating to the value of the Shares;
- ~~(c)~~ (c) correct any defect, supply any information, or reconcile any inconsistency in this Plan in such manner and to such extent as shall be deemed necessary or advisable to carry out the purposes of this Plan;
- ~~(d)~~ (d) prescribe, amend, and rescind rules and regulations relating to the administration of this Plan;
- ~~(e)~~ (e) determine the duration and purposes of leaves of absence from employment which may be granted to Optionees without constituting a termination of employment for purposes of this Plan;
- ~~(f)~~ (f) do the following with respect to the granting of Options:
  - (i) determine the Directors, Officers, Employees and Consultants to whom Options shall be granted, based on the eligibility criteria set out in this Plan,
  - (ii) determine the terms and conditions of the Option Agreement to be entered into with any Optionee (which need not be identical with the terms of any other Option Agreement),
  - (iii) amend the terms and conditions of Option Agreements, provided the Administrator obtains:
    - ~~(A)~~ (A) the consent of the Optionee, and
    - ~~(B)~~ (B) if applicable, the approval of the Exchange and / or Disinterested Shareholder Approval,
  - (iv) determine when Options shall be granted,
  - (v) determine the ~~Option~~Exercise Price of each Option, and
  - (vi) determine the number of Shares subject to each Option; and
- ~~(g)~~ (g) make all other determinations necessary or advisable for administration of this Plan.

~~3.5~~ 3.4 Obtain Regulatory Approvals. In administering this Plan, the Administrator will obtain any regulatory approvals which may be required pursuant to all Applicable Laws. This Plan is subject to these approvals.

3.6 ~~3.5~~ Administration by Administrator. All determinations made by the Administrator in good faith on matters referred to in Section 3.4 hereof shall be final, conclusive, and binding upon the Corporation and the relevant Optionee. The Administrator shall have all powers necessary or appropriate to accomplish its duties under this Plan. In addition, the Administrator's administration of this Plan shall in all respects be consistent with Exchange Policies.

#### **PART 4 ELIGIBILITY**

4.1 General Eligibility. Options may be granted to an Eligible Charitable Organization or to a Director, Officer, Employee or Consultant of the Corporation or its subsidiary at the time the Option is granted. An Optionee shall not be precluded from being granted an Option solely because such Optionee may previously have been granted an Option under this Plan.

4.2 No Violation of Laws. No Option shall be granted to any Optionee unless the Administrator has determined that the grant of such Option and the exercise thereof by the Optionee will not violate any Applicable Laws.

4.3 Optionees to be Named. No Options shall be granted unless and until the Options have been allocated to a particular Optionee(s).

#### **PART 5 SHARES SUBJECT TO THIS PLAN**

5.1 Maximum Number of Shares Reserved Under Plan. The aggregate number of Shares which may be reserved for issuance pursuant to the exercise of Options granted under this Plan, together with the aggregate number of Shares reserved for issuance under all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, shall not exceed 10% of the Corporation's issued and outstanding shares at the time of the grant. Such number of Shares is subject to adjustment in accordance with Part 10 hereof. Any Shares reserved for issuance pursuant to the exercise of stock options granted by the Corporation prior to this Plan coming into effect and which are outstanding on the date on which this Plan comes into effect shall be included in determining the number of Shares reserved for issuance hereunder as if such stock options were granted under this Plan. The terms of this Plan shall not otherwise govern such pre-existing stock options.

5.2 Sufficient Authorized Shares to be Reserved. If the constating documents of the Corporation limit the number of authorized Shares, a sufficient number of Shares shall be reserved by the Board to satisfy the exercise of Options granted under this Plan. Shares that were the subject of Options that have expired or terminated may once again be subject to an Option granted under this Plan.

5.3 Disinterested Shareholder Approval. Unless Disinterested Shareholder Approval is obtained, under no circumstances shall this Plan, together with all of the Corporation's other previously established or proposed stock option plans, employee stock purchase plans or any other compensation or incentive mechanisms involving the issuance or potential issuance of Shares, result in or allow at any time:

- (a) the number of Shares reserved for issuance pursuant to Options granted to Insiders (as a group) at any point in time exceeding 10% of the issued and outstanding Shares;

- (b) the grant to Insiders (as a group), within a twelve (12) month period, of an aggregate number of Options exceeding 10% of the issued and outstanding Shares at the time of the grant of the Options;
- (c) the issuance to any one Optionee, within any twelve (12) month period, of an aggregate number of Options exceeding 5% of the issued and outstanding Shares at the time of the grant of the Options;
- (d) any individual Option grant that would result in any of the limitations set out in ~~sections~~Sections 5.3 (a), (b) or (c) being exceeded; or
- (e) any amendment to Options held by Insiders that would have the effect of decreasing the exercise price of such Options.

For purposes hereof, Options held by an Insider at any point in time that were granted to such Person prior to it becoming an Insider shall be considered Options granted to an Insider irrespective of the fact that the Person was not an Insider

5.4 Number of Shares Subject to this Plan. Upon exercise of an Option, the number of Shares thereafter available under such Option shall decrease by the number of Shares as to which the Option was exercised; however the same number of Shares shall thereafter again be available for the purposes of this Plan.

5.5 Expiry of Option. If an Option expires or terminates for any reason without having been exercised in full, the un-purchased Shares subject thereto shall again be available for the purposes of this Plan.

## **PART 6 TERMS AND CONDITIONS OF OPTIONS**

6.1 Option Agreement. Each Option shall be evidenced by an Option Agreement, which may contain such terms, not inconsistent with this Plan or any Applicable Laws, as the Administrator in its discretion may deem advisable; provided, that each Option Agreement shall contain the following terms:

- (a) the number of Shares subject to purchase pursuant to such Option;
- (b) the Date of Grant;
- (c) the Term;
- (d) the ~~Option~~Exercise Price;
- (e) the Option is not assignable or transferable; and
- (f) such other terms and conditions as the Administrator deems advisable and are consistent with the purposes of this Plan.

6.2 Restrictions of Reservations. Notwithstanding any other provision hereof, for so long as the Shares are listed on the Exchange, the number of Shares reserved for issuance to:

- (a) ~~(a)~~—any one Optionee pursuant to Options granted to such Optionee during any twelve (12) month period shall not exceed 5% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (b) ~~(b)~~—any one Optionee, who is a Consultant, in respect of Options granted to such Consultant during any twelve (12) month period shall not exceed 1% of the issued and outstanding Shares, calculated at the date such Options are granted;
- (c) ~~(c)~~—all Optionees who are engaged or employed in Investor Relations Activities during any twelve (12) month period shall not exceed in the aggregate 1% of the issued and outstanding Shares, calculated at the date such Options are granted; and
- (d) ~~(d)~~—Eligible Charitable Organizations shall not at any time exceed 1% of the issued and outstanding Shares of the Corporation, calculated at the date such Options are granted.

6.3 Exercise Price. The ~~Option~~Exercise Price shall not be less than the greater of the closing market prices of the Shares ~~on: (i) on~~ the trading day prior to the ~~date~~Date of the ~~grant~~Grant of the Options, and ~~(ii) on the date~~Date of ~~grant~~Grant of the Options; provided that (i) if the Corporation has just been recalled for trading following a suspension or halt, the Corporation must wait until a satisfactory market has been established before setting the exercise price for and granting of the Options (generally ten (10) days from the date of resumption of trading); (ii) a minimum price cannot be established unless the Options are allocated to particular Optionees; and (iii) if Options are granted within ten (10) days of a distribution of securities by way of a prospectus, the minimum exercise price of those Options will be the greater of the market price and the prospectus offering price (the ten (10) day period to be calculated from the date a final receipt is issued for the prospectus).

6.4 Maximum Term of Ten Years. Subject to ~~section~~Section 6.5, the maximum Term of an Option granted shall be ten (10) years from the Date of Grant.

6.5 Blackout Period. The Term of an Option shall be automatically extended if the expiry date falls within a Blackout Period provided that: (i) the Blackout Period is imposed by the Corporation pursuant to its internal trading policies as a result of the bona fide existence of undisclosed material information; (ii) the Blackout Period expires upon the general disclosure of such material information; (iii) the expiry date of the affected Options is extended to no later than nine (9) business days after the expiry of the Blackout Period; and (iv) such automatic extension is not applicable if the Corporation or Optionee is also subject to a cease trade order or similar trading restriction.

6.6 Vesting Schedule. No Option shall be exercisable until it has vested. The vesting schedule for each Option shall be specified by the Administrator at the time of grant of the Option prior to the provision of services with respect to which such Option is granted; provided, that if no vesting schedule is specified at the time of grant, the Option shall vest on the ~~date it is granted~~Date of Grant.

6.7 Acceleration of Vesting. The vesting of outstanding Options may be accelerated by the Administrator at such times and in such amount as it may determine in its sole discretion, including, without restriction, in the circumstances set forth in Part 11 hereof.

6.8 Hold Period. ~~If required by Applicable Laws, any Options will be subject to a hold period expiring on the date that is four months and a day after the Date of Grant, and the Option Agreements~~In addition to any resale restrictions imposed under applicable securities laws, if required by the Exchange or any other regulatory authority, Options granted under the Plan and Shares issued on exercise of such Options may be required to be legended evidencing that the Options and the certificates representing any

~~Shares issued prior to upon exercise of the expiry of such hold period will bear a legend in substantially the following form: Options are subject to a hold period or restricted period as required by the Exchange or other applicable regulatory authority and the Optionee by accepting the Option agrees to comply therewith.~~

~~“UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THE SECURITIES REPRESENTED HEREBY MUST NOT TRADE THE SECURITIES BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND ONE DAY AFTER THE DATE OF GRANT].”~~

## **PART 7 EXERCISE OF OPTION**

7.1 Method of Exercise. Subject to any limitations or conditions imposed upon an Optionee pursuant to the Option Agreement or ~~Part 6 hereof~~ hereunder, an Optionee (or its Successor or Guardian, as applicable) may exercise an Option, prior to the expiry date thereof, by giving written notice thereof to the Corporation at its principal place of business or as otherwise indicated by the Corporation in writing.

7.2 Payment of ~~Option~~ Exercise Price. The notice described in Section 7.1 hereof shall be accompanied by full payment of the Option Exercise Price to the extent the Option is so exercised, and full payment of any amounts the Corporation determines must be withheld for tax purposes from the Optionee pursuant to ~~the Option Agreement~~ Section 12.3 hereof. Such payment shall be in lawful money (Canadian funds) in cash or by certified cheque.

7.3 Issuance of Stock Certificate. As soon as practicable after exercise of an Option in accordance with Sections 7.1 and 7.2 hereof, the Corporation shall issue a stock certificate evidencing the Shares with respect to which the Option has been exercised. Upon due exercise of an Option, the Optionee shall be entitled to all rights to vote or receive dividends or any other rights as a shareholder with respect to such Shares.

7.4 Monitoring Trading. An Optionee who performs Investor Relations Activities shall provide written notice to the Board of each of his trades of securities of the Corporation, within five (5) business days of each trade.

## **PART 8 TRANSFERABILITY OF OPTIONS**

8.1 Non-Transferable. Except as provided otherwise in this Part 8, Options are non-assignable and non-transferable.

8.2 Death of Optionee. If an Optionee should die while any Options remain outstanding in his name, such Options shall pass to the Successor of the Optionee and shall be exercisable by the Successor ~~for a period pursuant to be determined by the Administrator, which shall not be less than the earlier of one year after the date of death of such Optionee and the date of expiration of such Options.~~

8.3 Disability of Optionee. ~~If the employment of an Optionee as an Employee or Consultant of the Corporation, or the position of an Optionee as a Director or Officer, is terminated by the Corporation by reason of such Optionee's Disability, any Option held by such Optionee that could have been exercised immediately prior to such termination of employment shall be exercisable by such Optionee, or by his~~

~~Guardian, for a period of 90 days following the termination of employment of such Optionee~~terms hereof.

~~8.3~~ 8.4-Vesting. In the event of the death or Disability of an Optionee, Options held by a Successor or exercisable by a Guardian shall, during the period prior to the termination of such Option, continue to vest in accordance with any vesting schedule to which such Options are subject. In the event the Optionee's position as an Employee, Consultant, Director or Officer terminates for a reason other than the Optionee's Disability, death, or termination for just cause, vesting of Options held by such Optionee shall cease on the date the Optionee ceases to have a position as an Employee, Consultant, Director or Officer, which, in the case of the Optionee being an Employee, shall be the date of the Optionee's termination of, or resignation from, active employment with the Corporation or its Affiliate, regardless of whether adequate or proper advance notice of termination or resignation shall have been provided in respect of such cessation.

~~8.4~~ 8.5-Majority Agreement. If two or more Persons constitute the Successor or the Guardian of an Optionee, the rights of such Successor or such Guardian shall be exercisable only upon the majority agreement of such Persons.

~~8.5~~ 8.6-Deemed Non-Interruption of Employment. Employment shall be deemed to continue intact during any military or sick leave or other bona fide leave of absence if the period of such leave does not exceed ninety (90) days or, if longer, for so long as the Optionee's right to re-employment with the Corporation is guaranteed either by statute or by contract. If the period of such leave exceeds ninety (90) days and the Optionee's re-employment is not so guaranteed, then his or her employment shall be deemed to have terminated on the ninety-first (91<sup>st</sup>) day of such leave.

## **PART 9 TERMINATION OF OPTIONS**

9.1 Termination of Options. To the extent not earlier exercised or terminated, an Option shall terminate at the earliest of the following dates:

- (a) the termination date specified for such Option in the Option Agreement;
- (b) where the Optionee's position as an Employee, Consultant, Director or Officer is terminated for just cause, the date of such termination for just cause;
- (c) where the Optionee's position as an Employee, Consultant, Director or Officer terminates for a reason other than the Optionee's Disability, death, or termination for just cause, ninety (90) days after such date of termination;
- (d) where the Optionee's position as an Employee, Consultant, Director or Officer terminates as a result of the Optionee's death or Disability, such Options may be exercisable by the Successor or the Guardian, respectively, for a period to be determined by the Administrator at the time of death or Disability, which period shall not be less than three (3) months and not more than six (6) months from the date of death;
- (e) where the Optionee is an Eligible Charitable Organization, ~~the an Option granted by the Corporation to such Eligible Charitable Options~~Organization shall terminate the ninetieth (90<sup>th</sup>) day following the date the Optionee ceases to be an Eligible Charitable Organization;

- (f) the date of any sale, transfer, assignment or hypothecation, or any attempted sale, transfer, assignment or hypothecation, of such Option in violation of Section 8.1 hereof; and
- (g) the date specified in ~~Section 10.5~~Part 10 hereof for ~~such~~ termination in the event of a Terminating Event.

## PART 10 ADJUSTMENTS TO OPTIONS

10.1 Alteration of Capital. In the event of any material change in the outstanding Shares of the Corporation prior to complete exercise of any Option by reason of any stock dividend, split, recapitalization, amalgamation, merger, consolidation, combination or exchange of shares or other similar corporate change, an equitable adjustment shall be made in one or more of the maximum number or kind of Shares issuable under this Plan or subject to outstanding Options, and the ~~Option~~Exercise Price of such ~~shares~~Shares. Any such adjustment shall be made in the sole discretion of the Board, acting on recommendations made by the Administrator, and shall be conclusive and binding for all purposes of this Plan. If the Administrator determines that the nature of a material alteration in the capital structure of the Corporation is such that it is not practical or feasible to make appropriate adjustments to this Plan or to the Options granted hereunder, such event shall be deemed a Terminating Event for the purposes of this Plan.

10.2 No Fractions. No fractional Shares shall be issued upon the exercise of an Option and accordingly, if as a result of any adjustment set out hereof an Optionee would be entitled to a fractional Share, the Optionee shall have the right to purchase only the adjusted number of full Shares and no payment or other adjustment shall be made with respect to the fractional Share so disregarded.

10.3 Terminating Events. Subject to Section 10.4 hereof, all Options granted under this Plan shall terminate upon the occurrence of a Terminating Event.

10.4 Notice of Terminating Event. The Administrator shall give notice to Optionees not less than thirty (30) days prior to the consummation of a Terminating Event. Upon the giving of such notice, all Options granted under this Plan shall become immediately exercisable, notwithstanding any contingent vesting provision to which such Options may have otherwise been subject.

~~10.5 General Offer for Shares. Notwithstanding anything else herein to the contrary, in the event (i) an offer to purchase the Shares shall be made to the holders of the Shares generally, unless the Board determines that such offer will not result in any change in control of the Corporation, or (ii) of a sale of all or substantially all of the assets of the Corporation, or (iii) the sale, pursuant to an agreement with the Corporation, of securities of the Corporation pursuant to which the Corporation is or becomes a subsidiary of another corporation, then unless provision is made by the acquiring corporation for the assumption of each Option or the substitution of a substantially equivalent option therefor, the Corporation shall give written notice thereof to each Optionee holding Options under this Plan and such Optionees shall be entitled to exercise his or its Options to the extent previously unexercised, regardless of whether such Optionee would otherwise be entitled to exercise such Options to such extent at that time, within the 30 day period immediately following the giving of such notice. Any Options not exercised within such 30 day period will immediately terminate and such event shall be deemed to be a Terminating Event.~~

~~10.5~~ 10.6 Determinations to be made by Administrator. Adjustments and determinations under this Part 10 shall be made by the Administrator, whose decisions as to what adjustments or determination shall be made, and the extent thereof, shall be final, binding, and conclusive.

**PART 11**  
**CHANGE OF CONTROL**

11.1 Change of Control. The Corporation shall give written notice of a Change of Control to the Optionees, together with a description of the effect of such Change of Control on outstanding Options, not less than ten (10) business days prior to the closing of the transaction resulting in the Change of Control, subject to any confidentiality obligations to which the Corporation may be subject. Notwithstanding anything else in the Plan or any agreements entered into between the Corporation and each Optionee to whom an Option is granted hereunder to the contrary, the Board may, in connection with a Change of Control and in its sole discretion and without the consent of any Optionee: (i) take such steps as are necessary or desirable to cause the conversion or exchange or replacement of any outstanding Options into or for, rights or other securities of substantially equivalent value (or greater value) and with substantially similar terms, as determined by the Board in its sole discretion, in any entity participating in or resulting from a Change of Control; or (ii) accelerate the vesting of any or all outstanding Options to provide that such outstanding Options shall be fully vested upon (or immediately prior to) the completion of the transaction resulting in the Change of Control.

~~PART 12~~~~Part 11~~  
**TERMINATION AND AMENDMENT OF PLAN**

12.1 ~~11.1~~ Termination of Plan. The Administrator may terminate this Plan at the same time as all Options are terminated upon a Terminating Event pursuant to ~~section~~Section 10.1. The Administrator reserves the right in its absolute discretion to ~~amend~~, suspend, terminate or discontinue the Plan with respect to all Shares reserved under the Plan in respect of Options which have not yet been granted, provided that no such termination shall be effected if do so would affect the rights of then existing Optionees, without the approval of such Optionees.

12.2 ~~11.2~~ Power of Administrator to Amend Plan. The Administrator may amend this Plan so as to: (i) correct typographical errors; (ii) clarify existing provisions of the Plan, which clarifications do not have the effect of altering the scope, nature or intent of such provisions; and (iii) maintain compliance with any Applicable Laws. The Administrator may condition the effectiveness of any such amendment on the receipt of shareholder approval at such time and in such manner as the Administrator may consider necessary for the Corporation to comply with or to avail the Corporation and/or the Optionees of the benefits of any securities, tax, market listing or other administrative or regulatory requirements. No such amendment, suspension or termination shall adversely affect rights under any Options previously granted without the consent of the Optionees to whom such Options were granted.

Notwithstanding the above, the Corporation may grant Options under amendments made to this Plan that it would not otherwise be permitted to grant prior to obtaining requisite shareholder approval, provided that: (i) the Corporation also obtains specific shareholder approval for such grants, separate and apart from shareholders' approval to the amendments, (ii) no Options granted under the amendments are exercised prior to shareholder approval, (iii) shareholder approval is obtained on or before the earlier of the Corporation's next annual general meeting or twelve (12) months from the amendment of the Plan. Should such shareholder approval not be obtained, the amendments will terminate and any Options granted thereunder will terminate.

The Board may do the following, without obtaining shareholder approval:

- (i) ~~i~~ amend the Plan to correct typographical, grammatical or clerical errors;
- (ii) ~~ii~~ change the vesting provisions of an Option granted under the Plan, if applicable;



- (iii) ~~iii.~~ change the termination provision of an Option granted under the Plan if it does not entail an extension beyond the original expiry date of such Option;
- (iv) ~~iv.~~ make such amendments to the Plan as are necessary or desirable to reflect changes to securities laws applicable to the Corporation;
- (v) ~~v.~~ make such amendments as may otherwise be permitted by regulatory authorities;
- (vi) ~~vi.~~ if the Corporation becomes listed or quoted on a stock exchange or stock market senior to the CSE, make such amendments as may be required by the policies of such senior stock exchange or stock market; and
- (vii) ~~vii.~~ amend the Plan to reduce the benefits that may be granted to ~~Service Providers~~ service providers.

12.3 ~~11.3~~ Shareholder Approvals. Any shareholder approval required to amend this Plan may take place at a meeting of the shareholders, or be evidenced by the signature of the majority of the shareholders indicating their approval of a proposal to an amendment thereto.

12.4 ~~11.4~~ No Grant During Suspension of Plan. No Option may be granted during any suspension, or after termination, of this Plan. Amendment, suspension, or termination of this Plan shall not, without the consent of the Optionee, alter or impair any rights or obligations under any Option previously granted.

~~PART 13~~ Part 12  
**CONDITIONS PRECEDENT TO ISSUANCE OF SHARES**

13.1 ~~12.1~~ Compliance with Laws. Shares shall not be issued pursuant to the exercise of any Option unless the exercise of such Option and the issuance and delivery of such Shares comply with all Applicable Laws, and such issuance may be further subject to the approval of counsel for the Corporation with respect to such compliance, including the availability of an exemption from prospectus and registration requirements for the issuance and sale of such Shares. The inability of the Corporation to obtain from any regulatory body the authority deemed by the Corporation to be necessary for the lawful issuance and sale of any Shares under this Plan, or the unavailability of an exemption from prospectus and registration requirements for the issuance and sale of any Shares under this Plan, shall relieve the Corporation of any liability with respect to the non-issuance or sale of such Shares.

13.2 ~~12.2~~ Representations by Optionee. As a condition precedent to the exercise of any Option, the Corporation may require the Optionee to represent and warrant, at the time of exercise, that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Corporation, such representations and warranties are required by any Applicable Laws. If necessary under Applicable Laws, the Administrator may cause a stop-transfer order against such Shares to be placed on the stock books and records of the Corporation, and a legend indicating that the Shares may not be pledged, sold or otherwise transferred unless an opinion of counsel is provided stating that such transfer is not in violation of any Applicable Laws, may be stamped on the certificates representing such Shares in order to assure an exemption from registration. The Administrator also may require such other documentation as may from time to time be necessary to comply with applicable securities laws. **THE CORPORATION HAS NO OBLIGATION TO UNDERTAKE REGISTRATION OF OPTIONS OR THE SHARES ISSUABLE UPON THE EXERCISE OF OPTIONS IN THE UNITED STATES OR ANY OTHER JURISDICTION OUTSIDE OF CANADA.**

~~12.3~~ Tax Withholding. The Optionee shall hold harmless the Corporation and be solely responsible, upon exercise of an Option or, if later, the date that the amount of such obligations becomes determinable, all applicable federal, provincial, local and foreign withholding taxes, determined as a result of and upon exercise of an Option or from a transfer or other disposition of Shares acquired upon exercise of an Option or otherwise related to an Option or Shares acquired in connection with an Option.

13.3 Tax Withholding. The Corporation shall have the power and the right to deduct or withhold, or require a Optionee to remit to the Corporation, the required amount to satisfy federal, provincial, and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of the Plan, including the grant or exercise of Options granted under the Plan. With respect to required withholding, the Corporation shall have the irrevocable right to, and the Optionee consents to, the Corporation setting off any amounts required to be withheld, in whole or in part, against amounts otherwise owing by the Corporation to the Optionee (whether arising pursuant to the Optionee's relationship as a Director, Officer, Employee, Consultant or Eligible Charitable Organization or as a result of the Optionee providing services on an ongoing basis to the Corporation or otherwise), or may make such other arrangements satisfactory to the Optionee and the Corporation. In addition, the Corporation may elect, in its sole discretion, to satisfy the withholding requirement, in whole or in part, by withholding such number of Shares as it determines are required to be sold by the Corporation, as trustee, to satisfy the withholding obligation net of selling costs. The Optionee consents to such sale and grants to the Corporation an irrevocable power of attorney to effect the sale of such Shares and acknowledges and agrees that the Corporation does not accept responsibility for the price obtained on the sale of such Shares.

#### ~~PART 14~~Part 13 NOTICES

14.1 ~~13.1~~ Notices. All notices, requests, demands and other communications required or permitted to be given under this Plan and the Options granted under this Plan shall be in writing and may be served in any one of the following ways: (i) personally on the party to whom notice is to be given, in which case notice shall be deemed to have been duly given on the date of such service; (ii) facsimile transmission or by electronic mail, in which case notice shall be deemed to have been duly given on the date the fax or email is sent; or (iii) mailed to the party to whom notice is to be given, by first class mail, registered or certified, return receipt requested, postage prepaid, and addressed to the party at his or its most recent known address, in which case such notice shall be deemed to have been duly given on the fifth postal delivery day following the date of such mailing.

#### ~~PART 15~~Part 14 MISCELLANEOUS PROVISIONS

15.1 ~~14.1~~ No Obligation to Exercise. Optionees shall be under no obligation to exercise Options granted under this Plan.

15.2 ~~14.2~~ No Obligation to Retain Optionee. Nothing contained in this Plan shall obligate the Corporation to retain an Optionee as a Director, Officer, Employee or Consultant for any period, nor shall this Plan interfere in any way with the right of the Corporation to change the terms or conditions of the Optionee's employment or engagement with the Corporation, including the Optionee's compensation.

15.3 Optionee's Rights. An Optionee shall not have any rights as a shareholder of the Corporation until the issuance of a certificate for Shares upon the exercise of an Option or a portion thereof, and then only with respect to the Shares represented by such certificate or certificates.

15.4 Shares Duly Issued. Shares issued upon the exercise of an Option granted hereunder will be validly issued and allotted as fully paid and non-assessable upon receipt by the Corporation of the Exercise Price therefore in accordance with the terms of the Option, and the issuance of Shares thereunder will not require a resolution or approval of the Board.

15.5 Options to Companies. The provisions herein in respect of the grant of Options shall apply, with appropriate modifications, to the grant of Options to a company either: (i) wholly-owned by any person whom Options may otherwise be granted hereunder; or (ii) controlled by any person to whom Options may otherwise be granted hereunder (and the shares of which are held directly or indirectly by any such person and such person's spouse, minor children and/or minor grandchildren), subject to any requirements of any applicable regulatory authority having jurisdiction, including any Exchange.

15.6 Independent Advice. Optionees are encouraged to seek tax advice in respect of the grant and exercise of Options and the issuance of the resulting Shares.

15.7 No Guarantees Regarding Tax Treatment. Optionees (or their beneficiaries) shall be responsible for all taxes with respect to any Options under the Plan, whether arising as a result of the grant or exercise of Options or otherwise. The Board and the Corporation make no guarantees to any person regarding the tax treatment of Options or payments made under the Plan and none of the Corporation, nor any of its employees or representatives shall have any liability to an Optionee with respect thereto.

15.8 ~~14.3~~ Binding Agreement. The provisions of this Plan and each Option Agreement with an Optionee shall be binding upon such Optionee and the Successor or Guardian of such Optionee.

15.9 ~~14.4~~ Governing Law. The laws of the Province of British Columbia shall apply to this Plan and all rights and obligations hereunder shall be determined in accordance with such laws.

15.10 ~~14.5~~ Use of Terms. Where the context so requires, references herein to the singular shall include the plural, and vice versa, and references to a particular gender shall include either or both genders.

**SCHEDULE "A"**

**OPTION AGREEMENT**

**LUXXFOLIO HOLDINGS INC.**

*The Option granted herein is not assignable or transferable by the Optionee.*

This Option Agreement is entered into between Luxxfolio Holdings Inc. ("the Company<sup>22</sup>") and the Optionee named below pursuant to the Company's Stock Option Plan (the "Plan<sup>22</sup>"), a copy of which is attached hereto, and confirms that:

1. ~~1.~~ on \_\_\_\_\_, \_\_\_\_\_ (the "Grant Date<sup>22</sup>");
2. ~~2.~~ \_\_\_\_\_ (the "Optionee<sup>22</sup>");
3. ~~3.~~ was granted the option (the "Option<sup>22</sup>") to purchase \_\_\_\_\_ Common Shares (the "Option Shares<sup>22</sup>") of the Company;
4. ~~4.~~ at the price (the "~~Option~~Exercise Price<sup>22</sup>") of \$ \_\_\_\_\_ per Option Share;
5. ~~5.~~ which shall / shall not (select) be exercisable ("Vested<sup>22</sup>") in accordance with Section 6.6 of the Plan (applicable if the Optionee is a person who performs Investor Relations Activities for the Company);
6. ~~6.~~ shall expire on \_\_\_\_\_, 20\_\_\_\_ (the "Expiry Date<sup>22</sup>"); and
7. ~~7.~~ [insert other terms or conditions],

all on the terms and subject to the conditions set out in the Plan.

By receiving and accepting the Options, the Optionee:

- (a) ~~(a)~~ confirms that he has read and understands the Plan and agrees to the terms and conditions of the Plan and this Option Certificate;
- (b) ~~(b)~~ consents to the disclosure to the Canadian Securities Exchange and all other regulatory authorities of all personal information of the undersigned obtained by the Company; and
- (c) ~~(c)~~ consents to the collection, use and disclosure of such personal information by the Canadian Securities Exchange and all other regulatory authorities in accordance with their requirements, including the provision to third party service providers, from time to time.

Issued as of the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

**LUXXFOLIO HOLDINGS INC.** \_\_\_\_\_ **[NAME OF OPTIONEE]**  
By its authorized signatory: \_\_\_\_\_

---

---

LUXXFOLIO HOLDINGS INC.

By its authorized signatory:

[NAME OF OPTIONEE]

---



**SCHEDULE "B"**

**Stock Option Plan**

**Exercise Notice**

TO: LUXXFOLIO HOLDINGS INC.

Re: Exercise of Options

The undersigned hereby irrevocably gives notice, pursuant to the stock option plan (the "Plan<sup>22"</sup>) of Luxxfolio Holdings Inc. (the "Corporation<sup>22"</sup>), of the exercise of the Option to acquire and hereby subscribes for (cross out inapplicable item):

- (i)     ~~(i)~~ all of the Option Shares; or
- (ii)    ~~(ii)~~ certain of the Option Shares which are the subject of the option certificate attached hereto.

Calculation of total Exercise Price:

- (iii)   ~~(i)~~ number of Shares to be acquired on exercise:    \_\_\_\_\_ Option Shares
  - (iv)    ~~(ii)~~ times the Exercise Price per Option Share:    \$\_\_\_\_\_
- Total Exercise Price, as enclosed herewith:        \$\_\_\_\_\_

The undersigned tenders herewith a cheque or bank draft for the Total Exercise Price, payable to the Corporation, and directs the Corporation to issue the share certificate evidencing the Option Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

All capitalized terms, unless otherwise defined in this exercise notice, will have the meaning provided in this Plan.

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Signature of Option Holder

\_\_\_\_\_  
Name of Option Holder (Print)

\_\_\_\_\_

Signature of Option Holder

Name of Option Holder (Print)